# CITY OF VANCOUVER

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#### ADMINISTRATIVE REPORT

Report Date: October 14, 2008 Author: James Boldt Phone No.: 604.873.7449

RTS No.: 07477 VanRIMS No.: 08-2000-20

Meeting Date: October 28, 2008

TO: Vancouver City Council

FROM: Director of Planning in consultation with the Director of Legal Services

SUBJECT: Heritage Revitalization Agreements and Designations- 1062 Richards and

1080 Richards Street

# **RECOMMENDATIONS**

- A. THAT the buildings currently located at 1062 Richards Street and 1080 Richards Street be added to the Vancouver Heritage Register in the 'C' evaluation group, and to designate them as protected heritage properties.
- B. THAT Council authorize the Director of Legal Services to prepare and sign on the City's behalf a Heritage Revitalization Agreement for the buildings located at 1062 Richards Street and 1080 Richards Street to:
  - secure the rehabilitation, protection, and on-going maintenance of the buildings; and
  - vary the Development Cost Levy (DCL) By-law to set the rate for the development site at 1098 Richards Street to \$6.44 per square foot.
- C. THAT Council instruct the Director of Legal Services to bring forward for enactment by-laws to authorize the Heritage Revitalization Agreement referred to in B (or E) and by-laws to designate the buildings located at 1062 Richards Street and 1080 Richards Street as protected heritage properties.
- D. AND THAT the agreements and related by-laws referred to in Recommendations B (or E), and C shall be prepared, completed, registered, and given priority, to the satisfaction of the Director of Legal Services and the Director of Planning.

#### CONSIDERATION

If Council does not support Recommendation B, the following is presented for Council's consideration.

- E. THAT Council authorize the Director of Legal Services to prepare and sign on the City's behalf a Heritage Revitalization Agreement for the buildings located at 1062 Richards Street and 1080 Richards Street to:
  - secure the rehabilitation, protection, and on-going maintenance of the buildings; and
  - grant a density bonus of 10,000 square feet available for transfer offsite.

#### **GENERAL MANAGER'S COMMENTS**

The General Manager of Community Services RECOMMENDS approval of A, B, C, and D. If Council does not support Recommendation B, E is presented for Council's consideration.

# **COUNCIL POLICY**

- Transfer of Density Policy
- Heritage Policies and Guidelines

Council's Heritage Polices and Guidelines state that the buildings "identified on the Vancouver Heritage Register have heritage significance" and that "the City's long term goal is to protect through voluntary designation as many resources on the Vancouver Heritage Register as possible."

#### PURPOSE AND SUMMARY

This report seeks Council's approval to add to the Vancouver Heritage Register in the 'C' evaluation category the two houses located at 1062 and 1080 Richards Street. The report also recommends the City enter into a Heritage Revitalization Agreement (HRA) to secure the rehabilitation and long term preservation of the two proposed heritage houses. The proposed HRA creates a variance of the DCL rate to \$6.44 per square foot for the development site at 1098 Richards Street which will generate \$500,000 of compensation under the current DCL rate.

Council has used provisions in the Vancouver Charter to vary the DCL By-law to assist with the conservation of buildings by providing heritage incentives. The DCL variance provides an incentive for the rehabilitation, designation, and long term protection of the proposed heritage buildings. Staff supports these incentives. Should Council not support the DCL variance, an option to create transferable density of equal value (10,000 square feet) is presented for Council's consideration.

#### **BACKGROUND**

The two proposed heritage houses located at 1062 and 1080 Richards Street are included in the redevelopment of a large site at 1098 Richards Street as set forth in development permit number DE411788.

The three houses 431, 435, and 439 Helmcken Street are located on separate parcels under separate ownership and are not part of the development site but will be brought forward to Council in the near future to be added to the Vancouver Heritage Register and designated (see the map and photos in Appendix 'A' and 'B', and the drawings in Appendix 'C').

The properties are all located the Downtown South Neighbourhood in the 'L1" area of the Downtown District Official Development Plan west of Yaletown. The zoning permits densities up to 5.0 FSR (floor space ratio). Residential uses are permitted while commercial uses are limited to offices uses, with some provisions for retail and services uses on street corners.

# **Downtown South Houses**

The buildings located at 1062 and 1080 Richards Street are part of seventeen remaining houses currently being reviewed by heritage staff as a part of a Council approved study to assess the value of the remaining pre-second world war houses in the Downtown South area west of Yaletown. Staff plan to present the conclusions of the study to Council in the near future. Of the seventeen houses, six are currently listed on the Vancouver Heritage Register, and of these, five are designated as protected heritage properties. The remaining eleven houses currently have no heritage status. The Vancouver Heritage Commission has concluded that all seventeen remaining houses are valued as increasingly rare examples of the downtown south area's early development. On July 28<sup>th</sup>, 2008 the Vancouver Heritage Commission resolved that all of the remaining houses are supported for addition to the Vancouver Heritage Register.

One of the seventeen houses located at 1237 Howe Street will be demolished as part of an application to redevelop the site for non-market housing. Therefore, if Council approves the recommended addition to the Register and designation of the two houses which are the subject of this report, seven of the surviving sixteen Downtown South houses, all of which have been recognised as having heritage value, will be protected as designated heritage properties.

