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CITY OF VANCOUVER

POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: November 28, 2006

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RTS No.: 06351 VanRIMS No.: 11-3600-03

Meeting Date: December 12, 2006

TO: Vancouver City Council

FROM: Director of Planning

SUBJECT: CD-1 Text Amendment: 4028 Knight Street (formerly 1402-1436 Kingsway

and 4050 Knight)

RECOMMENDATION

THAT the application by Interform Investments Inc. to amend Comprehensive Development District (CD-1) By-law No. 8880 (reference No. 420) for 4028 Knight Street (Lot 1, Blk 1 & 3, DCL 352, Plan BCP11581) to increase maximum building height and maximum floor space ratio, be referred to a Public Hearing, together with:

- (i) plans received September 6, 2006;
- (ii) draft CD-1 By-law amendments, generally as contained in Appendix A; and
- (iii) the recommendation of the Director of Planning to approve the application, subject to conditions contained in Appendix B.

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary amending by-law generally in accordance with Appendix A for consideration at the Public Hearing.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

Relevant Council policies for this site include:

- Kensington Cedar Cottage (KCC) Community Vision, adopted by Council in July 1998, which calls for a wide range of improvements for the Kingsway and Knight shopping area, including provision of a large grocery store or supermarket;
- Kingsway and Knight Neighbourhood Centre shopping area and housing area plans, adopted by Council in July 2004, which implement the Kingsway and Knight Neighbourhood Centre as the first pilot project of the Neighbourhood Centres Program;
- Financing Growth (Community Amenity Agreement), adopted by Council on June 24, 2003, and amended on February 12, 2004;
- On June 22, 2004, Council enacted CD-1 (#420) By-law No. 8880 which applies to this site; and
- On November 2, 2005, Council enacted an amendment to CD-1 By-law No. 8880 to increase the site area.

SUMMARY AND PURPOSE

This report assesses an application to amend the CD-1 By-law for the approved mixed-use development, currently under construction, at 4028 Knight Street (formerly 1402-1436 Kingsway and 4050 Knight Street), to:

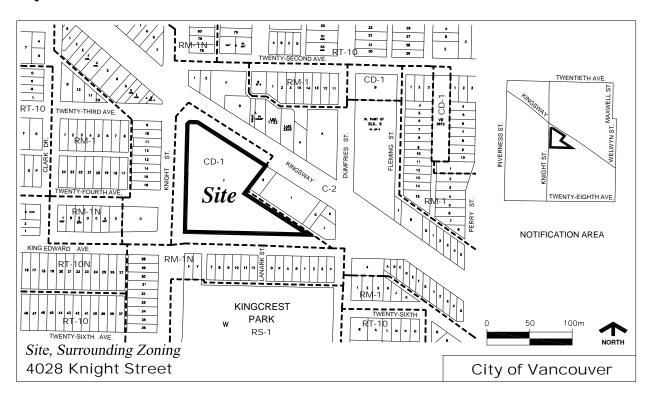
- increase the maximum building height from 51.0 m (167 ft.) to 54.0 m (177 ft.), and from 16 storeys to 17 storeys; and
- increase the maximum floor space ratio (FSR) from 3.80 to 3.86.

The amendments are proposed in order to permit the addition of one storey between the 15th storey and the penthouse level of the approved tower located at the northwest corner of the site (i.e., at the corner of Kingsway and Knight Street). The addition of one storey would increase the tower's total height from 16 storeys to 17 storeys.

In support of the proposed amendments, the developer proposes to provide a large grocery store within the development. The developer has indicated that it has been successful in reaching an agreement with Safeway to modify the restrictive covenant which would enable the operation of a grocery store on this site before 2013. Although the current CD-1 By-law permits grocery store use, it does not require that one be provided. Staff recommend a further zoning amendment to require a portion of permitted floor area for use only as a grocery store. Staff also recommend that as a condition of rezoning the developer demonstrate that the Safeway covenant has been discharged or satisfactorily modified to allow for the immediate use of a large grocery store.

Staff assessment supports the proposed zoning changes and amended form of development, which are consistent with the KCC Community Vision. The developer is offering a Community

Amenity Contribution (CAC) which staff recommend be applied to child/pedestrian safety improvements on Windsor Street near Charles Dickens School and to the City's Childcare Endowment Fund to improve daycare affordability in the area. Staff recommend that the application be referred to a Public Hearing with a recommendation that it be approved subject to conditions.



