



CITY OF VANCOUVER

POLICY REPORT  
URBAN STRUCTURE

Report Date: November 18, 2008  
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Meeting Date: January 20, 2009

TO: Standing Committee on Transportation and Traffic

FROM: Director of Planning, in consultation with the General Manager of Engineering Services, Managing Director of Social Development, Managing Director of Cultural Services, Director of Real Estate Services, General Manager of Parks and Recreation.

SUBJECT: Granville Loops: Interim Public Benefit Approach

**RECOMMENDATION**

- A. THAT Council approve the allocation of the \$7,000,000 Community Amenity Contribution from the 1304 Howe St. rezoning (approved July 8, 2008) as follows:
- \$6,000,000 for park acquisition and/or improvements; *and*
  - \$1,000,000 for childcare purposes

in Downtown South or other nearby locations that can serve the future residents of the Granville Loops.

- B. THAT with respect to the City-owned lands in the Granville Loops area, Council instruct staff to report back with public benefit recommendations in conjunction with future rezoning(s), taking into consideration the information contained in this report.

**GENERAL MANAGER'S COMMENTS**

The General Manager supports A and B above.

**CITY MANAGER'S COMMENTS**

The City Manager supports A and B above.

### *COUNCIL POLICY*

In June 2003 Council approved the Financing Growth Policy that resulted in City-wide Development Cost Levies to assist in financing the costs of growth. The Citywide DCL rate is currently \$64.59/m<sup>2</sup> (\$6/ s.f.). In July 2008, Council approved an increase in the City-wide DCL rate to \$109.80/m<sup>2</sup> (\$10.20/s.f.) plus cost of inflation, with the increase to take effect in January 2010.

The Financing Growth Policy also addresses Community Amenity Contributions (CACs) which are voluntary contributions associated with rezonings in order to address impacts or meet community needs.

Privately initiated rezonings are required to contribute to the Public Art Program if they are in excess of 15,000m<sup>2</sup> (161,463 s.f.), at a rate of \$10.23/m<sup>2</sup> (\$.95/s.f.) allocated as a portion of construction budget. On June 26, 2008 Council approved an increase in this contribution rate to 19.48/m<sup>2</sup> (\$1.81/s.f.) and will apply it to projects over 9290 m<sup>2</sup> (100,000 s.f.), effective January, 2009.

In May 2007, Council approved the Downtown South Public Benefits Strategy for 2007-2021.

Council, Park Board, and Vancouver Public Library Board have also approved a range of standards, policies, and strategic plans related to the future provision of facilities and services for which they are responsible.

### *PURPOSE AND SUMMARY*

A companion report to this one recommends Council approval of the Granville Loops Policy Plan. This Plan calls for reconfiguration of roads in the loops area at the north end of the Granville Bridge, and redevelopment of the area with about 97,545 m<sup>2</sup> (1,050,000 s.f.) of mainly residential development. Two of the private sites in the area have already had rezonings processed in accordance with the evolving Plan. The remaining City-owned lands will redevelop over a period from 5 to 20 years.

This report recommends an allocation of a CAC that has been accepted from 1304 Howe Street plus an interim approach to public benefits generated by development on City-owned lands in the Granville Loops area. The report describes:

- The public benefits demands in the Loops;
- The benefits that have been included in the Plan as assumptions: replacement of the Old Continental SRA units and certain public realm upgrades;
- The benefits that have been contributed by the recent private rezoning of 1304 Howe Street (ex Travelodge site) - a \$7 million CAC and the subject of Recommendation A;
- The benefits that have been contributed by the recent private rezoning of 1300 Granville Street (Yale/Cecil site) - the refurbishment of the Yale Hotel, including securing the SRA units and heritage designation of the building; and
- The Development Cost Levies and Public Art contributions that will accrue from the Loops area development.

With regard to the \$7 million Community Amenity Contribution (CAC) from the recent private rezoning at 1304 Howe St (ex Travelodge site), the report recommends it be allocated to parks (\$6 million) and childcare (\$1 million) in nearby locations, which can serve future residents of the Loops area.

The CACs that might flow from the redevelopment of the City-owned lands were estimated in Spring 2008 to be about \$14 million -- over and above the direct costs of removal of the bridge loops, delivery of the roads/utilities, site preparation, land cost, and the benefits noted above as being inherent in the Plan (replacement of the Old Continental Hotel and public realm upgrades). However, because the rezoning may not occur for many years, and may be phased, staff are not recommending any allocation of these funds at this time. Recommendation B is that staff report back with public benefit recommendations at the time of rezoning(s).

