

CITY OF VANCOUVER

ADMINISTRATIVE REPORT



Report Date: April 17, 2007  
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Meeting Date: May 3, 2007

TO: Standing Committee on Planning and Environment  
FROM: Director of Planning  
SUBJECT: Arbutus Centre Policy Planning Program

**RECOMMENDATION**

- A. THAT Council endorse a planning program for the Arbutus Centre, outlined in Appendix A, to undertake a public policy review process to consider and bring forward for Council adoption policies developed with reference to the Arbutus Ridge Kerrisdale Shaughnessy (ARKS) Neighbourhood Vision to guide re-planning of Arbutus Centre and provide a basis for assessing future rezoning proposals.
- B. THAT staff resources contained in Appendix B and estimated associated cost recovered budget of \$397,000 contained in Appendix C be approved to complete policy planning for Arbutus Centre; and

FURTHER THAT, consistent with City cost recovery policy, Council accept a policy phase contribution of \$397,000 from owners of Arbutus Centre to fully cover these costs.

**GENERAL MANAGER'S COMMENTS**

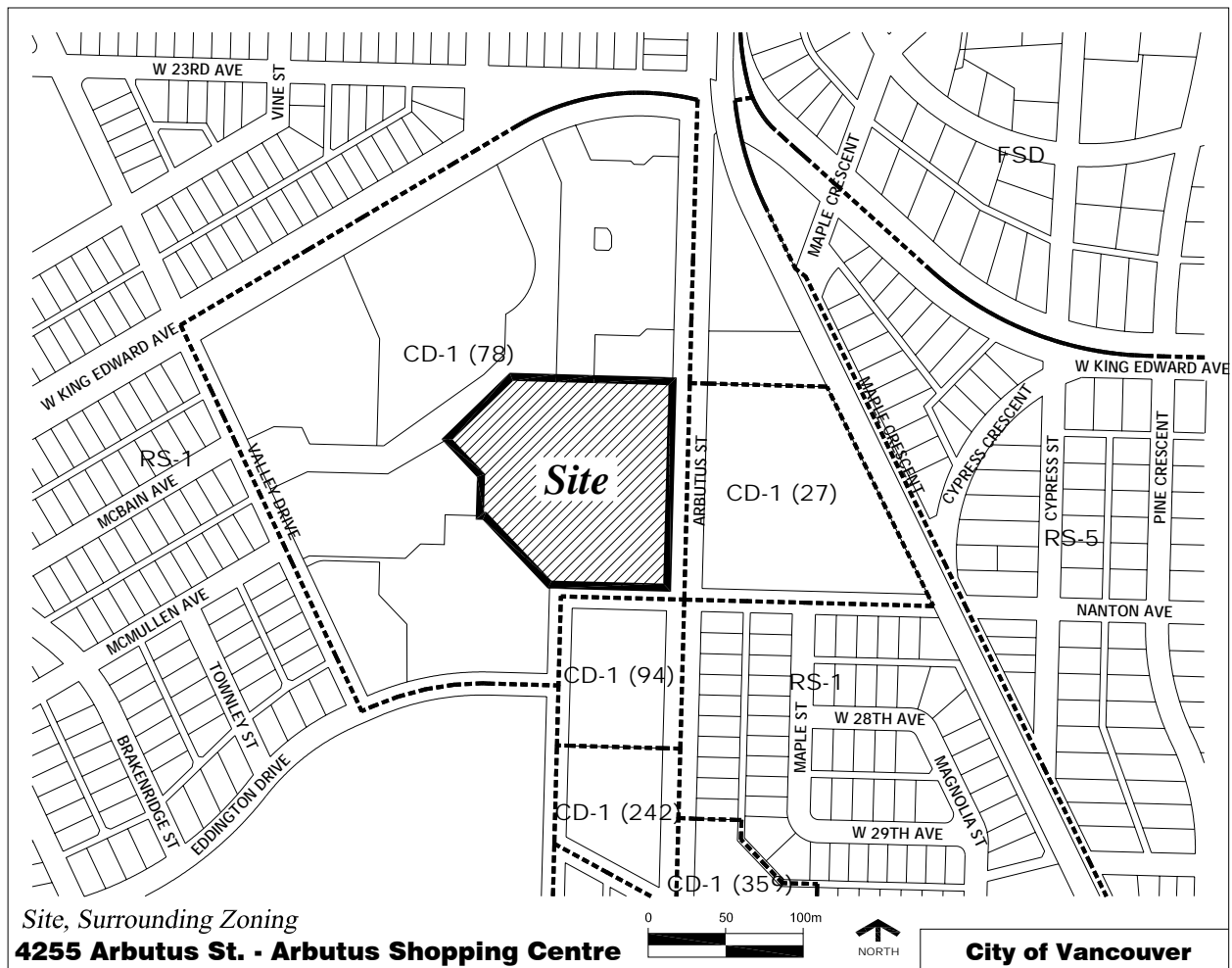
The General Manager of Community Services RECOMMENDS approval of the above.

