



REPORT TO COUNCIL
STANDING COMMITTEE OF COUNCIL
ON CITY SERVICES AND BUDGETS

JULY 12, 2007

A Regular Meeting of the Standing Committee of Council on City Services and Budgets was held on Thursday, July 12, 2007, at 9:30 a.m., in the Council Chamber, Third Floor, City Hall.

PRESENT: Councillor Peter Ladner, Chair
*Mayor Sam Sullivan
Councillor Suzanne Anton
*Councillor Elizabeth Ball
*Councillor David Cadman
Councillor Kim Capri
Councillor George Chow
*Councillor Heather Deal
Councillor B.C. Lee
*Councillor Raymond Louie, Vice-Chair (Portion of Item 2
and Items 3-5)
Councillor Tim Stevenson

ABSENT: Councillor Raymond Louie, Vice-Chair (Leave of Absence -
Civic Business) (Item 1 and Portion of Item 2)

CITY MANAGER'S OFFICE: Judy Rogers, City Manager
James Ridge, Deputy City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

*Denotes absence for a portion of the meeting.

ADOPTION OF MINUTES

The Minutes of the Standing Committee on City Services and Budgets meeting of June 14, 2007, were adopted.

RECOMMENDATION

1. **Vancouver Economic Development Commission's 2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games** (VanRIMS No. 08-3000-11)

The Committee had before it an Administrative Report dated June 29, 2007, in which the General Manager of Corporate Services, in consultation with the General Manager, Olympic and Paralympic Operations, provided Council with the Commission's 2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games, and recommended Council approval of the Plan with an associated incremental funding component from the City.

The City Manager commented that while staff fully supports the initiatives contained in VEDC's Strategic Plan, it is recommended that the City contribute a total of \$330,000 for these initiatives over four years, as compared to the \$381,000 requested by the VEDC. Staff provided two alternatives to this recommendation; either that the City provide the entire amount requested, or that the VEDC be asked to report back with a Strategic Plan that has a modified scope and can be achieved with a \$330,000 contribution.

Estelle Lo, General Manager and Director of Finance, provided an overview of the report, and along with Dave Rudberg, General Manager, Olympic and Paralympic Operations, responded to questions from Council related to impacts on the Olympic Legacy Fund of the various proposed VEDC funding options.

Tanja McQueen, CEO, Vancouver Economic Development Commission (material circulated and on file), with the aid of an overhead presentation, provided a detailed review of the two goals of the Commission: a strong recognized business brand and an increase in trade and investment. Ms. McQueen also responded to questions from Council regarding the Commission's other potential funding sources and the funding implication in relation to the current VEDC staff vacancies.

Council members discussed the need for additional funding in consideration of recruitment of a new CEO for the Commission due to Ms. McQueen's recent resignation.

MOVED by Councillor Capri

THAT the Committee recommend to Council

- A. THAT Council approve the Vancouver Economic Development Commission's *2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games* at a total cost of \$546,000, with financial contribution from the City of Vancouver of \$330,000 over four years (\$100,000 in 2007, \$122,000 in 2008, \$88,000 in 2009, and \$20,000 in 2010),
 - i. the source of the City's contribution to be the Olympic Legacy Reserve once the reserve is funded, with interim funding for 2007 to be borrowed from the 2007 Olympic and Paralympic Operations budget and repaid once the Olympic Legacy Reserve is funded; and
 - ii. VEDC seeks other funding sources for the \$51,000 budget differential for the four-year Strategic Plan.
- B. THAT prior to receiving the 2008, 2009 and 2010 funding from the City of Vancouver that is indicated in A above, the Vancouver Economic Development Commission report back to Council annually with a progress update on the Strategic Plan deliverables.

carried

POSTPONEMENT MOVED by Councillor Stevenson

THAT decision on this matter be postponed until a new CEO is in place.

WITHDRAWN

The motion to postpone was withdrawn by the mover with the consent of Council.

The motion to postpone being withdrawn, the motion was put and CARRIED UNANIMOUSLY, with Councillor Louie absent for the vote.