#### DISCUSSION

# Heritage Value

The houses at 1062 Richards Street (to be known as the 'Pirt Warne House') and 1080 Richards Street (to be known as the 'Joseph Clarke and Joseph Arthur Perry House') were built between 1907 and 1909 as modest 1 ½ storey, middle class, Edwardian-era housing, once common in the area (see the historic map and photos in Appendix 'B'). Over time (but particularly after the 1960s) almost all of the housing was demolished to make way for other development. The remaining houses therefore are valued as increasingly rare examples of the area's early residential development and its association with the neighbourhood's early

economic development, as well as for their sheer endurance in their original form, character, and sometimes even use.

The houses also reflect the early development of the original Canadian Pacific Railway (CPR) lands including typical "end-of-block" development involving the construction of small houses or commercial buildings oriented to face the flanking street at the end of a block (see the historic map in Appendix 'B' for a number of examples of this). The three existing Helmcken Street houses located at 431, 435, and 439 Helmcken Street, are the only surviving set of end-of block houses in their original locations in the entire downtown south neighbourhood, and are valued for this (the two original houses on the corner of Richards and Helmcken Street, where the houses at 1062 and 1080 Richards Street are to be re-located to, appear on the map in Appendix 'B', were demolished sometime before 1973). The adaptability of these small houses is one of the themes identified in the assessment of their values, and their compact, efficient plans may also reflect why some of these buildings have survived over the years.

Another benefit identified in the assessment of the preservation of these houses is that despite the high quality of new development in the last couple decades in the downtown south area, the neighbourhood has become relatively homogenous and uniform. Together, these five proposed heritage buildings will not only form a striking and rare representation of an historic development pattern, but will also contribute to the diversity of form and character in the neighbourhood. As well, the site is located along a bike route and future Greenway leading from the historic Yaletown area, and thus the streetscape created by these five houses will be a benefit to residents, commuters, and visitors alike.

# **Condition of the Properties**

The two houses at 1062 Richards St. and 1080 Richards St. are currently unoccupied and are secured to prevent vagrancy. The physical interiors of the buildings are modest and have not been identified as having heritage significance. The important components of the rehabilitation of the buildings are their exterior forms, character, and materials. A Conservation Plan has been submitted by the Heritage Consultant outlining the rehabilitation and restoration of the two houses at 1062 Richards St. and 1080 Richards St. (each will contain a single dwelling unit). An assessment of the structural integrity of the two houses has demonstrated that the two houses can be physically retained, moved to the new location, and rehabilitated to their original character with subtle changes to accommodate contemporary lifestyles and living arrangements (see drawings in Appendix 'C').

# Heritage Incentive Approach

Early reviews of proposals for the site at 1098 Richards Street concluded that the retention of the two buildings at 1062 and 1080 Richards Street in their existing locations is not viable, but relocating them to the corner of the site at the intersection of Richards Street and Helmcken Street is viable and supportable (see drawings in Appendix 'C'). The owner has submitted a proforma with a detailed analysis requesting modest compensation to offset costs associated with the relocation, rehabilitation, designation, and long term preservation of the two proposed heritage buildings.

# On site Density Option:

Initially, consideration was given to an on-site bonus to be incorporated into the proposed new development. However, staff concluded that any additional density, in excess of what is permitted, significantly impacts the bulk and design of both the new tower and the new eight storey portion. Additionally, restrictive view cones cross the site would preclude any increase in height of the proposed tower (see the discussion on view cones and opportunities for additional on-site density in Appendix 'D'). Staff conclude that the creation of bonus on-site density is not supported to compensate the owner for heritage costs.

# Transferable Density Option:

Staff also considered the creation of transferable density to compensate the owner. In July 2007 Council directed staff to undertake a review of the Heritage Building Rehabilitation Program (HBRP) and the Transfer of Density Program (TOD), at which time Council also directed staff to put on hold any new enquiries for the creation of transferable density until after the review is completed and reported back to Council. As the review is still underway, staff conclude that the creation of 10,000 square feet of transferable density in exchange for the conservation of the houses at 1062 and 1080 Richards Street is not supported at this point in time.

# DCL Variance Option:

Council has, on occasion, used provisions in the Vancouver Charter to vary the DCL By-law to assist with the conservation of buildings. The proposed DCL variance to set the rate at \$6.44 per sq. ft. will generate \$500,000 of compensation representing a reduction of about 1/3 of the DCL which would be paid under the current rates if the heritage buildings were to be demolished and the property redeveloped as shown in the table below:

Table 1: Approximate DCL Payable Based On Current Rates for 1098 Richards Street

	Proposed HRA (DCL variance)	Site Redeveloped Without the Heritage Houses
DCL to be paid	\$1,050,923	\$1,550,923

On May 3, 2007, City Council approved the 2007-2021 Downtown South Public Benefits Strategy. For the 2007-2021 period, the strategy is expected to cost \$81,165,000, with \$58 million expected to be collected through DCL's. Development of the strategy included sensitivity analysis which allowed for variances on a project by project basis which has been accounted for in the broader strategy. The proposed DCL variance represents less than 1% of the DCL's expected to be collected during the 2007-2021 period noted above. Planning and heritage staff reviewed the DCL reduction option with staff representing various public benefits interests and conclude that the modest DCL reduction generated by DCL variance is supported in this application as other heritage incentive tools have been exhausted and falls within the variances assumed when the Strategy was prepared. Should Council not support the DCL variance for 1062 and 1080 Richards Street, an option to create 10,000 sq. ft. of transferable density for the two houses is presented for Council's consideration.