**COUNCIL POLICY**

City Plan approved May 1995  
Regional Context Statement approved September 2000

Cost Recovery Policy  
City-Wide CAC Policy

Arbutus Ridge Kerrisdale Shaughnessy Neighbourhood Vision approved November 2005.



## PURPOSE AND SUMMARY

Arbutus Centre owners have requested a planning program to re-examine the future of the site in the context of the Arbutus Ridge Kerrisdale Shaughnessy (ARKS) Neighbourhood Vision. The owner is interested in complete redevelopment of the shopping centre site for mixed use local serving retail and multiple dwellings. The ARKS Vision supports rejuvenation of the retail uses but left the question of mixed use, including residential as “uncertain”.

A further policy review is needed to determine whether there are mixed use forms including residential which could be supportable in policy terms. To assess the merits of such a study and identify the questions which it might address, staff invited ARKS Community Liaison Group (CLG) members and nearby residents to attend exploratory meetings in July 2006. This report characterizes neighbourhood feedback on the prospect of a redevelopment proposal, identifies questions and issues which would need to be addressed and seeks Council direction on an appropriate policy planning response.

In response to aspirations of the Arbutus Centre owners for mixed use redevelopment and issues raised by area residents, staff recommend a program to examine land use and urban design options for Council consideration. This would involve collaborative dialogue with the public and owners consultants to develop concepts which respect City sustainability objectives to achieve a neighbourhood centre retail function together with residential use.

## BACKGROUND

**Zoning History:** The 1972 CD-1 zoning of the site, amended in 1986 to permit upper floor additions and enclosure, permits a maximum density of 0.49 FSR for commercial development which occupies about 2 acres of the 7 acre site. Adjacent sites vary from 0.6 to 1.3 FSR for residential structures varying in height from 3 to 6 storeys.

An application was received in April of 1996 from James Hancock, Architect (representing the owner Larco Enterprises Inc.) to amend the CD-1 zoning of Arbutus Village to permit development of a portion of the shopping centre parking lot with two 6-storey multiple dwellings containing 142 dwelling units and a public amenity space. The proposed density was 1.14 FSR (including 191,559 sq. ft. of residential floor area).

The application drew significant neighbourhood attention with over 2,500 form and individual letters, (62% in opposition), and was very contentious. The public's concerns included: traffic impacts, fear of underground commercial parking, anticipated flooding in nearby multiple dwellings resulting from water table changes, fear of reduced multiple dwelling (strata) values in the area as a result of increased supply, noise and view impacts.

Staff considered these issues and concluded that the site offered a desirable location for seniors-oriented multiple dwellings with few undesirable impacts. Recommending approval, staff noted that the proposed development would not displace housing, employment opportunities or trees, and that traffic impacts would be limited.

Over the course of the two evenings of Public Hearing 55 speakers addressed Council, 27 in support, 25 in opposition. The application was refused by Council on July 7, 1998.

**Community Vision:** More recently, the 2005 Arbutus Ridge Kerrisdale Shaughnessy (ARKS) Vision resulted from a neighbourhood planning program which contemplated a broad array of considerations for the future of the neighbourhood. Policies applying to the site state that:

"The creation of a neighbourhood centre should be considered at the Arbutus Shopping Centre. In future, stores should be relocated closer to Arbutus Street, incorporating shops, cafes, and services on the ground floor. A new internal shopping street with benches, trees, and greenery should replace the existing surface parking lot, with parking largely placed underground."

**Owners' Aspirations:** The owners, Larco Investments, approached the City to discuss a rezoning or a "master planning" process to establish planning and development principles and parameters that would guide redevelopment of the centre. While the full extent of development potential would be determined through the policy planning program currently being recommended to Council, the developer's aspirations are to somewhat diminish the

extent of retail, while retaining a local focus and augmenting shops with locally oriented commercial office, residential and amenity uses on the site. There is a desire to become a much more sustainable mixed-use urban neighbourhood centre, addressing the demand for mixed use development in the area.

