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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 10, 2006
Author: Brian Sears
Phone No.: 604.873.7433
RTS No.: 6311
VanRIMS No.: 03-1200-11
Meeting Date: October 17, 2006

TO: Vancouver City Council
FROM: Director of Real Estate Services
SUBJECT: 2400 Kingsway - Award of Consulting Contracts and Future Budget

RECOMMENDATION

- A. THAT the Director of Real Estate Services be authorized to spend up to \$300,000 to hire a team of consultants to examine the redevelopment options for the City owned property located at 2400 Kingsway. Source of funds to be the Property Endowment Fund.
- B. THAT the first major contract to be funded from this budget, a contract for a planning study for the 2400 Motel, be awarded to Corriolis Consulting Corp. working in association with Hotson Bakker Boniface Haden Architects and Urbanistes to a maximum amount of \$74,000 including GST and disbursements.

GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

In October 1989, Council approved the purchase of the 2400 Motel and on February 19, 1991, Council authorized the purchase of 2441 East 33rd Avenue.

The Renfrew-Collingwood (R-C) Community Vision, approved by City Council in 2004.

The Norquay Village Neighbourhood Centre Program was approved in 2005.

Contracts are to be awarded on the basis of best value for the City.

PURPOSE

The purpose of this report is to request Council's approval for the Director of Real Estate Services to hire a team of consultants to examine the redevelopment options for the City owned property located at 2400 Kingsway taking into account the Norquay Village planning initiative and the heritage issues and report back to Council. Furthermore the report seeks approval to award the major contract for the planning work relating to reviewing community and heritage issues around the site and determining the development potential of the 2400 Motel.

BACKGROUND

The 2400 Motel comprises 65 units and is located on a large site of approximately 1.24 ha (3.07 ac). The site fronts on Kingsway, 33rd Avenue and 30th Avenue. (Refer to Appendix A for a map of the 2400 Motel site). The City of Vancouver purchased the 2400 Motel in October 1989 and an adjacent residential property in 1991 for a total acquisition cost to \$5,554,900. The property was purchased for investment and holding for the medium term. The motel was closed when the City took over the property, however it was reopened in November 1989 under the supervision of Morrison Consulting Services, who manage the motel business/operation for the City.

Many new hotels have been built in Vancouver, Burnaby and Richmond since the City purchased the motel and this has increased pressure on rates and occupancy at the 2400 Motel. The underlying value of the land has increased and the potential return on the investment with the existing motel operation is marginal. Over the years the City has been approached by various developers and organisations seeking to purchase the property for redevelopment, but it was judged better for the City to retain ownership of the property as the area around the property transitioned and the Renfrew-Collingwood Community Vision was developed.

The frontage facing Kingway is zoned RT2 and the frontages on 30th and 33rd Avenues are zoned RS I. The majority of the surrounding properties with frontage onto Kingsway have a C2 zoning and most new developments in the area provide retail/commercial on the ground floor and residential multi family above.

The Renfrew-Collingwood (R-C) Community Vision identified The Norquay Village area as a Neighbourhood Centre (Appendix B) and identified the 2400 Motel as an important site for the Norquay Village Neighbourhood Centre. The Vision supports future commercial and residential uses for the 2400 Motel site and calls for significant public consultation in considering changes. Work on The Norquay Village Neighbourhood Centre Program planning process is now underway and is to include a special planning and consultation process to examine the potential for change at the 2400 Motel site. Staff expect that the results of the 2400 Motel site study and the Norquay Village planning process will be reported to Council in the spring of 2007.

DISCUSSION

The purpose of this report is to request Council's approval for the Director of Real Estate Services to hire a team of consultants to examine the redevelopment options for the City

owned property located at 2400 Kingsway as a component of the Norquay Village planning initiative, taking into account heritage issues, and report back to Council.

The proposed budget will be used to fund the following work:

The Director of Real Estate Services has hired a heritage consultant to prepare a Statement of Significance (SOS) and assist in the planning process. Three different heritage consultants were requested to prepare proposals and the contract was awarded to Mr. James Burton of Birmingham and Wood. The fee for the preparation of the SOS will be up to \$3,450 inclusive of disbursements and GST and their fees for subsequent work surrounding the planning process will be \$70 per hour inclusive of GST.