# 431, 435, and 439 Helmcken Street - 'The Helmcken Street Houses'

Early on heritage staff also pursued securing the designation of the three houses at 431, 435, and 439 Helmcken Street in parallel with the development proposal at 1098 Richards Street. Initial discussions with these owners indicated that the provision of off-street parking in the development at 1098 Richards Street is a valuable incentive in the consideration of compensation for the designation and long term preservation of their respective houses (none of the three houses currently have off-street parking). A condition of the development application approval for 1098 Richards Street requires the provision of two off-street parking spaces for each of the three Helmcken Street houses (six in total) in the underground parking garage of the new building at 1098 Richards Street. The construction costs associated with these six parking spaces were credited to the financial proforma associated with 1062 and 1080 Richards Street described above.

All three Helmcken Street owners are prepared to add their respective houses to the Vancouver Heritage Register and designate them. However, due to timing issues, the three Helmcken Street houses will be presented to Council for addition to the Heritage Register and designation in the near future. Staff conclude that although the costs associated with the provision of the parking spaces described above have been credited to the proforma for the two houses at 1062 and 1080 Richards Street, approval of the HRA and designation of the two houses at 1062 and 1080 Richards Street should be brought forward at this time to allow the development application for 1098 Richards Street to be proceed. The parking spaces will be assigned to the Helmcken Street properties pending Council's approval of the designation of the three Helmcken Street houses.

# Development Application at 1098 Richards Street and Retention Strategies

On December 21<sup>st</sup>, 2007, development application number DE411788 for 1098 Richards Street was submitted by Lawrence Doyle Young + Wright Architects Inc. which proposes the construction of an eighteen storey residential tower and an eight storey residential building on the site at 1098 Richards, which is comprised of an assembly of thirteen parcels which are to be consolidated (see map in Appendix 'A' and drawings in Appendix 'C'). As part of this application the two proposed heritage buildings at 1062 and 1080 Richards Street are to be relocated to the corner of the site at Helmcken Street and Richards Street, rehabilitated, and designated. On June 16<sup>th</sup>, 2008 the Development Permit Board approved the development application subject to Council's approval of the HRA's and designations of the two buildings at 1062 and 1080 Richards Street as a condition of the development application approval.

# Comments of the Vancouver Heritage Commission

The Vancouver Heritage Commission reviewed the Statement of Significance for 1062 and 1080 Richards Street on November 19<sup>th</sup>, 2007 and unanimously voted to support the addition of the five houses to the Vancouver Heritage Register. On February 25<sup>th</sup>, 2008, The Vancouver Heritage Commission reviewed the development application for 1098 Richards Street and voted unanimously to support the project (see Appendix 'E' for the complete resolutions by the Commission).

# Financial Proforma Evaluation

The Director of Real Estate Services advises that proposed incentives requested as compensation for the shortfall costs associated with relocation, restoration, heritage designation, and long term preservation of 1062 and 1080 Richards Street, and the provision of six parking spaces for the future designation and long term protection of 431, 435, and 439 Helmcken Street, are supportable and provide no undue profit.

#### **Public Consultation and Notification**

A site sign was erected for the development application for 1098 Richards Street and 2,439 letters were sent to surrounding property owners notifying them of the application and requesting feedback. Seven letters of response were received, six of them supporting the rehabilitation of the heritage buildings (no objections were received regarding the heritage buildings). Concerns regarding the new building and the landscaping have been addressed in the conditions of the development application approval. Several former owners and residents of the five houses, some who occupied or owned some of the houses decades ago, have also expressed their support for the designation of the houses.

# FINANCIAL IMPLICATIONS

The approval of the report's recommendations will have no financial implications with respect to the City's operating expenditures, fees, or staffing.