2. Details of Vancouver's Participation in Beijing 2008 Summer Olympic and Paralympic Games (VanRIMS No. 08-8000-01)

The Committee had before it an Administrative Report dated July 3, 2007, in which the General Manager of Olympic and Paralympic Operations sought Council authorization for Vancouver to participate in the British Columbia - Canada Pavilion in Beijing, and provided details of Vancouver's participation plan for the Beijing 2008 Olympic and Paralympic Summer Games. The General Manager of Olympic and Paralympic Operations supported the proposed program as part of Vancouver's effort to leverage benefits from hosting the 2010 Olympic and Paralympic Winter Games (Vancouver 2010 Winter Games) and as part of preparing for the Games.

Paul Henderson, Director, Olympic and Paralympic Operations, provided a brief introduction to the report and highlighted two goals: helping prepare for 2010 and leveraging of activities in Beijing for promotion of Vancouver and the 2010 Olympics.

Mr. Henderson, along with Sue Harvey, Managing Director of Cultural Services, and Dave Rudberg, General Manager, Olympic and Paralympic Operations, responded to questions from Council regarding the need for Council representation in Beijing, reception costs and the location of the Canada Pavilion

MOVED by Councillor Capri

THAT the Committee recommend to Council

- A. THAT City Council approve the proposed program for participation in the Beijing 2008 Summer Olympic and Paralympic Games at an estimated cost of \$254,000, with the source of funding to be the Olympic Legacy Reserve, once the Reserve is funded. Interim funding of \$54,000 for 2007 to be borrowed from the Olympic and Paralympic Operations budget and repaid once the Olympic Legacy Reserve is funded.
- B. THAT Councillors Lee and Louie be the Council representatives for the City of Vancouver for the Summer Paralympic Games.

amended

Councillor Louie declined the offer to serve as a Council representative for these Games. The name of Councillor Louie in B above was withdrawn by the mover, with the consent of Council.

Councillor Deal requested to separate the line item components on page 5 of the Administrative Report dated July 3, 2007, entitled "Details of Vancouver's Participation in Beijing 2008 Summer Olympic and Paralympic Games" referenced in the Motion for the vote.

AMENDMENT MOVED by Councillor Cadman

THAT B be amended to read:

THAT the Deputy Mayor for August and September 2008 be sent to Beijing when the Mayor cannot be at these events, with costs from the Mayor's budget.

LOST

(Councillors Anton, Ball, Capri, Chow, Deal, Ladner, Lee, Louie, Stevenson and the Mayor opposed)

AMENDMENT MOVED by Councillor Stevenson

THAT B be amended to read:

THAT one Councillor be the representative for the City of Vancouver for the Paralympics with funding suggested to come from the Mayor's budget.

LOST

(Councillors Anton, Ball, Cadman, Capri, Chow, Ladner, Lee, Louie, and the Mayor opposed)
(Councillor Deal absent for the vote)

POSTPONEMENT MOVED by Councillor Cadman

THAT appointment of a Councillor be postponed until we have clarification on the Mayor's schedule and report on protocol needs.

LOST

(Councillors Anton, Ball, Capri, Ladner, Lee and the Mayor opposed)
(Councillor Deal absent for the vote)

The Committee agreed to amend B above to replace Councillor Louie with Councillor Anton, and add the words "Olympic and" before "Paralympic Games". The motions to amend and postpone having lost, the motion, with amendments agreed to by the Committee, was put and CARRIED.

FINAL MOTION AS APPROVED

THAT the Committee recommend to Council

- A. THAT City Council approve the proposed program for participation in the Beijing 2008 Summer Olympic and Paralympic Games at an estimated cost of \$254,000:
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|------|--|----------|
| i. | Long Term Staff Assignment | \$94,000 |
| ii. | Olympic and Paralympic Observers | \$82,000 |
| iii. | Council Representatives | \$23,000 |
| iv. | Vancouver Chinatown 2008 Olympic Event | \$15,000 |
| v. | Reception, Media Support and Miscellaneous | \$40,000 |

with the source of funding to be the Olympic Legacy Reserve, once the Reserve is funded. Interim funding of \$54,000 for 2007 to be borrowed from the Olympic and Paralympic Operations budget and repaid once the Olympic Legacy Reserve is funded.