BACKGROUND

Most of the site was formerly a Safeway grocery store and parking lot. When Safeway vacated the site and sold the property in 1993, it placed a restrictive covenant on the site until 2013 which prohibits use of the property for a grocery store or supermarket of more than 325 m^2 (3,500 sq. ft.) or a drug store of more than 557 m^2 (6,000 sq. ft.). A flea market subsequently operated out of the former Safeway building.

In June 2004, the site was rezoned from C-2 (Commercial District) to CD-1 to permit a mixed-use development consisting of two levels of commercial uses (office, service, retail) and a library (to replace the Kensington Branch Library presently on Knight Street), plus multistorey residential above in a mix of low-rise (3-4 storeys), mid-rise (5-7 storeys), and high-rise (a 16-storey tower and a 12-storey tower) forms. The approved development also includes a retail mews and public open plaza within the central portion of the site, as well as space for two retail anchor stores at the corner of Knight Street and King Edward Avenue. At that time, the developer indicated that it would like to include a grocery store in one of the anchor spaces when the restrictive covenant expires, or sooner, if an agreement could be reached with Safeway.

Subsequent to the rezoning, the City issued permits for the project enabling it to proceed as approved, and construction is currently underway on the site. If the proposed CD-1 By-law

amendments are approved at Public Hearing, a development permit and building permit would need to be applied for and issued to allow the construction of the proposed new floor, and for a change of use to permit the grocery store use.

DISCUSSION

Proposal: The proposal is to amend the CD-1 By-law for the site to increase maximum permitted floor space and height for the approved mixed-use development on the site. The CD-1 By-law presently permits a maximum floor space ratio (FSR) of 3.8, which results in approximately 38 745 m² (417,059 sq. ft.) of floor area, and a maximum height of 51 m (167 ft.) and 16 storeys. The proposed CD-1 By-law amendments would increase permitted floor area by 611 m² (6,577 sq. ft.) for a maximum permitted FSR of 3.86, and would increase building height by 3 m (10 ft.) for a maximum height of 54 m (177 ft.) and 17 storeys. (See illustrations in Appendix D). The amendments are requested in order to permit the addition of one typical storey between the 15th storey and penthouse level of the approved tower located at the northwest corner of the site (i.e., the corner of Kingsway and Knight Street). The addition of one storey would increase the tower's total height from 16 storeys to 17 storeys, and increase the number of dwelling units by seven for a total of 398.

In support of the proposed amendments, the developer proposes to provide a grocery store of approximately 2 508 m² (27,000 sq. ft.) within the development. The developer has indicated that it has been successful in reaching an agreement with Safeway to modify the restrictive covenant to allow the operation of a grocery store of this size on the site. The current CD-1 By-law permits grocery store use; however, it does not require that one be provided. Staff and the applicant agree that it is in the public interest to secure long-term grocery store use on this site for the surrounding community who otherwise have to travel a long distance to a large grocery store. The KCC Community Vision also supports that there should be a large grocery store or supermarket provided in the Kingsway and Knight shopping area. Staff recommend that the CD-1 By-law be further amended to require a minimum of 2 508 m² (27,000 sq. ft.) of floor area be used exclusively for grocery store use. (See Appendix A). The proposed zoning provision would not permit another use to occupy this floor area. Staff also recommend that as a condition of rezoning (see Condition (b) in Appendix B), the developer demonstrate that the Safeway covenant has been discharged or satisfactorily modified to allow for the immediate use of a grocery store of at least 2 508 m² (27,000 sq. ft.) on the site. The applicant is not opposed to these recommendations.

Density and Form of Development: The form of development approved with the original CD-1 rezoning in 2003 includes two high-rise towers (a 16-storey tower at the northwest corner of the site and 12-storey tower at the southeast corner) connected by low-rise (3-4 storeys) and mid-rise (5-7 storeys) building forms, at a maximum density of 3.8 FSR. The rezoning application had originally proposed a maximum density of 4.11 FSR; however, staff recommended that the permitted density be reduced to 3.8 FSR in order to lessen the apparent scale and visual bulk of the development by:

- reducing the proposed tower floorplate size;
- lowering the height of the streetwall forms; and
- minimising bridging elements to create distinct project components.

Staff's concern at that time was with the overall scale and bulk of the development. Public input received with the original rezoning was generally supportive of the proposed towers and their respective heights.