# **ECODENSITY POLICIES**

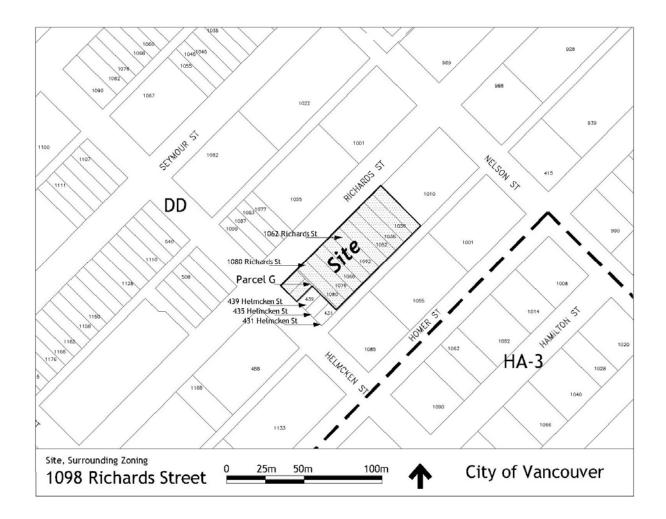
While the recently approved Ecodensity policies related to rezonings and HRA's do not apply to the application for 1098 Richards Street as it was submitted well in advance of the May 13<sup>th</sup> 2008 deadline, the owner is committed to ensuring that the development will contain many ecological features comparable to LEED silver or better. The Urban Design Panel commented on these features and final clarification of the sustainable design features included in the project is required as a condition of the development approval.

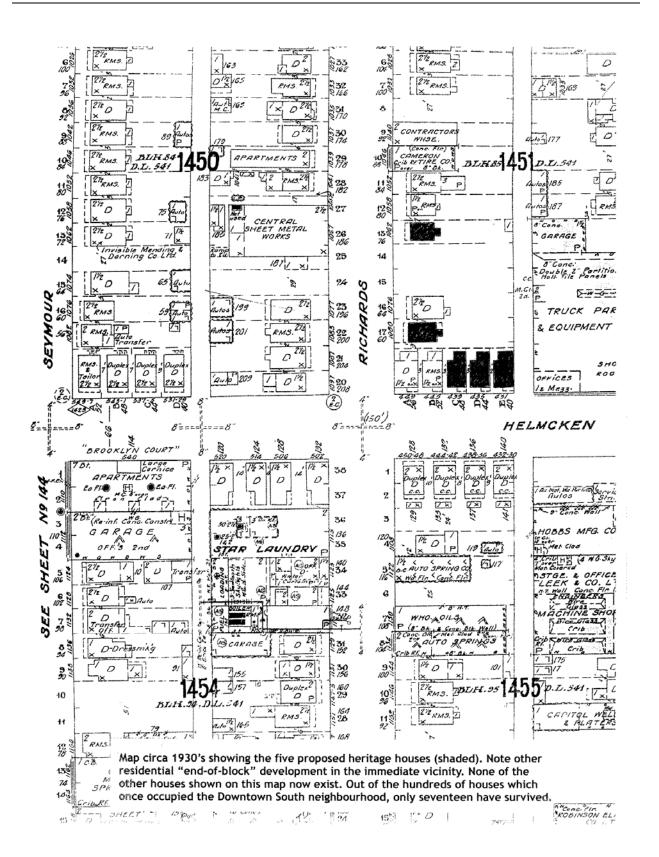
# CONCLUSION

This report recommends a number of actions which would result in the long term preservation of two heritage houses in a unique representation of an early end of block configuration, symbolizing early development patterns in the Downtown South Neighbourhood. Approval of the DCL variance to set the rate at \$6.44 per sq. ft. for the development at 1098 Richards street (thereby generating \$500,000 in compensation) will provide an incentive for the owner to designate and preserve the two buildings at 1062 and 1080 Richards Street as protected heritage properties. Should Council not support the recommended DCL variance option, the creation of 10,000 sq. ft. of transferable density for the site at 1098 Richards Street is provided for Council's consideration.

The owner of the two houses has agreed to the heritage designation of the buildings and is prepared to waive future demands for compensation. Therefore it is recommended that Council approve the addition of the houses located at 1062 Richards Street (the 'Pirt Warne House') and 1080 Richards Street (the 'Joseph Clarke and Joseph Arthur Perry House') to the

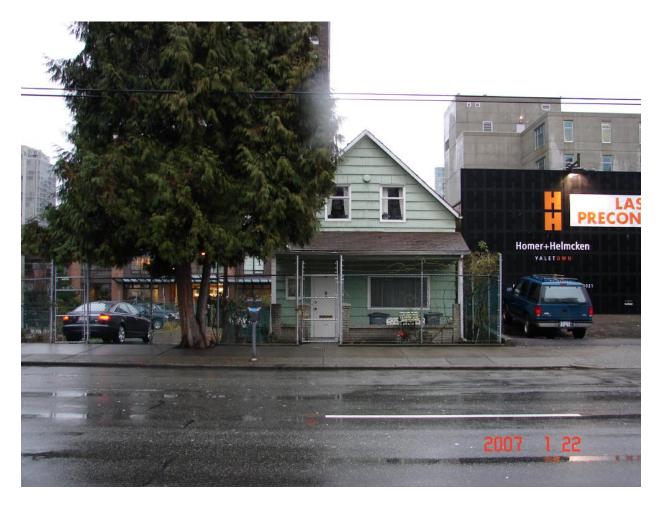
Vancouver Heritage Register, and the designation of the two houses and the recommended Heritage Revitalization Agreements.







