



MEMORANDUM

March 21, 2006

TO: Mayor and Council

COPY TO: J. Rogers, City Manager  
S. Baxter, City Clerk  
J. Forbes-Roberts, General Manager, Community Services  
L. Beasley, Director of Current Planning  
B. Maitland, Director of Real Estate Services  
F. Connell, Director of Legal Services

FROM: M. Flanigan, Manager, Real Estate Services  
P. Mondor, Senior Rezoning Planner

SUBJECT: Woodward's CD-1 Rezoning

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On the afternoon of February 28, 2006, when referral report for this proposed rezoning was at regular meeting of Council, some members of Council raised questions pertaining to the Woodward's Project. Before and at the meeting, staff were asked about how much increase in project density was being proposed and how the Project has changed in the Project design since it was presented to Council in September, 2005. Additionally, staff have been asked to update Council on the Project Budget and comment on whether or not the City and Developer are still within budget.

In answer to these questions, this memo compares the September, 2005 proposal with the development (DE) application which was submitted in December, 2005 and approved by the Development Permit Board on February 27, 2006. Before describing these recent changes to the gross buildable floor areas for each Project Component and overall site FSR, a Background section summarizes the major change in project footprint and project size which were approved in September, 2005 and implemented in the February 28 Public Hearing decision of Council amending the Downtown Official Development Plan (DODP).

### Background

In September, 2004, City Council selected the developer for the City-owned original Woodward's Site at 101 West Hastings Street, with instructions to staff to revise the project design. While this design work was still underway, on April 12, 2005 Council approved a rezoning of the site from Downtown District (DD) sub-area 'C' to a new DD sub-area 'C1', and with an amendment to increase the maximum floor space ratio (FSR) from 5.0 to 8.2.

On September 13, 2005, City Council approved the recommendations of the report entitled "Woodward's - 101 West Hastings Street : Design Development Update", dated September 6, 2005, in which the Woodward's Steering Committee recommended changes in project design and funding, a proposed increase in project footprint and inclusion of abutting City lanes in the project footprint. Many factors were identified which influenced the design development and expanded footprint and size of the Woodward's Project:

- the heritage philosophy evolved to include not only physical attributes of the original Woodward's store, but also the cultural and sentimental memories this important city icon has evoked in its residents;
- the number of non-market housing units was increased from 100 to 200, with ongoing negotiation to possibly increase this number to 236 units;
- the amount of market housing was increased to assist in making the project financially viable;
- the programme development for Simon Fraser University's School for Contemporary Arts was refined;
- the public open space and plaza areas were enlarged;
- the retail layout was revised;
- commitment to social, economic and environmental sustainability was clarified to meet LEED Silver certification requirements;
- previously unknown contaminated soils and asbestos problems were identified; and
- construction costs increased.

Consistent with the foregoing, at Public Hearing of February 28, 2006, Council approved DODP amendments to enlarge the DD 'C1' sub-area, and to increase its maximum FSR from 8.2 to 9.0. The additional properties (including net lane changes), having maximum FSR of 5.0, added density of 141,110 sq. ft. The density increase from 5.0 to 9.0 on these lands added a further 112,888 sq. ft. The increase in density from 8.2 to 9.0 on the original Woodward's site added 64,150 sq. ft. The combined, total increase in density was 318,418 sq. ft., to accommodate a total project size of about 976,000 sq. ft. (Note: These floor area figures are 'net', as calculated under Zoning and Development By-law provisions for purposes of floor space ratio computation.)

The rezoning application to be considered at the Public Hearing of March 21, 2006, to rezone the site from DD to CD-1, will not increase the maximum FSR on the site. The FSR which will be added in the CD-1 By-law will be for the sole purpose of vesting an amenity bonus of 179,000 sq. ft. which will be available for off-site transfer only.

#### Project Floor Area

The staff report presented to Council in September, 2005 summarized the Project statistics as of that date and compared it to the original RFP submission accepted by the City in September 2004. (Note: All figures were 'gross' prior to removal of floor area which is excluded by the Zoning and Development By-law from floor space ratio calculation.) The following is an extract from that Report and the staff presentation outlining the revised Program as at September 13, 2005:

Revised Program, September, 2005

Program Breakdown	Gross Area Sq. Ft. +/-
City Parcel for Non-Profit Community Space	31,500
125 Single Non-Market Housing	75,081
75 Family Non-Market Housing	97,234
SFU - School for Contemporary Arts	120,000
37 Space Child Development Centre	TBD
Retail Space	54,000
+/- 500 Market Housing Units	465,534
General Office Space	40,064
Potential Federal/City Department Office Space	19,265
Indoor Atrium and Garden Area	10,215
Pedestrian Bridge to Cordova Parkade	1,539
Outdoor Public Open Space	23,110
Underground Parking and Loading Area	149,063
Roof Gardens	50,000
<b>Total Gross Buildable Area</b>	<b>1,136,605</b>

The Development Permit (DE) submission of December 5, 2005 very closely resembles the program presented to Council on September 13, 2005. These more recent statistics are as follows: (Note: The statistics for the

project approved by the Development Permit Board on February 27, 2006 will differ slightly in view of FSR exemptions, as noted above.)