Staff have reviewed the amended form of development and have concluded that the additional storey on the tower at the corner of Kingsway and Knight Street will not substantially add to the visual bulk of the development, and that its architectural quality, character, and expression is consistent with that previously approved for the development and with the tower's other storeys. (See illustrations in Appendix D). Staff have also reviewed revised view and shadow analyses, and are satisfied that there would be no significant increased impact on surrounding properties resulting from the increased building height of 3 m (10 ft.). On this basis, staff also support the modest density increase of 0.06 FSR for the additional floor, for a total permitted density of 3.86 FSR. The Urban Design Panel (UDP) was not asked to review the proposal as there are no substantive urban design issues.

Parking and Loading: At the time of the original CD-1 rezoning in 2003, staff recommended that parking and loading spaces be provided in accordance with the Parking By-law, except that the minimum residential parking requirements be based on a reduced standard that had been commonly used for rezonings for market multiple residential developments with a high level of transit accessibility. This reduced parking standard was included in the CD-1 By-law. Later, in 2005, following a detailed parking survey and analysis by staff, Council approved amendments to the Parking By-law to incorporate a further reduced standard for multiple residential developments located in areas well served by transit and where transit usage is typically higher. As this parking standard is more reflective of parking requirements for this development, staff recommend that the CD-1 By-law be amended to require that residential parking requirements be provided in accordance with the Parking By-law. No additional parking is required to serve the seven new residential units in the proposed additional storey. Staff also recommend that the CD-1 By-law be amended to require that the minimum size dimensions of parking spaces be provided in accordance with the Parking By-law.

Community Amenity Contribution (CAC): The developer is offering a CAC in the amount of \$250,000. Staff recommend receipt of the proposed CAC as a condition of rezoning (see Condition (c) in Appendix B), and that it be applied to child/pedestrian safety improvements on Windsor Street near Charles Dickens School and to the City's Childcare Endowment Fund to improve daycare affordability in the area. (See Appendix C for further details).

Community Response: The KCC Community Vision supports that there should be a large grocery store or supermarket provided in the Kingsway and Knight shopping area.

The rezoning application has generated relatively limited comment from surrounding property owners and other citizens, with about half of respondents only enquiring about details of the proposal. Nine of over 1,100 property owners notified voiced opposition citing proposed additional density and height, parking, and traffic issues. A number of pre-purchasers noted concerns regarding an additional floor in the northwest tower. The KCC CityPlan Committee was presented with the proposal in June 2006, and has indicated its general support, provided that the City can legally secure a grocery store on the site. (See Appendix C for more discussion of Public Input).

FINANCIAL IMPLICATIONS

There are no financial implications with respect to City budget, fees, or staffing.

CONCLUSION

Staff support the proposed amendments to the CD-1 By-law to increase maximum permitted building height to 54.0 m (177 ft.) and 17 storeys, and to increase the maximum permitted floor space ratio (FSR) to 3.86, in order to permit the addition of one storey to the approved 16-storey tower located at the northwest corner of the site. Staff recommend that the CD-1 By-law be further amended to require a portion of permitted floor area for use only as a grocery store. Staff also recommend that as a condition of rezoning the developer demonstrate that the Safeway covenant has been discharged or satisfactorily modified to allow for the immediate use of a large grocery store. The Director of Planning recommends that the application be referred to a Public Hearing and approved, subject to the proposed conditions of approval, as presented in Appendix B.

* * * * *

DRAFT AMENDMENT TO CD-1 (#420) BY-LAW, NO.8880 FOR 4028 KNIGHT STREET

Note: An amending by-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

Definitions

 insert the following section as Section 2 Definitions and renumber the subsequent sections:

"Grocery Store means the use of premises for the retailing of food, which may include food which is manufactured on the premises as an integral part of the retail operation, any such premises which may be described as a warehouse store, discount warehouse, or factory outlet, or a warehouse club whose membership is open to other than institutions, government agencies and licensed businesses, and an accessory drug store or other use customarily ancillary to a grocery store, but which does not include Neighbourhood Grocery Store or specialty shops such as bakeries, butchers, delicatessens, candy shops and ice cream parlours where sales are limited to a particular type of food."

