



CITY OF VANCOUVER

POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: October 16, 2008
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Meeting Date: October 28, 2008

TO: Vancouver City Council

FROM: Director of Planning, in consultation with the General Manager of Engineering Services

SUBJECT: Metro Core Jobs and Economy Land Use Plan: Part One, Proposed Downtown Policies

RECOMMENDATIONS

- A. THAT in order to provide sufficient job space potential in the Downtown to meet future demand, to strengthen and intensify commercial uses in the Central Business District (CBD), and to maintain the commercial mix of historic Yaletown, the Director of Planning be instructed to make application to:
 - I. Amend the Downtown Official Development Plan by increasing the maximum permitted density for non-residential uses in areas A, B, C1 and F; removing residential as a permitted use in areas C1 and F; requiring a minimum of 2.0 FSR for non-residential uses in areas C3 and H; and revising the names of various areas; all generally as set out in Appendix A,
 - II. Amend the HA-3 District Schedule (Yaletown Historic Area) of the Zoning and Development Bylaw by increasing permitted non-residential uses to a maximum of 5.0 FSR; and by requiring a minimum of 1.5 FSR of non-residential uses in all developments, generally as set out in Appendix B,

and that the application be referred to a Public Hearing and be approved.

FURTHER THAT the Director of Legal Services be instructed to prepare amendments to the DODP and Zoning and Development Bylaw generally in accordance with Appendices A and B for consideration at the public hearing.

- B. THAT, subject to approval of the amendments to the Downtown ODP at a Public Hearing and in order to guide downtown rezonings to be consistent with Council's desire to expand and intensify the commercial uses within the CBD, the "DODP Rezoning Policy: Central Business District and CBD Shoulder", generally as set out in Appendix C, also be approved.
- C. THAT, subject to approval of the amendments to the Downtown ODP at a Public Hearing and in order to monitor the conversion of significant existing office buildings in mixed use areas, the "DODP, HA Districts: Office Conversion Policy", generally as set out in Appendix D, also be approved.
- D. THAT the Director of Planning be instructed to prepare policies and guidelines resulting from the approval of the foregoing.

GENERAL MANAGER'S COMMENTS

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

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

COUNCIL POLICY

Metro Core Jobs and Economy Land Use Plan: Issues and Directions Report (2007)
Guiding Principles: Economic Development in the City of Vancouver (2006)
Terms of Reference-Metropolitan Core Jobs and Economy Land Use Plan (2005)
Downtown Transportation Plan (2005)
Downtown District Interim Policies for New Residential (May 2004)
Central Business District 20 Year Land Supply Policy (1997)
General Policy for Higher Buildings (1997)
Vancouver Transportation Plan (1997)
Livable Region Strategic Plan (1995)
Central Area Plan (1991)

SUMMARY

The objective of the Metro Core Jobs and Economy Land Use Plan is to ensure that there is enough development and transportation capacity to accommodate future job growth and economic activity in the Metro Core.

Step One-Understanding Yesterday and Today and *Step Two-Projecting the Future* have examined the past 30 years and projected the future 30 years, and concluded that we face a potential shortfall in job space capacity.

To address the shortfall, new policy directions for the Metro Core were drafted during *Step Three-Issues and Directions* in July 2007. Council approved the "Metro Core Jobs and Economy Land Use Plan: Issues and Directions Report", which identifies overall policy directions and specific sub-area roles and policy directions.

Step Four-Policies For Tomorrow develops policies leading to a draft Metro Core Jobs and Economy Land Use Plan. This report proposes land use policies from Part 1 of Step 4 for the Downtown study area. Zoning and policy changes for the remainder of the Metro Core study area, which includes areas such as Central Broadway and Mount Pleasant industrial area, will begin immediately and continue throughout the implementation of the Downtown policies.

The report recommends that Council refer the proposed changes to the Downtown Official Development Plan (DODP) and changes to the HA-3 (Historic Yaletown) District Schedule to Public Hearing. These amendments seek to increase the permitted density for non-residential (“commercial”) uses in the downtown to meet future job space demand, and continue the restriction on residential uses in the CBD (as approved by Council initially in 2004 through the Interim Policies). They also set out minimum non-residential requirements for new development in selected areas abutting the CBD (the “CBD Shoulder”) and in historic Yaletown.

Finally, the report recommends that Council adopt the proposed *CBD and CBD Shoulder Rezoning Policy* to guide rezoning for additional job space beyond the aforementioned zoning amendments, and the *DODP and HA Districts Office Conversion Policy* to monitor the residential conversion of large, existing office buildings in the mixed-use areas of the downtown.

If implemented, these policies will create enough potential development capacity to meet the job space needs in the Downtown to 2031. The study also confirms that the anticipated transit capacity is sufficient to support this job growth.