### ***BACKGROUND***

The Granville Loops Policy Plan, being forwarded concurrently for Council approval in a separate report, presents a plan for redevelopment of the 2.74 ha (6.76 ac.) area at the north end of the Granville Bridge. The Plan includes

- Reconfiguration of the current bridge loops into a more normal street pattern, providing better connectivity within and through the area, including better pedestrian linkage between Downtown and False Creek;
- Development of approximately 97,545 m<sup>2</sup> (1.05 million s.f.) of predominantly residential use in three towers at about 91 m (300 ft) and three somewhat lower towers of 55 m to 67 m (180 ft. to 220 ft.), as well as some mid-rise and low-rise buildings.

Some of the development will occur on two privately-owned sites, 1304 Howe St. (the ex-Travelodge site) and 1300 Granville St. (the Yale/Cecil site) for which rezonings have already been processed in accordance with the evolving Granville Loops Policy Plan. The rest of the future development will occur on City-owned land which is currently occupied by the City-operated Old Continental Hotel, Black Top Cabs (who lease a large part of the site), and another smaller lease area used for vehicle storage. The timeline for the redevelopment of the City lands could range from 5 to 20 years, and it may also occur in phases, depending on when existing tenants depart.

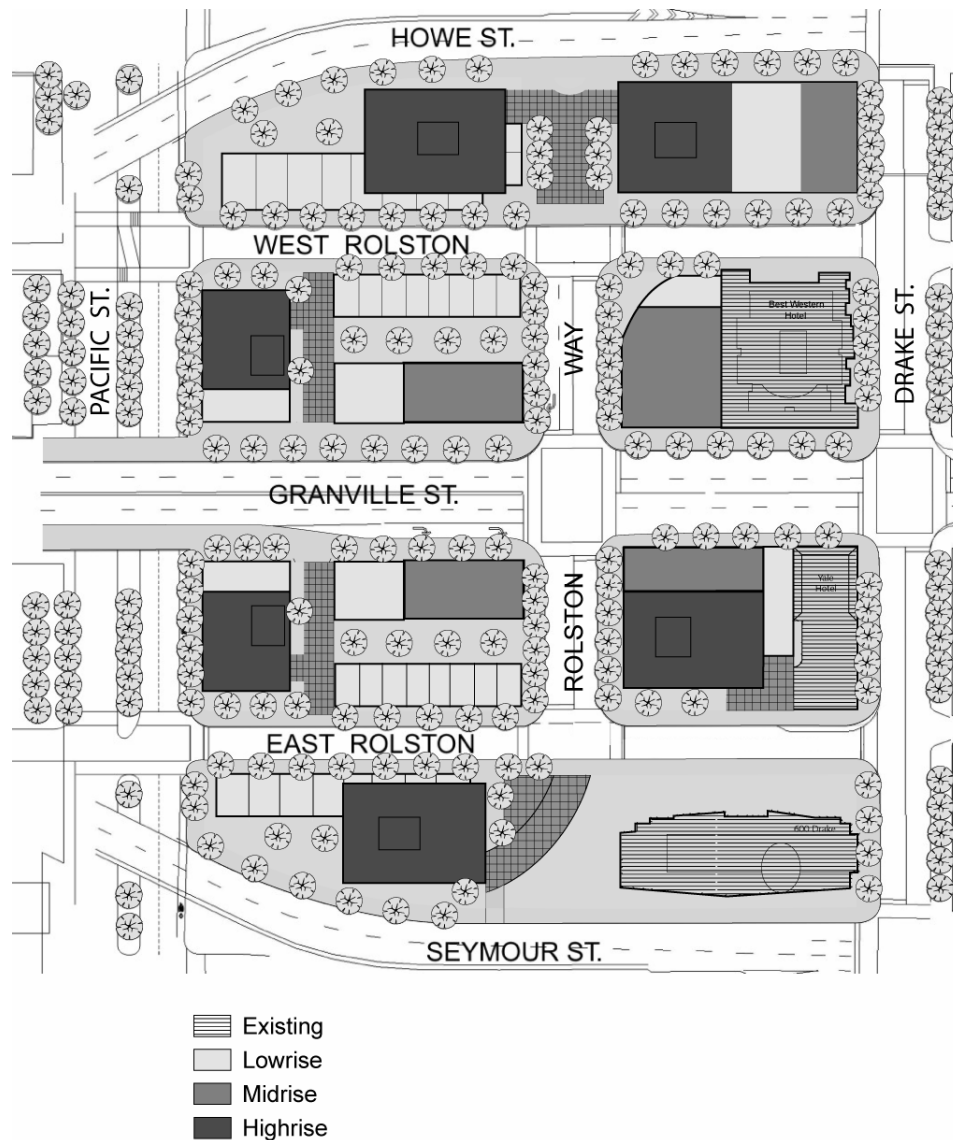


Fig. 1 Concept Plan

## DISCUSSION

### 1. Public Benefit Demands

The City considers a range of facilities and services as public benefits:

- park land acquisition and park improvement
- community centres
- childcare facilities
- affordable housing and replacement low-cost housing
- transportation improvements, particularly for pedestrians, cyclists, and transit
- cultural facilities
- heritage preservation
- library facilities
- public art

To determine what public benefits are needed, staff are guided by the adopted service standards, strategic facility or service plans, and/or conceptual project designs that have been developed by the various responsible departments.