The Report seeks approval to award a major contract for the planning work relating to the review of community and heritage issues around the site and determining the development potential of the 2400 Motel. A Request For Proposals was issued with a closing date of September 8th, 2006 and 5 companies submitted proposals: The Iredale Group, Chernoff Thompson Architects, Walter Francl Architect Inc and two groups of consultants, one led by Phillips Farevaag Smallemberg and the other led by Coriolis Consulting Corp. A staff team made up of 2 representatives of the Planning department, a Heritage Planner and a member of Real Estate Services reviewed the proposals and selected the latter two groups for interviews. Following the interviews, on the basis of best value it is recommended the contract be awarded to the team led by Coriolis Consulting Corp. They will be assisted by Hotson Bakker Boniface Haden Architects and Urbanistes, their proposed total fee for the assignment is \$74,000 including disbursements and GST. This team was considered to best meet all the requirements of the RFP documents. The contract value is within the amount budgeted for this portion of the project. All interested parties have been advised of this recommendation.

Other work currently anticipated to be undertaken with the budget will comprise a Preliminary Geotechnical Study (estimated cost \$15,000 to \$20,000 including GST and Disbursements), a Phase 1 and possibly Phase 2 Environmental Study, advertising and miscellaneous expenses relating to meetings, etc. The balance of the budget is requested to enable the The Director of Real Estate Services to hire additional consultants, should the need arise, in a timely manner.

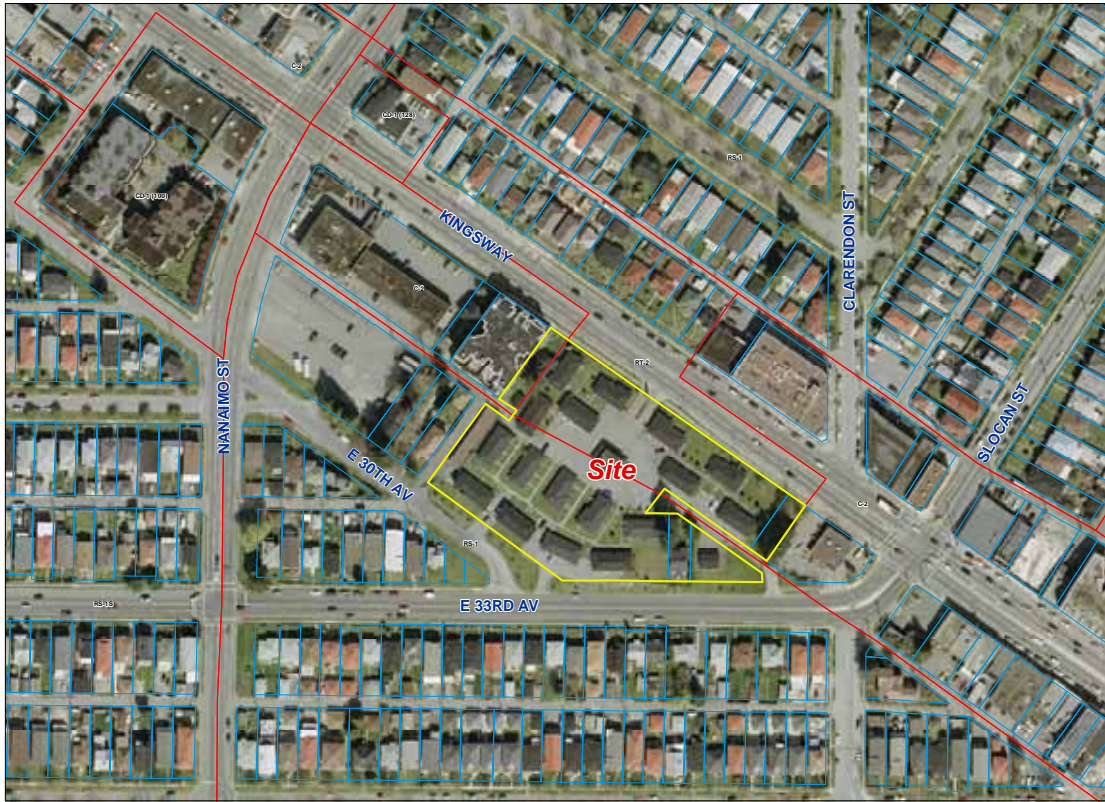
FINANCIAL IMPLICATIONS

Funding for this project - a budget of \$300,000 should come from the PEF under Capital Order Number 30009423.