Section 4 Floor Space Ratio

- in subsection 4.1, increase the floor space ratio figure from 3.8 to 3.86.
- insert the following subsection in proper order and renumber the subsequent subsections:
 - "4.2 At least 2 508 m² of floor area must consist only of a grocery store."

Section 5 Height

• in section 5, increase the maximum building height figure from 51.0 m to 54.0 m, and increase the maximum number of storeys from 16 storeys to 17 storeys.

Section 7 Parking, loading, bicycle, and passenger spaces

• in subsection 7.1, delete clauses (a) and (b).

PROPOSED CONDITIONS OF APPROVAL

Note: The recommended approval conditions will be prepared generally in accordance with the draft conditions listed below, subject to change and refinement prior to finalisation of the agenda for Public Hearing.

FORM OF DEVELOPMENT

(a) That the amended form of development be approved by Council in principle, generally as prepared by Rositch Hemphill and Associates Architects, and stamped "Received, City of Vancouver Planning Department, September 6, 2006", provided that the Director of Planning may allow minor alterations when approving the detailed scheme of development."

SAFEWAY COVENANT

(b) That prior to enactment of the CD-1 By-law, the registered owner shall, at no cost to the City, provide documentation and where she determines it necessary, enter into any agreements to the satisfaction of the Director of Legal Services, confirming that the restrictive covenant BG66103, registered on behalf Canada Safeway Ltd., has been discharged or modified to permit the immediate use and occupancy of a grocery store of no less than 2 508 m² (27,000 sq. ft.) on the subject site, all to the satisfaction of the Director of Legal Services in consultation with the Director of Planning.

COMMUNITY AMENITY CONTRIBUTION (CAC)

(c) That prior to enactment of the CD-1 By-law, the registered owner shall, at no cost to the City, deliver to the City a CAC offering in the amount of \$250,000.

* * * *

ADDITIONAL INFORMATION

Site, Surrounding Zoning and Development: This 10,196 m² (109,752 sq. ft.) site has frontages of 95.87 m (315 ft.) along Kingsway, 120.90 m (397 ft.) along Knight Street, and 121.15 m (397 ft.) along King Edward Avenue. The site was rezoned from C-2 to CD-1 (420) in 2004 for a mixed-use development which is currently under construction. Prior to this, the site was occupied by a former Safeway store that operated as a fleamarket, two smaller commercial buildings, and a large parking area.

Property to the east, north, and west is zoned C-2 and developed primarily with smaller oneand two-storey commercial buildings. The area south of the site was recently rezoned from RS-1 to RM-1N in 2005; however, most of the properties fronting on King Edward Avenue are currently developed with one-family dwellings. Midway along the south block of King Edward Avenue is pedestrian access to Kingcrest Park.

Community Amenity Contribution (CAC): As part of the original CD-1 rezoning in 2003, the developer offered to provide space within the development for a new neighbourhood branch library of 691 m² (7,436 sq. ft.) rent free for 10 years (to replace the Kensington Branch Library presently on Knight Street), and to continue providing the space with renewable options (4 times at 5 years each) at market rents. The developer also agreed to finish the space to the library's specifications, with the library repaying the improvement costs over the initial 10-year period.

For this rezoning, the developer is offering a CAC in the amount of \$250,000. Staff recommend receipt of the proposed CAC as a condition of rezoning (see Condition (c) in Appendix B).

Further, it is recommended that the proposed CAC be allocated as follows:

- approximately \$100,000 for the undertaking of improvements to the Windsor Street bikeway near the Charles Dickens Elementary School to enhance child/pedestrian safety, such as curb bulges and raised pedestrian crossings, as well as benches and enhanced landscaping. These improvements will address the Windsor Street frontage of the new school, currently under construction. This is consistent with the KCC Community Vision which encourages upgrading of city-wide bikeways, such as Windsor Street, to neighbourhood greenways to create pleasant and safe environments for walking as well as biking. Local organisations in the community have also raised and support the immediate need for these improvements to Windsor Street.
- approximately \$150,000 for the City's Childcare Endowment Reserve earmarked to subsidise infant/toddler childcare fees for daycare facilities located in the surrounding community.

Public Input: Prior to submitting the rezoning application to amend the CD-1 By-law, the applicant presented the proposal to the KCC City Plan Committee on June 22, 2006. The committee indicated general support for the proposal, provided the City could legally secure a grocery store within the development.

