



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: October 2, 2006
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TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Completion of Convention Centre Off-Site Servicing

RECOMMENDATION

- A. THAT, for the purposes of the Coal Harbour Phase 2 Services Agreement, Council affirms the requirement for, and the desire to proceed with, the following infrastructure improvements as part of the completion of the Phase 2 neighbourhood:
- i. Pender Street improvements in the 1000 and 1100 Blocks including 4 left turn bays and improved pedestrian and cycling facilities; and
 - ii. Hasting Street widening of the 1000 and 1100 Blocks,
- as generally set forth in this report, and requires that staff report back to Council with detailed design and costs estimates prior to seeking approval for allocation of City funds or to construct work.
- B. THAT, the Director of Legal Services be authorized to enter into any necessary agreements and/or modifications of existing agreements on the terms and conditions acceptable to the Director of Legal Services and the General Manager of Engineering Services in order to:
- i. relieve the Vancouver Convention Centre Expansion Project (VCCEP) from the obligation of contributing toward the following off-site works, in return

for VCCEP completing a high level of public realm finishing, as desired by the City through the development approval process:

- (a) Pender Street improvements in the 1000 and 1100 Blocks including 4 left turn bays and improved pedestrian and cycling facilities;
 - (b) Hastings Street widening of the 1000 and 1100 Blocks; and
 - (c) Pedestrian signal at Cordova Street and the alignment of Hornby Street, if required by the City Engineer;
- ii. provide that the City shall assume those same obligations as described in Recommendation B (i) above; and,
 - iii. forgive VCCEP from responsibility for lost metre revenue fees associated with the Temporary Special Zone Permit required for the Burrard Viaduct overlay works.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services supports RECOMMENDATIONS A and B.

CITY MANAGER'S COMMENTS

The Vancouver Convention Centre Expansion Project (VCCEP) is a publicly funded development that is facing the challenges of delivering a high quality product in the face of fixed funding and rising construction costs. The City Manager believes completion of the off-site works is important but so is the completion of the highest quality public realm around the convention centre.

The City Manager believes it is appropriate for the City to enter into new agreements and /or amend previous agreements to assume some of the obligations for street works in exchange for VCCEP delivering the desired public realm and therefore supports RECOMMENDATIONS A and B.

COUNCIL POLICY

In July 2002 Council approved the Downtown Transportation Plan to improve downtown accessibility and liveability by creating a balanced transportation system and in which Pender Street was identified as a bike route.

PURPOSE

The purpose of this report is to seek Council affirmation of the requirement for, and desire to proceed with, the Pender Street improvements and the Hastings Street widening, as generally described within this report, so that the obligation for the developer's contribution toward construction of these off-site improvements is triggered, as per the Coal Harbour Phase 2 Services Agreement. VCCEP Ltd. and FHR Properties Inc. currently share the obligation to fund the developer's portion of these off-site improvements while the City is responsible for the balance of the costs. In addition to the improvements required pursuant to the Services Agreements,

there are off-site improvements required as part of the approval process for the VCCEP development permit. Recommendation B puts forward for Council's consideration a method whereby the City can, by entering into new agreements and/or amending existing agreements, assume responsibility for some of VCCEP's off-site obligations and in return VCCEP will construct the public realm around their development site with the quality finishings as desired by the City's development permit review process.

BACKGROUND

At the time of the rezoning of Coal Harbour Phase 2 in 1995, a Services Agreement was registered on the title of each of the development sites. The agreement lists the obligations for off-site improvements and establishes the trigger for each obligation. All of the off-site improvements identified in the Services Agreement have now been implemented, except two; the Pender Street left turn bays and the Hastings Street widening. Since it was not known in 1995 if these off-site improvements would be required by the time the neighbourhood was nearing completion, Council must establish the requirement for the Pender Street left turn bays and must agree to proceed with the Hastings Street widening in order to trigger the developer's obligation to contribute funds for their portions of the improvement costs. Currently VCCEP Ltd. and FHR Properties Inc. equally share the obligation to fund the developer's portion of the off-site improvements.

With regard to both the Pender and Hastings Street improvements, staff have now assessed the need for the improvements and have completed preliminary geometric designs and cost estimates for each of these items in order to establish the approximate cost for the developer's share. Should Council support Recommendation A to proceed toward implementation, staff will: complete detailed designs; undertake public consultation; finalize costs estimates; confirm availability of construction crews for scheduling purposes; and, report back to Council for authority to allocate funds for the City's share of the work and to proceed with implementation.