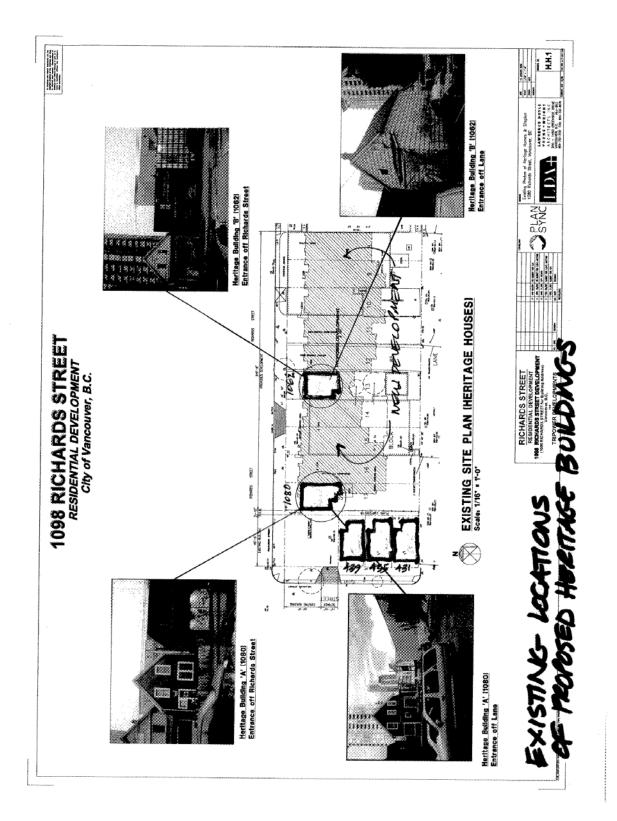
1080 Richards Street



1062 Richards Street



Helmcken Street Houses (431, 435, and 439 Helmcken Street)