**Process to Date:** Since staff needed to assess whether the owner might proceed directly to file a rezoning application or whether a policy program should be recommended, owners were asked to host meetings with local residents and ARKS Vision Community Liaison Group (CLG) members as part of scoping for a possible program. These meetings provided an opportunity for input on the nature of issues which would need to be addressed through a planning program and to gauge the complexity of these issues.

## DISCUSSION

**Further Consideration:** Given the comparatively low density and scale of the shopping centre site and comparatively large scale of adjacent buildings, owners believe the site is underdeveloped relative to other commercial areas of the city. The density in C-2 zoned "high street" neighbourhood commercial centres is significantly higher. While sites in adjoining zoning districts typically have 1 to 4 storey residential buildings, this site is adjacent to residential buildings of up to 6 storeys.

The owners propose to explore a complete new mixed use concept for the site. This is very different from the previous rezoning proposal and opens the door for dialogue with the community about future uses, built form and amenity of the site. The ARKS Vision supports reconfiguration of the commercial centre (see Appendix D). Approved policies also support new housing types on or near arterial roads and near shopping areas as well as small developments for seniors near parks, shopping, transit and services. The Vision stops short of supporting mixed use. However, owners do not believe a purely commercial development is viable. City policy also encourages proximity of complimentary uses and multi purpose use of available sites where a neighbourhood fit can be achieved.

A policy process offers opportunities to explore a basis for Council to support a mixed use development. The vehicle for this exploration would be a public process which extends the discussion begun in the Visions process to a more site specific level. Residents of the immediate vicinity and the ARKS Vision area would be encouraged to participate. A policy report back to Council would assess whether a basis for future redevelopment may be recommended and, if so, on what basis it might be supported.

The study would consider ways to achieve the array of Visions policies relevant to the site and explore advantages of different approaches to built form, amenities, access and circulation, and parking strategies for the site.

**Questions and Issues:** Policy questions arising from issues and comments received at exploratory meetings in 2006 would be brought forward into this process and responses would be addressed in the concluding report to Council. Issues heard from the public so far include:

*Possible loss of recreation centre:* Arbutus Shopping Centre has a private recreation facility for adjoining condominium owners in the lower level. Nearby owners fear that this facility would not be replaced. Owners indicate willingness to negotiate provision of a new facility.

*Potential flooding of nearby residences:* Nearby residents believe that subsurface drainage problems have resulted from redevelopment of sites along Arbutus Street. As this is a low lying area people fear that more flooding would occur if this site is redeveloped.

*Fear of underground parking:* Many nearby residents avoid use of underground parking due to fear of crime and oppose replacement of surface parking with underground. Owners and City staff believe options can be developed to provide a mix of street front, structured grade level and safe underground parking, the latter being needed mainly at peak periods.

*Loss of Surface Parking:* People find 5 acres of surface parking very convenient.

*Traffic:* Nearby residents fear that Arbutus Street would become unacceptably congested if new residential units are added to the site and cite increases believed to be attributable to the Arbutus Walk (12th Avenue/Arbutus) and Quilchena Park (33rd Avenue/Arbutus) projects.

*View impacts:* Residents to the south are concerned that taller buildings could block mountain views or simply present an undesirable view in their vista. View analysis would be required in a policy process or rezoning application.

*History in the Community:* There continues to be friction between a number of nearby residents and the owners due to past grievances, including the 1996 rezoning proposal.

The type of concerns expressed by nearby residents is common where there is a proposed increase in residential density and undergrounding of parking. Flooding is an unusual issue and would require engineering analysis of the drainage patterns. Loss of a recreation facility would need to be addressed by the owner and in the consideration of public amenities. Increased traffic, view impacts, and a preference for a plentiful supply of surface parking are questions well suited to exploration in a policy discussion of this nature. If suitable responses to these questions can be identified during a policy process Council could decide what mix of uses, density and form directions may be supported in policy, providing a reference point for evaluating a future rezoning.

The owners' interest in a more urban mixed use development could offer a desirable focal point for the community while providing better local services. It presents opportunities to achieve City objectives for a sustainable balance of employment, residential uses, local services and integration of the site into the urban fabric. The Arks Vision also points to the desirability of more diverse housing forms, particularly to accommodate seniors and renters.

Employment in retail and office components would reinforce the efficiency of transit service. Provision of local serving commercial services would be emphasized to reinforce the neighbourhood centre objectives emerging from City Plan Visions. These services could anchor a residential node which would absorb residential pressures likely to arise with reduced site availability in the area.