After the application was received, a notification letter was sent to over 770 nearby property owners and 375 pre-purchasers within the development on October 31, 2006. Two rezoning

information signs were posted on the site on November 1, 2006. Twenty-one phone calls were received from local residents and pre-purchasers, and two people came by City Hall to view the plans. Nine e-mails and letters were received, of which two expressed support and three non-support.

The application has generated relatively limited comment, with about half of respondents only enquiring about details of the proposal. Two letters and three phone calls, however, have been received in opposition to the application, citing that the approved development with the original CD-1 rezoning is sufficiently dense, and non-support for the proposed additional height and density. One respondent suggests that the City should fund the cost of modifying the Safeway covenant instead, and decline the rezoning request for the additional density and building height. Two letters and one phone call were also received expressing concern that the additional residential floor area will contribute to parking and traffic issues in the area.

Finally, a number of pre-purchasers within the development were interested in clarifying the implications of the proposed new floor for other units within the development. Several pre-purchasers who had bought units on the 15th storey of the northwest tower are concerned because they had understood that they would only have one floor (i.e., the penthouse) above their unit. Another pre-purchaser who had bought a unit on the 10th storey of the southeast tower is concerned about the resultant loss of view from that unit, and has requested that the City not facilitate such a breach of contract by the developer by approving the rezoning application.

Comments from the General Manager of Engineering Services: "Engineering Services has no objection to the proposed rezoning provided parking, loading, and bicycle parking are provided and maintained in accordance with the Vancouver Parking By-law including the exemption, relaxation, and mixed-use reduction provisions."

Environmental Implications: Nearby access to transit and commercial services may reduce dependence on use of automobiles by a concentration of residents in this development.

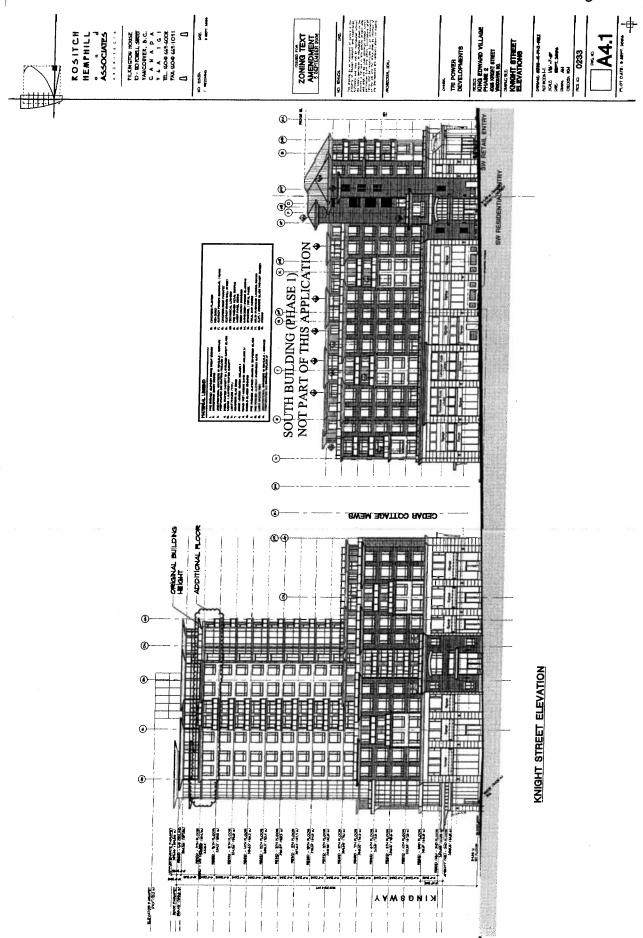
Social Implications: There are no major positive or negative social implications to this proposal. There are no implications with respect to the Vancouver Children's Policy or Statement of Children's Entitlements.

Comments of the Applicant:

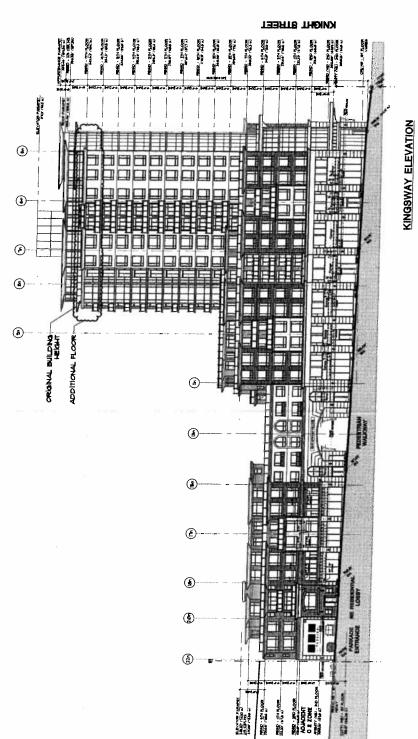
"We have now had the opportunity to review the Report to Council, herewith, and generally find it meets our expectations with respect to our Rezoning Application.