Staff first looks at the facilities or service demands generated by the new population, as well as opportunities and needs that may be specific to the development area. There are currently about 300 residents in the Loops area and this could be increased to approximately 1500 under the Granville Loops Policy Plan. Employment is around 100 jobs and that will remain relatively stable. In addition, in terms of existing attributes of the area, there is existing low cost housing in the form of SRAs at the Old Continental and Cecil hotels, as well as the heritage-listed Yale Hotel.

Table 1 lists the public benefits demands generated by the proposed Loops development.

**Table 1. Granville Loops Public Benefits Demands**

Category	Demands (related to Loops)	Approximate Cost (\$ millions, 2008 Estimate)
Park	0.75 ha (1.85 ac)	\$48.0
Community Centre	167.2 m2 (1800 sq. ft)	\$1.3
Childcare	15 spaces	\$1.3
Affordable Housing	Replacement of 200 units of low-cost housing (Old Continental 106 units; Yale 44 units; Cecil 50 units)	\$44.0
Transportation and Infrastructure	Public realm Improvements to existing and new streets	\$6.0
Heritage Preservation	Yale Hotel	\$4.0
Cultural Facilities	None related to Loops	--
Public Art	Fixed contribution required by City Policy	\$.8
Library	\$41/resident	.062
Total		\$105.5 +/-

Note: Table 1 estimates based on Spring 2008 costs excluding land (except for park which includes land). The park ratio used to calculate demand is 0.5 hectares/1000 residents, which will be the combined level of service for Downtown South, Granville Slopes, and False Creek North at build-out.

## 2. Sources of Funding

Public benefits can be funded in a number of ways. The main ones are City capital funding, Development Cost Levies (DCLs), and Community Amenity Contributions (CACs) in cash or "in kind". Even with these sources, it is usually not possible to meet 100% of the public benefit demands in all categories.

Staff generally develop a Public Benefit Strategy that sets out the priorities for which public benefits should be delivered, and through what resources. Besides the estimated public benefits demands, considerations include; the possible sources of funding or other support, the deficiencies that may already exist in or around the area, the feasibility of delivery of capital projects, and the unique opportunities that may exist.

### 3. Public Benefits Already Committed

In the case of the Granville Loops, the redevelopment of the City-owned lands is expected to pay for certain basic improvements necessary for that development to occur: removal of the bridge loops, construction of the new road system and utilities, remediation of soils, land costs paid to the Property Endowment Fund, and possibly costs related to relocating existing tenants. These are considered “direct costs” and not public benefits.

Beyond these direct costs, a number of the public benefits have been assumed as integral to the development, or have already been negotiated and approved by Council as part of the 1304 Howe Street and 1300 Granville Street rezonings. In addition, all development will automatically be subject to the City-wide DCL, which is allocated in fixed proportions to the eligible categories. These are noted in Table 2 and discussed below.

**Table 2. Public Benefits Already Assumed or Committed (\$ millions)**

Category	Assumed or Committed		DCL or Public Art	Total
	Description	Approximate Value		
Park	--	--	\$2.5	\$2.5
Community Centre	--	--	--	--
Childcare	--	--	\$0.3	\$0.3
Affordable Housing	Up to 200 units replacement units via Old Continental replacement and Yale renovation	\$23.0 \$3.0	\$1.9	\$27.9
Transportation/ Public realm	Public Realm improvements to existing and new streets	\$6.0	\$1.3	\$7.3
Heritage Preservation	Yale upgrade and designation	\$4.0	--	\$4.0
Cultural Facilities	--	--	--	--
Public Art	Fixed contribution required by City policy		\$0.8	\$0.8
Library	--	--	--	--
<b>Total</b>		<b>\$36.0</b>	<b>\$6.8</b>	<b>\$42.8</b>

Note: Table 2 value estimates use City-wide DCL rate and Public Art rate in place in Spring 2008

From the City-owned lands, the already assumed public benefits in Table 2 are:

- site and funding for up to 160 replacement low cost housing units. This is sufficient to replace the units in the Old Continental and Cecil hotels, depending on size of units to be built.
- funding for an upgraded treatment of the public realm in the new streets; an upgrade of the portion of Granville Bridge and Street as it runs through the area, to be consistent with the new Granville Street design further north; and implementation of the approved Pacific Boulevard design between Howe and Seymour, on both the north and south sides of Pacific Street.