*Process:* As a basis for discussion, proponents would develop, with staff advice, a range of potentially viable concepts to present at inaugural public meetings. These would be based on established urban design principles applied to this site in the context of existing development patterns. Concepts would be discussed, evaluated and amended or discarded through a series of workshops to determine whether there are one or more concepts which offer a positive

balance of public and private benefits. Those which look promising would provide a basis for reporting back to Council with recommended policy directions. If Council is supportive of one or more possible development concepts, the proponent could then prepare a specific plan as a rezoning proposal in a later phase.

The initial urban design principles which provide a basis in current planning practice for developing future site concepts include:

- A fine grain of development with an urban structure of streets and enhanced public realm;
- A varied mix of residential, commercial and community uses;
- Elements contributing to a sense of place;
- Development patterns which can evolve;
- A rich, varied and urban public realm;
- Improved neighbourhood fit; and
- Sustainability.

**Process and Policy Objectives:** To ensure credibility and continuity in the process, it would be beneficial for the Centre owners to provide assurances to the City that once staff have been committed and the public engaged in a program, the owners intend, all things being equal, to complete the policy stage and, if appropriate, a rezoning.

**Program Staffing:** To provide the public and proponent with the level of service needed to achieve appropriate and timely policy conclusions requires a dedicated program team, including urban design resources and a range of departmental technical representatives (see Appendix B). This team would report to the Major Projects Steering Committee for direction on technical issues. The Major Projects Planning team will be assigned the planning role in this work. There is a window of staff availability for this work over 2007, however, the City will not be able to place timelines for this work ahead of fixed deadline projects associated with the Olympics or other high priority projects.

**Rezoning Fees:** Cost Recovery planning programs have established the principle that voluntary contributions paid to cover pre-rezoning policy work would be contributed toward rezoning fees if full cost recovery is achieved, including rezoning. Initial analysis indicates that full cost recovery for the scoping and policy segments of the program would be achieved through the recommended budget. In this case, the fees cover specifically the extra program cost of scoping and policy work and therefore will NOT be credited against future rezoning fees. The ultimate objective is full cost recovery for the overall process, but not beyond that.

## FINANCIAL IMPLICATIONS

A full cost recovery budget for the policy phase based on initial discussions with the proponent is estimated to be \$397,000 as outlined in Appendix C, providing for the technical team as described above as well as public process. Consistent with the cost recovery policy, costs are included for completing public process, policy work and scoping work undertaken to assess the proponents' needs and report the program to Council. The cost of a subsequent rezoning application to be processed in the usual manner through the Rezoning Centre would be based on the Fee By-law (currently the application fee for rezoning application on this site would be \$109,000). Larco Investments as owner of the Arbutus Village Shopping Centre, agrees with and is prepared to fund this policy phase budget and acknowledge that the

required voluntary contribution would be increased if actual program costs exceed this budget.

## **PUBLIC BENEFITS**

**Development Cost Levies (DCL's):** DCLs will apply to new development at the approved rate.

**Community Amenity Contributions (CAC's):** An appropriate CAC will be determined as part of the rezoning process, having regard to information applied to non-standard rezonings in the City Wide CAC Policy. During the policy phase staff will assess with public input, needs and opportunities for addressing public amenity questions and recommend to Council public service, facility and other needs which owners may address with a contribution proposal in a rezoning application.

Staff note that considerable experience has been gained in negotiating in-kind and cash contributions that can now be applied in this case. Neighbourhood-specific needs would be considered along with the normal range of public amenity considerations. Recent experience in rezoning other locations outside the downtown offers references for the range of amenity levels which may be achievable.

This policy is intended to deal with local amenity needs, to ensure that the new development does not generate significant additional costs for the general tax base. Those amenity needs will be contemplated during the policy review process to give policy guidance to identifying and securing of a CAC at the time of the rezoning. Staff would apply Council-approved "Guidelines for Determining Specific Amenities" which direct staff to evaluate the full range of City services and amenities in the area in developing a specific CAC package.

## **PROPONENT'S COMMENTS**

"We write with regard to your report to Council dated April 17, 2007 as it applies to the above noted program.

We have reviewed the Policy Report and find it to reflect our discussions with City Staff respecting our objectives for considering mixed use development options for the future redevelopment of Arbutus Centre. Larco Investments looks forward to working with the City and community to create a long term vision for an urban, mixed use Arbutus Centre. We were encouraged with the responses that we received from the community meetings in July 2006 and we look forward to building upon our relationship with the community through further dialogue.