**DE Program, December, 2005**

Program Breakdown	Gross Area Sq. Ft. +/-
City Parcel for Non-Profit Community Space	31,500
125 Single Non-Market Housing	73,369
75 Family Non-Market Housing	97,905
SFU - School for Contemporary Arts	120,000
37 Space Child Development Centre	4,000
Retail Space	54,000
+/- 500 Market Housing Units	504,251
Potential Federal/City Department Office Space	35,500
Indoor Atrium and Garden Area	12,093
Pedestrian Bridge to Cordova Parkade	1,539
Outdoor Public Open Space	27,642
Underground Parking and Loading Area	149,063
Roof Gardens	50,000
<b>Total Gross Buildable Area:</b>	<b>1,160,862</b>

The Project FSR (floor space ratio) which in September 2005 was approximately 8.50, was increased to 8.63, in the DE application. This change was to add about 25,000 gross buildable square feet to the building program.

The principal significant change to the September 2005 program pertains to the conversion of one of the commercial office floors (24,870 sq. ft.) into extra residential area (about 38,700 sq. ft.) in the Cordova/Abbott Tower. This was done to improve the overall project economics and to mitigate risk attributable to the commercial office market in the DTES. Total floor area was thereby increased by 13,847 sq. ft., or 1.5 percent.

Second, total amenity space (not counted in FSR) was increased by 10,410 sq. ft., or 12.3 percent, as follows:

- Childcare space which had yet to be determined was confirmed at approximately 4,000 sq. ft.;
- Atrium space was increased by 1,878 sq. ft. from 10,215 sq. ft. to 12,093 sq. ft.; and
- Open space was increased by 4,532 sq. ft., from 23,110 to 27,642 sq. ft.

The density increase from 8.2 to 9.0 which was approved at the Public Hearing of February 28, 2006 accommodated these small changes to the total project size and, as described in the staff report, it also provided an additional 30,000 sq. ft. to accommodate potential future expansion of SFU and a further very small amount to provide for flexibility in the adjustments which inevitably occur as the project moves towards DE permit issuance and then building (BU) permit.

## Project Budget

As of September 2005, the Woodward's Project Budget totaled approximately \$280,000,000 which was made up of the following Project component costs:

Market Housing:	159,715,386
Non-Market Housing:	\$41,962,530
Simon Fraser University (shell):	\$29,213,629
Retail:	\$18,138,188
Office (3 floors):	\$19,737,266
City "Non Profit" Parcel:	\$9,355,223
Childcare Centre:	\$1,600,754
Total September 2005 Budget:	\$279,722,975
Round to:	\$280,000,000

As of February 28<sup>th</sup>, 2006, the Woodward's Project Budget now totals approximately \$294,000,000, with the following revised Project component costs:

Market Housing:	\$181,609,624
Non-Market Housing:	\$42,568,783
Simon Fraser University (shell):	\$26,998,673
Retail:	\$17,728,392
Office (2 floors):	\$11,112,025
City "Non Profit" Parcel:	\$12,217,703
Childcare Centre:	\$1,590,920
Total September 2005 Budget:	\$293,789,210
Round to:	\$294,000,000

The budget has increased by approximately \$14,000,000 and mostly represents construction cost escalation attributable to additional voluntary costs incurred by the Developer to build additional market housing units in the Abbott/Cordova Tower. This cost increase is more than offset by the corresponding market residential sales revenue and does not adversely affect the Project proforma.

The City is confident that the total revised Project cost estimates as prepared by Helyar Associates and BTY Cost Consultants are in line with the existing Project budgets as approved by Council in September 2005. BC Housing has also reviewed the latest Quantity Surveyor (QS) construction costs for the Non-Market Housing components (for both the Singles and Family Housing) and are comfortable that these project components can be delivered within the approved budget of \$48,000,000. City staff have also refined the design for the Childcare Centre and are currently within the approved budget of \$1,660,000, but staff note that the final design of the Childcare Centre has not yet been completed or signed off.

We hope this information is helpful. We will be available at the Public Hearing to answer any further questions on these matters as might arise at the Hearing.

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