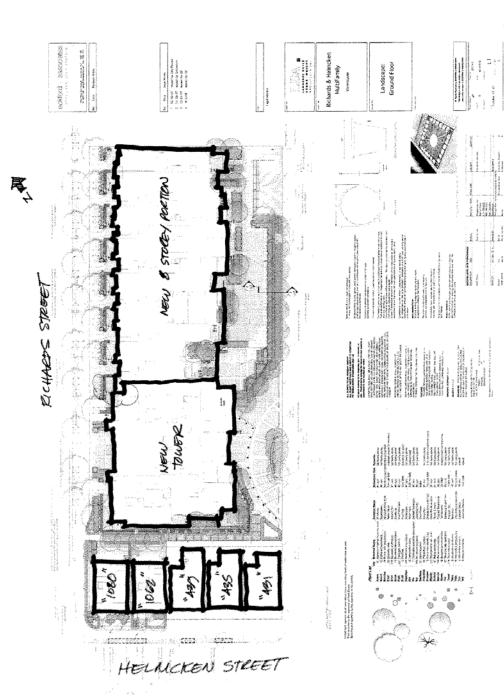
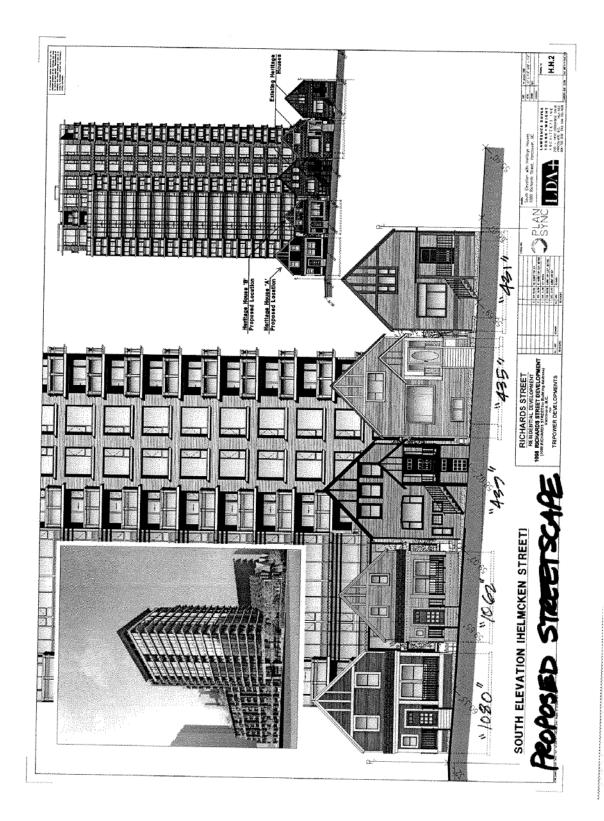
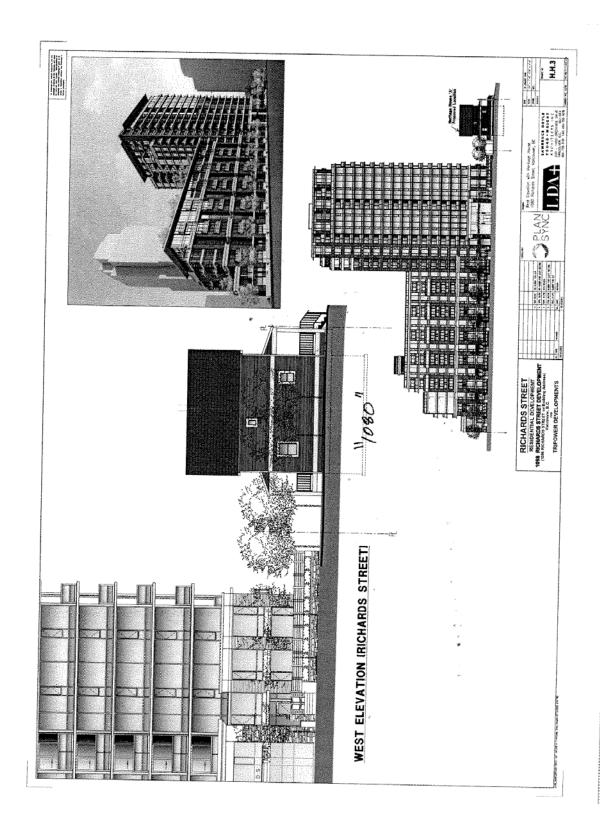
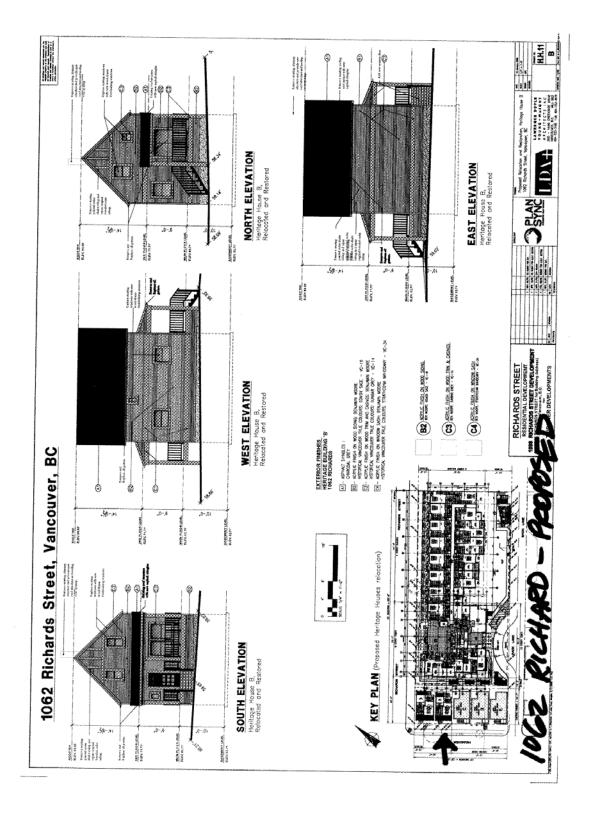
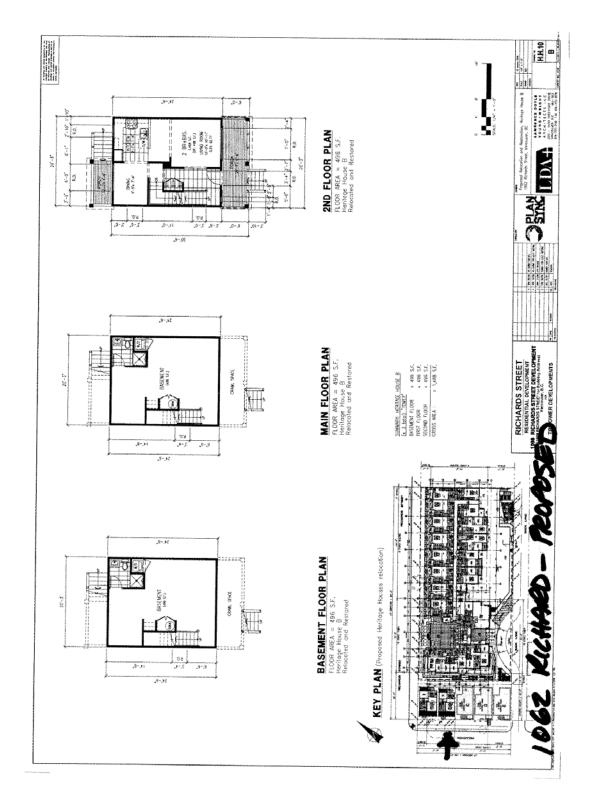