Larco Investments Ltd. acknowledges the City cost recovery policy for undertaking this program and that the estimated cost is \$397,000. We further acknowledge this is a voluntary payment to the City and that once staff have been committed to the process and the public is engaged, we will carry through with the policy stage.

Our objective is for the policy planning program to clearly establish the planning and development principles for the redevelopment of the Arbutus Village Shopping Centre which will enable us to proceed with a rezoning application at the earliest possible date."

## CONCLUSION

To achieve City objectives for a sustainable integrated urban form at Arbutus Centre and respond to owners' development aspirations for the site, a policy planning program should assess options for mixed use redevelopment to set the context for a potential mixed use rezoning. The approved Arbutus Ridge, Shaughnessy, Kerrisdale Neighbourhood Vision will provide the policy reference to begin this study. The timeline, resources and financing necessary to accomplish this work are summarized above and in attached appendices B and C. Council approval would lead to a consultative process starting as soon as possible this year.

The adjoining sites constituting the remainder of the neighbourhood centre as identified the Cityplan Visions may benefit from being planned in concert with this study. A subsequent report will address this question.

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**Arbutus Centre Planning Program**

*Policy Process*

April 2007	Council Report
May	Recruit Staff, Arrange Process
May / June	Initial Public Meetings: Introduce Mixed Use Concepts
June	Public Workshops: Review, Critique, Amend Concepts
July	Public Workshops: Refine, Evaluate Concepts
September	reflect Back to Public / Draw Conclusions
October	Draft Council Report
November	Concurrence, Submit Report, Notify
January 2008	Report to Council

Arbutus Centre Scoping and Policy Process Staffing

Staffing	Time (Person Months) Allocation (Plus 20% Contingency if needed)
<b>Core Staff</b>	
Senior Planner	5 Months
Project Planner	10
Planning Analyst	6
<b>Technical Team</b>	
Urban Designer	4
Solicitor	0.5
Civil Engineer 11	3
Social Planner	2
Housing Planner	1

Arbutus Centre Program Budget Summary

	Scoping/Policy Review
<b>Total Salaries, Benefits</b>	<b>\$220,696</b>
<b>Staffing Core Team</b>	
Senior Planner	
Project Planner	
Planning Analyst	
<b>Technical Team</b>	
Urban Design	
Civil Eng	
Solicitor	
Housing Planner	
Social Planner	
<b>Process Cost</b>	<b>\$37,364</b>
Public Consultation	
Supplies, Services	
Office Space	
<b>Overhead Costs</b>	<b>\$72,885</b>
Administrative	
<b>Contingency</b>	<b>\$66,189</b>
<b>Total Budget</b>	<b>\$397,135</b>

## Arbutus Ridge Kerrisdale Shaughnessy Visions Policies

### 15.11 - Seniors' Housing

#### *Approved*

Some small developments designed for seniors should be considered near parks, shopping, transit, and services to allow seniors to stay in the community as their housing needs change.

*Percent Agree 78%/82%*

### 16.5 - Allow New Housing Types On or Near Arterial Roads

#### *Approved*

New Housing types should be permitted on or near arterial roads in ARKS, subject to detailed planning and impact mitigation.

*Percent Agree 51%/61%*

### 16.6 - Allow New Housing Near Shopping Areas

#### *Approved*

New housing types should be permitted near shopping areas in ARKS, subject to detailed planning and impact mitigation.

*Percent Agree 66%/68%*

### 19.1 - Create a New Neighbourhood Centre (Arbutus Village)

#### *Approved*

The creation of a neighbourhood centre (Arbutus Village) should be considered at the Arbutus Shopping Centre. In future, stores should be relocated closer to Arbutus Street, incorporating shops, cafes, and services on the ground floor. A new internal shopping 'street' with benches, trees, and greenery should replace the existing surface parking lot, with parking largely placed underground. Pedestrian and bike pathways would connect parks, schools, and Kerrisdale Village with the new neighbourhood centre.

*Percent Agree 57%/64%*

### 19.2 - Provide Additional Housing at Arbutus Village

#### *Not Approved (Uncertain)*

The new neighbourhood centre at Arbutus Village should include additional housing types, complemented by additional community services and amenities. Apartments would be located above shops on Arbutus Street and on the new internal shopping street to add housing diversity and support the shops in the new centre. New apartment buildings would be built in place of the existing mall, overlooking Arbutus Village Linear Park.

*Percent Agree 47%/49%*