- B. THAT Councillors Anton and Lee be the Council representatives for the City of Vancouver for the Summer Olympic and Paralympic Games.

CARRIED

(Councillors Chow, Deal, Louie and Stevenson opposed to A.ii, A.iii, A.iv)

(Councillors Cadman, Chow, Deal, Louie and Stevenson opposed to A.v)

(Councillors Chow, Deal, Louie and Stevenson opposed to B)

3. Hastings Park Updated Implementation Plan (VanRIMS No. 12-1000-30)

The Committee had before it an Administrative Report dated June 29, 2007, in which the Project Manager, Hastings Park/PNE, in consultation with the General Managers of Parks and Recreation, Engineering Services and Corporate Services and the Director of Planning, presented for approval an updated Implementation Plan for Hastings Park based on consultation with the Key Stakeholder Group. The City Manager recommended approval.

The Committee also had before it a letter dated July 10, 2007, from the Vancouver Board of Parks and Recreation, advising of the Board's endorsement of the planning process and work program as described in the above noted report.

Marnie McGregor, Project Manager, Hastings Park/PNE Planning, provided an overview of the report, and along with Sue Harvey, Managing Director of Cultural Services, and Karyn Magnusson, Project Engineer, responded to questions from Council regarding transportation plans for the area, the composition of the Stakeholder Group, governance issues, connection between Hastings Park and New Brighton Park, and the time line for the Plan's implementation.

The following speakers, while in general support of staff's recommendations, raised points as set out below:

Eric Harms, President, Hastings Community Association
Paul Cabaj, Local Food First
David Bornman, President, Hastings Park Conservancy (material circulated and on file)

- prevent any further degradation of what is a substantial taxpayers investment;
- it is a disservice to just look at Hastings park in isolation - both a traffic plan and vigorous enforcement of the Parking By-law is needed;
- promote public transit on the site;
- return to the roots of historic Hastings Park; in response to peak oil impact on food supply and access of local food - a local food and demonstration facility at the Hastings Park Site is proposed, including a winter farmers market, as a way to relocalize our local food systems;
- shorten the timeframe of many items which will have no impact on the Olympics; and
- use the Hastings Park Restoration Fund only for actual restoration costs.

MOVED by Councillor Anton

THAT the Committee recommend to Council

- A. THAT Council approve the updated planning process and work program for the Hastings Park Implementation Plan as described in the Administrative Report dated June 29, 2007, entitled "Hastings Park Updated Implementation Plan" and direct staff to report back to Park Board and Council on key milestones.
- B. THAT Council approve the updated Hastings Park/PNE Implementation Plan project budget of \$1.578 million (\$552,600 in 2007) as detailed in Appendix 4 of the Administrative Report dated June 29, 2007, entitled "Hastings Park Updated Implementation Plan"; source of funding to be the Hastings Park Reserve.

CARRIED UNANIMOUSLY

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During discussion of the above item, Council recessed at 1:00 p.m. for lunch and reconvened at 2:10 p.m.

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4. Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties (VanRIMS No. 02-3000-10)

The Committee had before it an Administrative Report dated June 26, 2007, in which the Director of Real Estate Services sought approval of the revised allocation of rental amounts, establishment of the Counter Proposal Period, authority to proceed to arbitration and authority for a process to implement a new prepayment program for those who have not

prepaid the remaining term of their groundlease terms with the City. The City Manager provided background on the Leasehold renewal issue and recommended if the City cannot reach agreement with individual leaseholders, that it go to arbitration in order to establish these fair market values, and noted that once these values have been settled staff will report back to Council on a final prepayment plan.

Michael Flanigan, Director, Real Estate Services, provided an overview of the report, and provided clarification on the recommended arbitration process, lease agreements, the allocation of assessment, and noted his preference to deal with the seven strata ground leases separately from a further three which come due between 2010 and 2012.