BACKGROUND

Interim Policies

In May 2004, in response to concerns about job capacity in the downtown, Council adopted the “Downtown District Interim Policies for New Residential...” (hereafter referred to as “Interim Policies”). These policies were intended to limit residential in the areas of the DODP identified in the Central Area Plan (1991) as CBD or future CBD expansion, pending a planning study to determine the long term land use in these areas.

Metro Core Jobs and Economy Land Use Plan

The Metro Core Jobs and Economy Land Use Plan, whose terms of reference was approved by Council in 2005, is the major planning initiative to develop a long term land use policy plan to accommodate the future economy and jobs in the Metropolitan Core of Vancouver. The Metro Core extends from 16th Ave north to Burrard Inlet, between Clark Drive on the east and Burrard Street on the west (see Figure 1).

The Metro Core has over 220,000 jobs (2001) and the largest concentration of jobs and office space in the region. The Metro Core accommodates 2/3 of the jobs in the city, and has approximately twice as many jobs as any other Lower Mainland municipality in its entirety. The Metro Core is the region’s business and cultural centre, with a high concentration of the professional and business services that one would expect as Greater Vancouver’s “downtown”.

This vision of the Metro Core as a diverse, economically vibrant, sustainable and competitive business and cultural centre has been affirmed at the regional level, through the Livable

Region Strategic Plan, and at the city level, through policies such as *CityPlan: Directions for Vancouver (1995)* and the *Guiding Principles for Economic Development in the City of Vancouver (2006)*. These policies affirm the desire to maintain the Metro Core as the predominant job and cultural centre in Greater Vancouver.

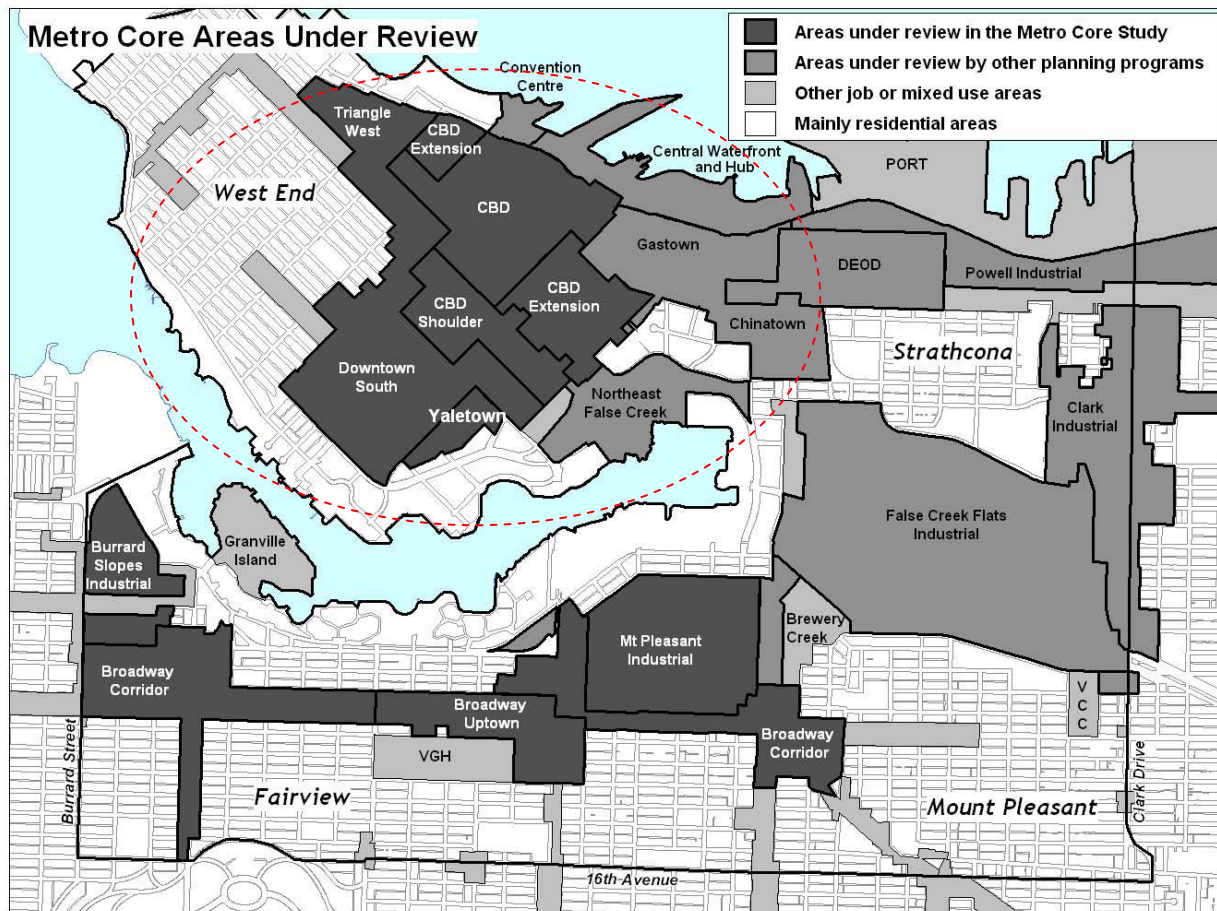


Figure 1: Areas under review through the Metro Core Study. (Policies for Part 1 (outlined in the dashed line) are proposed in this report while policies for the remainder of the Metro Core will be developed in late 2008/early 2009.)