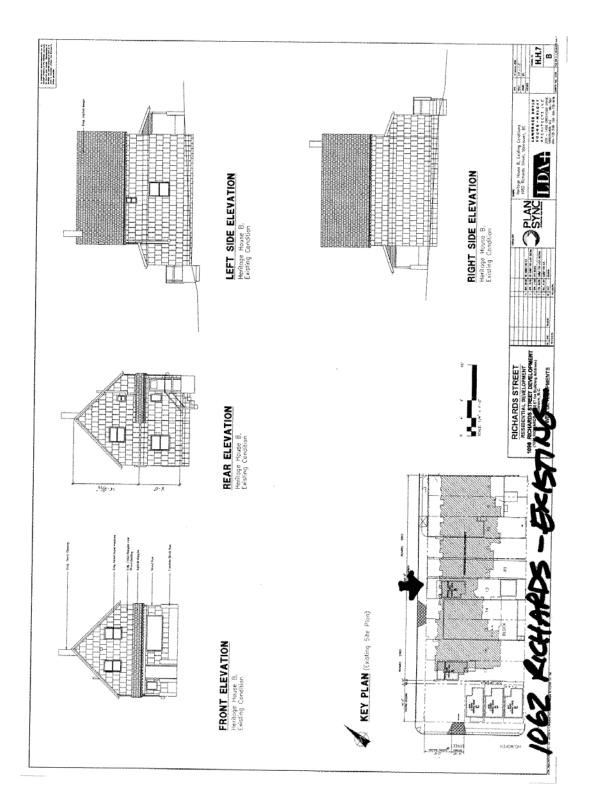
DIAGRAM SHOWING FROPOSED LOCATIONS & NEW DEVELOPING

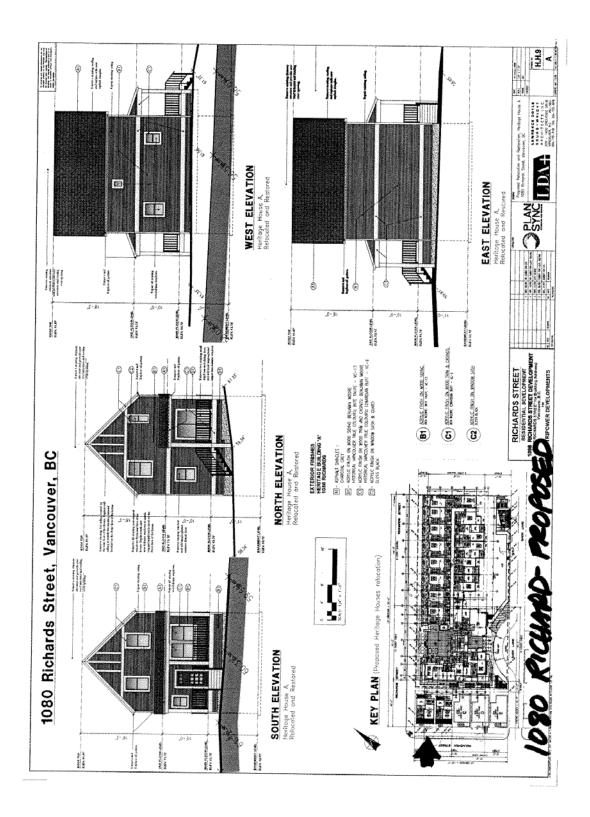


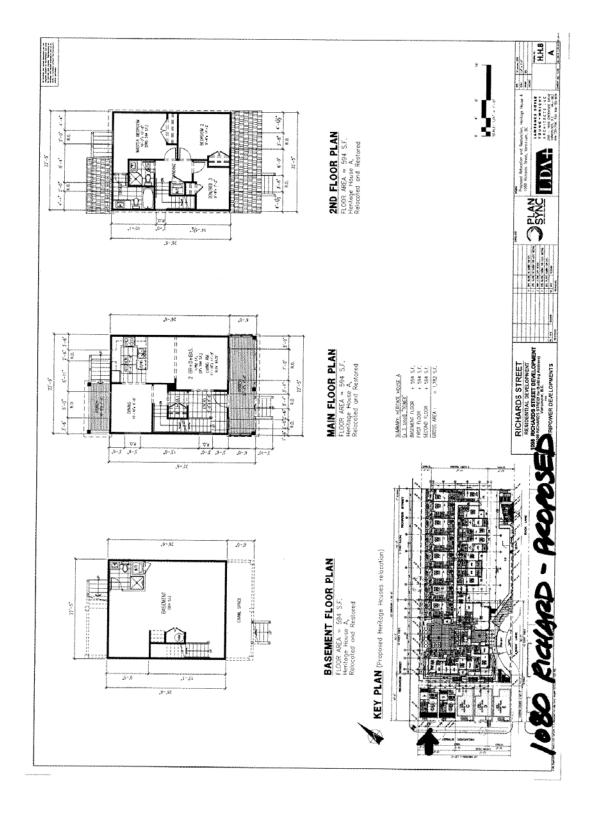


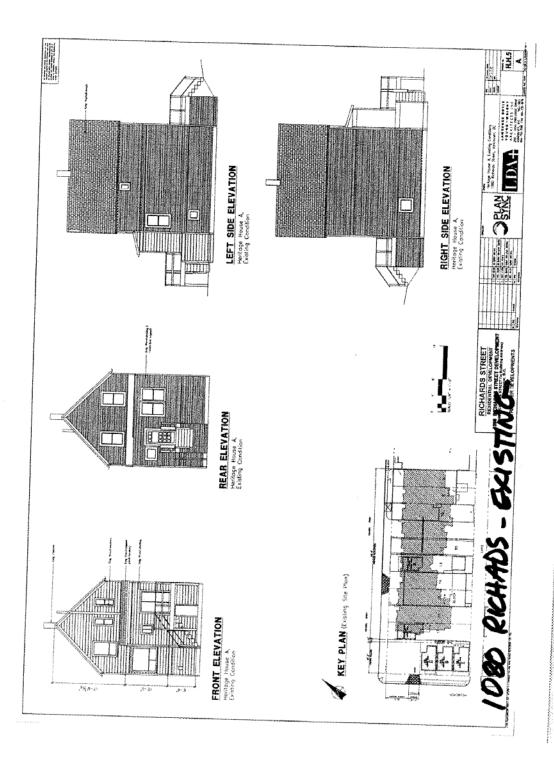












# View Cones, Tower Height, and Opportunities for Additional Bonus On-site Density

When reviewing the development application for 1098 Richards Street consideration was given to incorporating additional density into the proposed development. However, staff concluded no additional density, beyond accommodating the density of the two proposed heritage buildings, or height may be added to the tower or the eight storey portion due to several restrictive view cones which cross the site. Council has adopted view cones to protect certain specific public views. Where a view cone crosses a property, it will determine the maximum height permitted, including all appurtenances such as mechanical penthouses, decorative roofs, and aerials. In some cases, the permitted height under a view cone is greater than that permitted in the zoning district, including all applicable polices and guidelines for the area, in which case the maximum height under the zoning would be the limiting constraint, not the view cone.

The view cones as described in the "View Protection Guidelines" are broadly grouped into two sets- "the False Creek View Cones" and the "Outlaying Area View Cones"- however, all view cones are applied equally. For the Downtown peninsula, the Downtown District Official Development Plan specifies under its height provisions that view cone heights be the governing criteria where these are more restrictive than the conditionally permitted By-law heights. In the case of the site at 1098 Richards Street, a number of the view cones cross the site. Staff have determined that the maximum height permitted under the most restrictive view cone ('Heather Bay to the Lions') is 164.14 feet, which is less than the maximum height conditionally permitted in the Downtown District Official Development Plan. As such this view cone governs the maximum height which may be permitted.

At the pre-application stage the applicant for 1098 Richards Street was advised the maximum height which will be considered on this site is 164.14 feet and that no exemptions or variances from this would be considered, which is consistent with current policy regarding how the "View Cone Guidelines" are applied. To date, at least eight developments in Downtown South located under this or similar view cones have either been built or are under construction with their heights adhering to this policy of respecting the view cone heights. Three of these developments nearby to 1098 Richards Street were able to achieve tower heights of 16 and 17 storeys. Through careful configuring of floor levels that was suggested by staff, this applicant has been able to incorporate 18 storeys in the tower.