The following speakers addressed Council on this matter:

Jerry Roy, Chair, Steering Committee, Leaseholders of South False Creek
Patrick Kelly
Gillian Willis,
Chelsea Kelly
Emily Black
Wayne Fischer
Geoff Meggs
Mary MacDonald
Robert Quartermaine
Kristen Ramsden
Frithjof (Joff) Grohne
Stephen Mulligan
Marilynn Greene
John Golka
Karly Black
Simona Hera
Allan Dobie
Dan Cumming
Alain Catteau
Michael Ferreira
David Martin

Comments provided by the foregoing speakers included the following:

- feel confident issues can be resolved over the next 120 days;
- willing to pay fair share, but must be fair; ask to be treated fairly and have our due process;
- Council's decision will have an impact on the sustainability of the community, and the financial viability and lives of its citizens;
- now facing financial hardship with a fixed income if ground rent fees are increased the amount recommended in report;
- lease arrangements are seriously flawed and will hurt us financially as it currently stands;

- lower income, middle income and many families with young children will be unable to live here; don't force families out into an unsustainable commuter lifestyle;
- pleased to date with negotiations between the City and the leaseholders;
- City needs to specify what the lease will look like at the end of the next 30 years, with assurance there will be something left at end of those 30 years;
- this needs to be dealt with now, the City is under no obligation under the lease to pay owners for their improvements;
- there was no indication from staff that rates could be this high, told to expect a 200-300% increase;
- a solution needs to be negotiated, and the legacy of False Creek considered;
- ask Council to fully appreciate the consequences of its decision, which could destroy a healthy community and direct staff to negotiate a fair contract;
- reconsider size of increase for those on fixed incomes, or some sort of deferment or grandfathering similar to the method used for taxes;
- what would any reasonable person think about a 700% increase; reconsider methodology for calculating rents so False Creek does not become a place where only high income earners can live;
- appeal for what is fair; much of staff's report is based on the flawed methodology of the Grover, Elliot & Co. Ltd. report;
- a motion by Council for prepayment prior to arbitration would provide leaseholders with additional choices; and
- land lease costs are not the only expense for False Creek residents, there is also restoration charges, property taxes on land not owned by leaseholders, and the mortgage to pay.

MOVED by Councillor Cadman
THAT the Committee recommend to Council

- A. THAT Council approve the revised allocation of rental amounts set out in column B of Appendix B of the Administrative Report dated June 26, 2007, entitled "Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties" for strata subdivisions VR442 and VR466 to correct an oversight that ensures the lease calculations for these strata subdivisions are based on unit entitlement and not tax assessment ratios and that the Director of Real Estate Services give notice to the individual residential lessees in VR442 and VR466 of the revised rents.

- B. THAT the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 that the City remains prepared to consider counter proposals ("Counter Proposals") to alter the amounts of the ground rent as proposed by the City based on the research, data, and analyses as utilized and set out in the Grover, Elliot & Co. Ltd. appraisals, provided such Counter Proposals are based on errors or omissions in the appraisal reports as determined in accordance with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada.

- C. THAT the City Manager, Director of Legal Services, and Director of Real Estate Services be authorized to negotiate the terms of any Counter Proposals with either individual lessees or by strata corporation for a period of one hundred twenty (120) days commencing August 1, 2007 (the "Counter Proposal Period").
- D. THAT failing agreement on a Counter Proposal that is acceptable to the City during the Counter Proposal Period, the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 who pay monthly rent to the City but have not accepted the revised ground rent proposed by the City that the City will now proceed to arbitration to settle the rental amounts, in accordance with the rent review provisions of the various relevant ground leases.
- E. THAT Council approve initial funding for the arbitration process in the amount of \$500,000 to cover the estimated costs pertaining to appraisals and legal counsel, source of funds to be the Property Endowment Fund (PEF).
- F. THAT the City Manager report back to Council with proposed terms of an optional prepayment programme for individual residential monthly payment ground leases in VR419, VR442, VR466, VR514, VR551, VR552, and VR588 once the market rents for these premises have been settled with the lessees; provided such prepayment amounts are calculated from an effective date of May 1, 2007, not October 1, 2006.

carried

AMENDMENT MOVED by Councillor Louie

THAT the motion be amended to add the following:

THAT the City Manager report back to Council regarding provisions, absent any subsidy, to mitigate the effect of the changes in the ground rent on lessees of low income within the 120 day negotiation period.