VCCEP represents an investment of \$615 million through a funding partnership involving the Province of British Columbia, the Government of Canada and Tourism Vancouver. When completed, convention centre space in Vancouver will have tripled, and the site will serve as the broadcast centre for the 2010 Olympic and Paralympic Winter Games. VCCEP estimates this project will generate 6,700 construction related jobs and 7,500 permanent jobs once the facility opens. The building itself will be the City's largest, with over 1.1 million square feet of floor space.

The development of the expanded convention centre will also deliver numerous public amenities including: a continuation of the Coal Harbour walkway/bikeway around the north perimeter of the site terminating at the north foot of Burrard Street; a large public plaza extending north from Thurlow Street and west to a grand stair transitioning down to Harbour Green Park and connecting to the Coal Harbour seawall; completion of Harbour Green Park; and a future marina and floatplane terminal. Many of these amenities and features are enhancements to the VCCEP proposal and arise out of the City development permit approval process.

DISCUSSION

The Coal Harbour Phase 2 Services Agreement contains a list of off-site improvements to be provided for by the developer. All have now been implemented, except two: the Pender Street

left turn bays and the Hastings Street widening. In order to trigger the developer's obligation to contribute to the construction of these final two improvements, Council must affirm the requirement for, and the desire to proceed with, these improvements.

This report will now provide a brief overview of the preliminary designs and rationale of why staff recommend that Council affirm the requirement for, and the desire to proceed with, these improvements.

Pender Street Improvements

The preliminary design for the Pender Street improvements includes:

- Removing one eastbound lane during the peak hour rush while maintaining adequate capacity at the intersections;
- Creating left turn bays at Thurlow and Bute to facilitate safe turning movements and to reduce shortcutting through the western portions of Coal Harbour neighbourhood by providing easier turning movements closer to most trip destinations;
- Creating an eastbound bike lane to compliment the Council approved and constructed Dunsmuir westbound lane;
- Creating full time parking on the south side of Pender to support the retail uses at grade and to provide for an improved sidewalk experience by separating the pedestrians from the moving vehicle lane; and
- Creating landscaped medians in the tapers for the left turn bays to enhance the street aesthetic, reduce the heatsink effect and reduce the impervious area of the street.

The Pender Street improvements as described above are required to implement Council policy, as created in the approval of the Downtown Transportation Plan in July 2002, of improving the downtown cycling network including the Pender Street bike route. Further, in April 2006, Council approved the implementation of a westbound bike lane on Dunsmuir recognizing that Pender Street could provide the eastbound couplet. Staff believe this preliminary design successfully introduces a bike lane to these blocks of Pender Street while improving the pedestrian realm condition, creating full time parking to support retail uses and maintaining sufficient capacity at the intersections, with a minimal requirement for land rights acquisition. The requirement for land rights acquisition isn't a desire to widened Pender Street per se but rather a desire to secure public access over portions of sidewalk that currently exists on private land. These areas are all within Council established Pender Street Building Line which was created for this purpose.

If Recommendation A (i) is approved by Council, the developer's obligation to contribute their share for the improvements will be triggered. Staff will then undertake detailed design work and public consultation prior to reporting back to Council to seek approval to commence work and allocate funds. The City Engineer has deemed this a moderately high priority project, behind such items as Canada Line and Olympic related street works, and as such it is likely that construction will not occur prior to 2010. Because the developer does not control our crew availability and other municipal priorities, staff will require the cost sharing contribution to be a fixed amount based on today's construction costs and will not, as we typically do, require the cost sharing on the actual construction costs.

Hasting Street Widening

Lane widths in the 1000 and 1100 Blocks of Hastings Street are extremely narrow. The street in its current configuration has limited functionality particularly for bus and truck access to the

adjacent hotels. These two blocks have a much higher than typical accident rate due to the narrow lanes. Staff have drafted a preliminary geometric that involves relocating the south curb to provide enough road width for more suitable lane widths while not compromising the pedestrian space.

Council approval of Recommendation A (ii) will trigger the developer's obligation to contribute to the Hastings Street widening as per the Services Agreement. ICBC funding is also being sought for these improvements. The City Engineer has deemed this a high priority project and has already scheduled crews to undertake the work in 2008 and as such the developer will be expected to contribute their share of the actual construction costs.