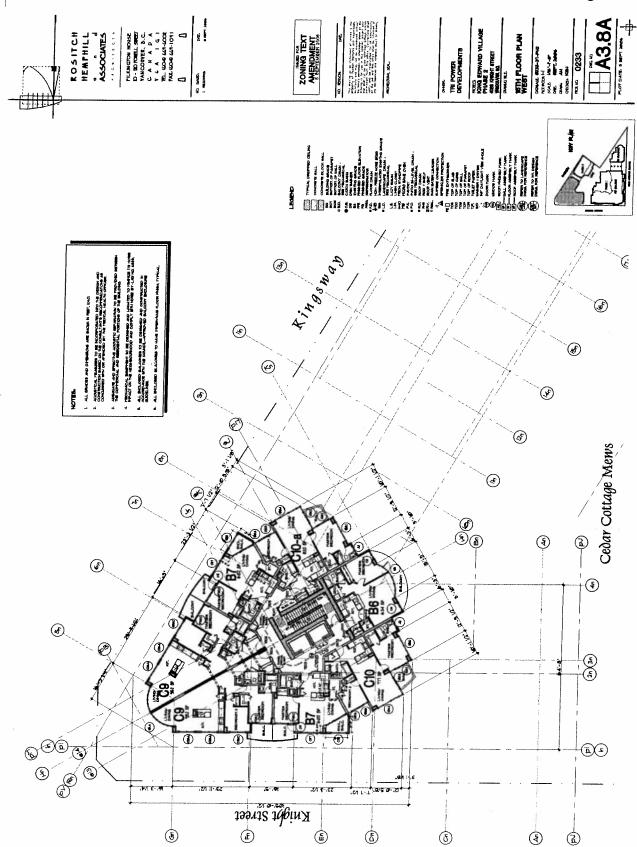
We have worked extensively with the City, and the community to produce an outcome that we believe benefits all stakeholders involved.

We appreciate the support and guidance we have received from the City throughout this process, and we look forward to seeing this project through to completion."









APPLICANT AND PROPERTY INFORMATION AND DEVELOPMENT STATISTICS

APPLICANT AND PROPERTY INFORMATION

Street Address	4028 Knight Street (formerly 1402-1436 Kingsway and 4050 Knight)	
Legal Description	Lot 1, Blk 1 & 3, DCL 352, Plan BCP11581	
Applicant	Interform Investments Inc.	
Architect	Rositch Hemphill and Associates Architects	
Property Owner Tri Power Lands Inc. and Tri Eagle Investments Inc.		
Developer	Aquilini Investment Group	

SITE STATISTICS

	GROSS	DEDICATIONS	NET
SITE AREA	10 196 m² (109,752 sq. ft.)	N/A	No change

DEVELOPMENT STATISTICS

	DEVELOPMENT PERMITTED UNDER EXISTING ZONING AND DEVELOPMENT PERMITS	PROPOSED DEVELOPMENT
ZONING	CD-1	CD-1 (amended)
USES	Retail, Office, Services, Residential, Cultural and Recreational, Institutional	No change
DWELLING UNITS	391	398
MAXIMUM FLOOR SPACE RATIO	3.8	3.86,
		except at least 2 508 m ² (27,000 sq. ft.) of floor area must consist only of a grocery store.
MAXIMUM HEIGHT	51 m (168 ft.)	54 m (177 ft.)
MAX. NO. OF STOREYS	16	17
PARKING SPACES	Parking By-law, except Multiple Dwelling requirement as follows: (i) for Dwelling Units less than 80 m² of GFA, a min. of 1 space for each 70 m² of GFA; and (ii) for Dwelling Units 80 m² or more of GFA, a min. of 0.85 space for each dwelling unit and 1 additional space for each 250 m² of GFA, except that there need be no more than 2 spaces for each dwelling unit.	Parking By-law