The application indicates a maximum height of 162′- 6″ to the extreme top of the mechanical penthouse on the tower. Staff have determined that adding another floor (19th level) of residential units as a possible heritage incentive to compensate for the costs associated with the relocation, rehabilitation, and designation of the two proposed heritage buildings would add a further nine feet to the height of the tower which would then intrude into the view cone, and therefore should not be entertained. Issues of fairness to previous applicants and making a one-off move for this applicant, blocking views previously protected, ahead of a comprehensive view cone study, factored heavily into staff′s consideration. Likewise, staff conclude that no more density should be added to expand the size of tower floor-plates, nor is any increase in bulk or height of the eight storey portion to the north-east supported. Therefore, the variance of the DCL is considered the only viable option to compensate the owner for costs associated with the rehabilitation and designation of the two Richards Street houses.

# Comments of the Vancouver Heritage Commission

The Vancouver Heritage Commission reviewed the Statement of Significances for all five houses on November 19<sup>th</sup>, 2007 and unanimously voted to support the addition of the five houses to the Vancouver Heritage Register with the following motion:

# **RESOLVED**

THAT, regarding the heritage value of the Downtown South Houses, specifically 439, 435, and 431 Helmcken Street, 1062 Richards Street, and 1080 Richards Street, as presented at its November 19<sup>th</sup>, 2007 meeting, the Vancouver Heritage Commission supports the following:

- Statements of Significances for the five afore-mentioned house; and
- Adding the afore-mentioned houses to the Vancouver Heritage Register.

#### CARRIED UNANIMOUSLY

The Vancouver Heritage Commission reviewed the development application for 1098 Richards Street on February 25, 2008 and voted unanimously to support the project with the following motion:

#### **RESOLVED**

THAT regarding the project at 1098 Richards Street the Vancouver Heritage Commission (VHC) supports the project as presented at the February 25<sup>th</sup> meeting, specifically noting the following:

- i) the set back of the relocated houses be differentiated from the existing three Helmcken houses to their east;
- ii) the height above grade of the main floor levels to more closely relate to their existing heights;
- iii) the stairs are oriented perpendicular to the City sidewalk;
- iv) the porches are drawn in the proposal;
- v) the houses be moved northward to improve southern exposure and, therefore, increase liveability of the basement units and increased public benefit of the larger front yard;
- vi) the applicant should explore filigreed landscaping at the north end of the houses;
- vii) there should be an interpretation on site to explain the relocation story.

#### CARRIED UNANIMOUSLY

Staff note that comments of the Heritage Commission have been incorporated into the conditions of the development application approval.