From the rezoning at 1300 Granville (Yale/Cecil site), the committed public benefits are:

- refurbishment and heritage designation of the Yale Hotel, also achieving the upgrade and securing of 43 existing affordable housing (SRA) units.

Table 2 also shows the amounts of DCLs that will be generated and allocated to different purposes, as well as the Public Art contribution that will be generated according to City policies. (Note these figures reflect the rates in effect in Spring 2008 because that is when the pro forma analysis for the project was done. Council has recently approved an increase in both rates that is not reflected, and the actual amount collected will be the new rates in place at the time of DE submission.)

#### 4. Interim Public Benefits Approach

The recently approved rezoning at 1304 Howe Street (ex Travelodge) site will provide a CAC of \$7 million. The rezoning report did not address the allocation of the funds, pending this report.

It is anticipated that the rezoning of the City-owned lands will contribute additional CACs. In Spring 2008 the estimated amount was \$14,000,000. However, it is uncertain when existing tenants will move from their portions of the site. Thus the development of the lands might occur in phases, with development probably occurring over a 5 to 15 year period. The amount of possible CAC could change significantly due to changes in projects costs and revenues. In addition, the estimated costs of the various possible benefits will also change.

Therefore, staff are not recommending a full Public Benefit Strategy at this time. Rather, Recommendation A is that Council approve the allocation of the \$7 million CAC from the 1304 Howe St. rezoning to park (\$6 million) and childcare (\$1 million), and Recommendation B is to defer consideration of other public benefits to the time when rezoning of the City-owned lands is being considered.

Park Board staff advise that the first priority for the park funding would be for the acquisition and development of one or two mini-parks in the area bounded by Burrard, Helmcken, Granville, and Pacific. The childcare funding could be put toward any one of several projects now under negotiation, including those at 1340 Seymour Street and another in the Beach Neighbourhood.

In proposing the allocation of the \$7 million to park and childcare, staff considered several factors. First, the Loops project is already assuming significant commitments to other major categories of public benefit (housing, transportation infrastructure, and heritage), as noted in the discussion above and Table 2. Second, the revised Downtown South Public Benefits Strategy for 2007 - 2021 (approved by Council on May 3, 2007) indicated that delivery of childcare and park in particular, was problematic. A much higher than anticipated residential population (creating extra demand for open

space) combined with very high land acquisition costs, reduced the City's ability to deliver the open space. Securing additional non-DCL funding would assist in achieving the approved park strategy.

When it comes time to decide on allocation of the future CACs, there will be a range of possibilities. Staff has generated the examples below, noting that this is not an exhaustive list and is meant only to give inspiration for future discussions.

#### Parks

- additional park land over and above the target set out for Downtown South
- renewal of the Vancouver Aquatic Centre (built 1974), which currently includes a fitness centre but could be broadened to include other community recreation functions

#### Housing

- additional affordable rental units

#### Community space

- multiple use space that could be used for out-of-school care, family place, library, neighbourhood house, and recreation uses

#### Cultural space

- funds to assist in the improvement of area cultural facilities as per the Cultural Facilities Priorities Plan

#### Heritage

- funds to assist in the preservation of heritage buildings

#### Engineering

- Pacific Street public realm improvements from Howe to Burrard streets
- Granville Street improvements under the Granville Bridge from Beach Avenue to the seawall
- Seawall and dock improvements near Granville Bridge
- Granville Bridge pedestrian and cyclist improvements



### *FINANCIAL IMPLICATIONS*

There are no financial implications for the City's operating budget. The Development Cost Levies and Community Amenity Contributions discussed in this report will assist in funding capital projects needed for future City residents and will thus augment the City's Capital Budgets.

While the total cost of public benefit demands is approximately \$105 million, about \$43 million in public benefits has already been assumed or committed from the overall redevelopment of the area. After adding in expected additional funds from the redevelopment of the City-owned lands and previously approved rezonings, the total value for public benefits rises to possibly \$64 million. This ratio of funding availability versus public benefit costs is within the typical range provided from land lift on major rezonings.

### *PUBLIC CONSULTATION*

Public consultation for the Granville Loops Plan was described in the companion report recommending adoption of the Plan. Staff note that in future, when further decisions are to be taken about the public benefits to be delivered by the redevelopment of the City-owned lands, there will need to be further consultation.

### *CONCLUSION*

The Granville Loops Policy Plan will guide future development of the Loops area. The interim public benefits approach described in this report indicates how the needs of future Loops residents can be addressed with some decisions now and others in future.

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