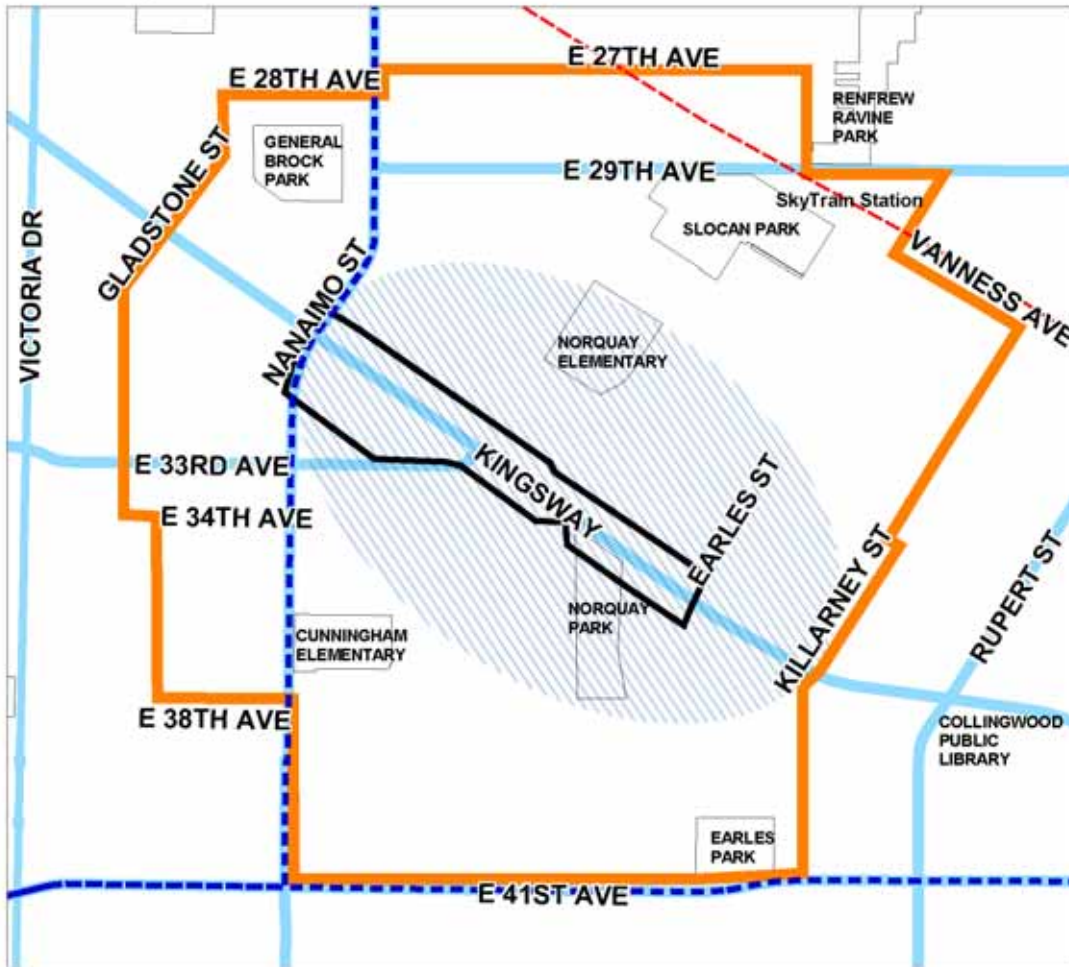
CONCLUSION







It is recommended that Council authorize the Director of Real Estate Services to set aside a budget of \$300,000 and appoint Coriolis Consulting Corp for the primary contract to examine the redevelopment options for the City owned property located at 2400 Kingsway with a report back to Council in the spring of 2007.

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NORQUAY VILLAGE - NEIGHBOURHOOD CENTRES PROGRAM - 2006



-  RC Vision: Potential for new housing choices
-  RC Vision: Shopping Area
-  Study Area
-  Major Arterials
-  Skytrain
-  Vision Area Boundary