LOST

(Councillors Anton, Ball, Capri, Ladner, Lee and the Mayor opposed)
(Councillor Cadman absent for the vote)

MOVED by Councillor Stevenson

THAT Council recess at 6:30 p.m.

LOST

(Councillors Anton, Capri, Ladner, Lee and the Mayor opposed)
(Councillors Cadman and Ball absent for the vote)

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The motion to recess at 6:30 p.m. having lost, Council recessed at 6:03 p.m. for dinner and reconvened at 7:01 p.m.
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AMENDMENT MOVED by Councillor Louie

THAT the motion be amended by striking, in F above, the words "once the market rents for these premises have been settled with the lessees" and substituting the following: "VR691, VR1112, and VR1157 once the methodology for a prepayment option has been determined and prior to the commencement of any arbitration process".

LOST
(Councillors Anton, Ball, Capri, Ladner, Lee opposed)
(Councillor Cadman and the Mayor absent for the vote)

The amendments having lost, the motion was put and CARRIED UNANIMOUSLY with Councillor Cadman absent for the vote.

5. **2007 Survey of Low-Income Housing in the Downtown Core**
(VanRIMS No. 11-2400-10)

Council agreed to refer this item to the July 12, 2007, Planning and Environment Committee meeting.

The Committee recessed at 1:00 p.m., reconvened at 2:10 p.m., recessed at 6:03 p.m., reconvened at 7:01p.m. and adjourned at 7:10 p.m.

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CITY OF VANCOUVER

REGULAR COUNCIL MEETING MINUTES STANDING COMMITTEE OF COUNCIL ON CITY SERVICES AND BUDGETS

JULY 12, 2007

A Regular Meeting of the Council of the City of Vancouver was held on Thursday, July 12, 2007, at 7:10 p.m., in the Council Chamber, Third Floor, City Hall, following the Standing Committee on City Services and Budgets meeting, to consider the recommendations and actions of the Committee.

PRESENT: Mayor Sam Sullivan
Councillor Suzanne Anton
Councillor Elizabeth Ball
Councillor Kim Capri
Councillor George Chow
Councillor Heather Deal
Councillor Peter Ladner
Councillor B.C. Lee
Councillor Raymond Louie
Councillor Tim Stevenson

ABSENT: Councillor David Cadman

CITY MANAGER'S OFFICE: James Ridge, Deputy City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

COMMITTEE OF THE WHOLE

MOVED by Councillor Stevenson
SECONDED by Councillor Anton

THAT this Council resolve itself into Committee of the Whole, Mayor Sullivan in the Chair.

CARRIED UNANIMOUSLY

COMMITTEE REPORTS

Report of Standing Committee on City Services and Budgets
July 12, 2007

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Services and Budgets. Its items of business included:

1. Vancouver Economic Development Commission's *2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games*
2. Details of Vancouver's Participation in Beijing 2008 Summer Olympic and Paralympic Games
3. Hastings Park Updated Implementation Plan
4. Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties
5. 2007 Survey of Low-Income Housing in the Downtown Core

Items 1-5

MOVED by Councillor Deal

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of July 12, 2007, as contained in items 1-5, be approved.

CARRIED UNANIMOUSLY

RISE FROM COMMITTEE OF THE WHOLE

MOVED by Councillor Chow

THAT the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

ADOPT REPORT OF COMMITTEE OF THE WHOLE

MOVED by Councillor Lee
SECONDED by Councillor Ball

THAT the report of the Committee of the Whole be adopted.

CARRIED UNANIMOUSLY

The Council adjourned at 7:12 p.m.

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