City Contributions to VCCEP Public Realm Through Relief of Off-Site Obligations

The City wishes to see exceptional public spaces on and around the VCCEP site and recognizes that VCCEP is challenged to deliver the current scope of work with the high level of finishes for the public realm the City desires. Staff have been looking for opportunities where the City could assist VCCEP in delivering the public realm desired by the City that not only made sense from a construction perspective but also had the least impact on City budgets. Identified below, and put forward in Recommendation B, are four areas where the City could contribute, as well as some discussion on why staff chose these items.

Recommendation B (i) (a) Pender Street Improvements

Staff believe the Pender Street improvements to be an appropriate opportunity for the City to assume VCCEP's obligation as the construction is likely five or more years away. Since the cost estimate includes the cost to acquire some property rights, and these areas all occur within the Council approved Pender Street Building Line, the five year period would provide staff more time to acquire these rights. Any property rights achieved at no cost, through development approvals, would reduce the total cost for the improvements and possibly offset the cost to the City of assuming VCCEP's obligation.

Recommendation B (i) (b) Hastings Street Widening

Staff believe the Hastings Street widening to be an appropriate opportunity for the City to assume VCCEP's obligation as the City will be undertaking the construction and since any forthcoming funding from ICBC would reduce the capital costs to the City and could possibly offset the cost to the City assuming VCCEP's obligation.

Recommendation B (i) (c) Pedestrian Signal at Cordova and the Alignment of Hornby Street

The need for a new pedestrian signal at Cordova and the alignment of Hornby was identified in VCCEP's consultant's Traffic Impact Study to better cluster the pedestrians so that vehicle capacity could increase, particularly to better serve the 98 B-Line transit service. As this is contrary to existing Council policy of putting priority on pedestrians ahead of vehicles, staff are still reviewing the necessity for this signal. If deemed necessary by the City Engineer, staff will report back through the annual Traffic Signal Program report.

Staff believe this is another appropriate opportunity for the City to assume VCCEP's obligations as the timing and certainty of the signal has not been finalized.

Recommendation B (iii) Lost Meter Revenue Fees

The fourth suggestion being brought forward to Council for consideration is to waive the fees associated with lost meter revenue as part of the Temporary Special Zone Permit (TSZ) issued to VCCEP to conduct work on the City owned Burrard Viaduct. The Vancouver Street and Traffic By-Law (2849) section 30.7(b)(ii) states that an applicant seeking a TSZ shall pay the equivalent of 8

hours at the parking meter rate for each meter that is not available for the public due to the special zone. This generated a \$45,850 fee on the permit.

Staff consider this to be an appropriate suggestion because if City crews had been performing the work this fee would not apply. While staff are suggesting that Council could waive this fee, staff are not suggesting that VCCEP also be forgiven the actual costs for installation of the signs and hooding of the meters as required to implement the TSZ as this would also be applied to City project costs.

Council's approval of Recommendations A, to finalize the list of obligations for all of the Coal Harbour developers including VCCEP, and approval of Recommendation B to then relieve VCCEP of some of their off-site obligations would reduce VCCEP's costs by approximately \$1,287,500 which could then be directed to delivering the quality public realm desired by the City through the development permit approval process.

FINANCIAL IMPLICATIONS

Recommendation A does not have any financial implications above and beyond what is required by the Services Agreement with respect to the City's portion for funding of the improvements as approval of this recommendation does not alter the existing Services Agreements.

If Council approves Recommendation B(i) (a, b and c), and B (ii), the City may incur additional costs of approximately \$1,241,500 spread out over the next 2 to 6 years to complete the required infrastructure improvements. These funds would need to be identified from current or future capital plans to supplement the funding already earmarked for these projects.

If Council supports Recommendation B (iii) the City will not incur additional costs however will lose \$45,850 of revenue that flows to the City's General Revenue Fund. This revenue would never have been realized if City forces had performed the work.

CONCLUSION

Council's support of Recommendation A will clarify the required contributions from the developers of the Coal Harbour Phase 2 development sites. Council's approval of Recommendation B will allow the City to assume some of VCCEP's obligations in return for VCCEP completing quality finishes in the public open spaces, as desired by the City through the development permit approval process, that will create a benefit for the citizens of Vancouver for the years to come.

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