The Metro Core Jobs and Economy Land Use Plan has evolved through a four step process. The plan includes technical research on the current situation and the evolution of the Metro Core over the past 25 years with regard to both economic activity and urban development and infrastructure. This background research was followed by projections of a range of futures for economic activity, demand for job space, and the realistic job space capacity under current zoning for the next 25 years (until 2030). Key findings from Step 1 and 2 of the study found:

- The Metro Core plays a key economic role in a growing region;
- All Metro Core areas have distinct job clusters, are diverse, and are growing and adapting to change;
- Both jobs and residents continue to grow over the next 25 years;
- Residential zoning is sufficient to accommodate population growth; and
- Most job growth fits in the current zoning; however in the long term there is a short fall particularly in the downtown.

The research and analysis has also determined that there is a potential shortfall between the amount of job space available under current zoning, and the future demand for job space. The potential shortfall of potential commercial job space under current zoning is most acute in the Downtown, as illustrated in Figure 2 below.

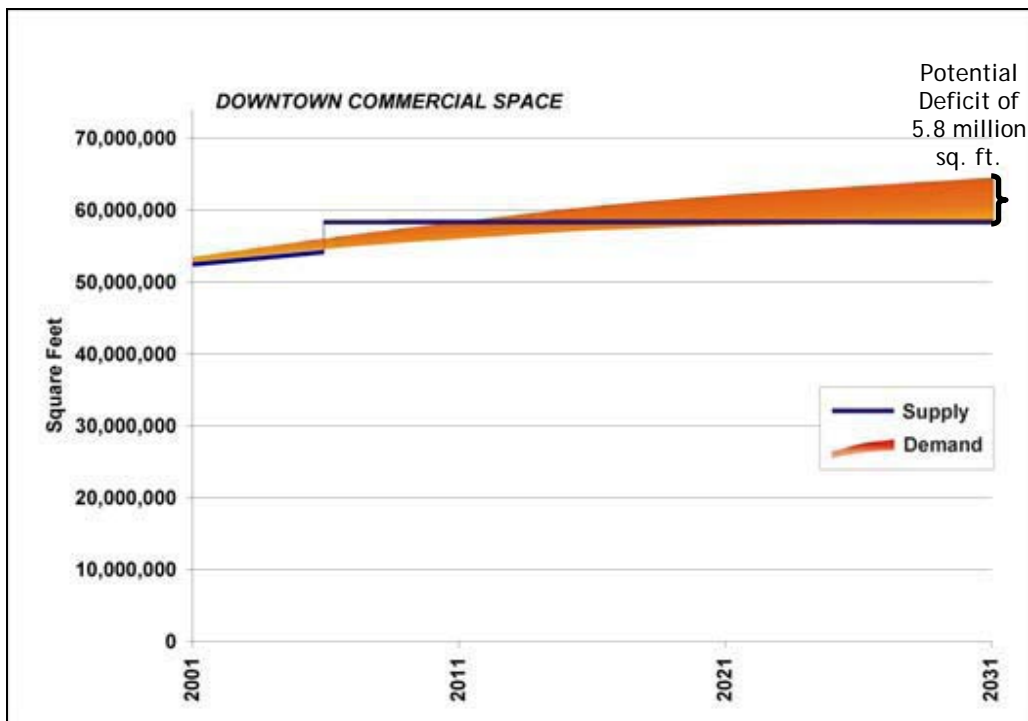


Figure 2: A comparison of the demand for job space until 2031 with the supply of job space available under current zoning. A 5.8 million square feet (sq. ft.) deficit of job space could arise in the Downtown if demand is at the upper end of the demand curve, and zoning and land use policy remains unchanged.

The demand curve is generated by converting the number of jobs projected for the Downtown area to 2031 to job space, and creating a reasonable range of demand (“demand high” and “demand low”) by varying the amount of floor space per worker and the number of people working from home. The supply line results from a site-by-site review of the Downtown and is based on the amount of job space that we anticipate could be reasonably created under current zoning. The graph shows that if demand follows the “demand high” end of the range, it is likely that demand for job space could exceed the potential supply under current zoning. Zoning and policy changes resulting from the Metro Core Study are aimed at meeting the high demand curve in order to account for the uncertainty inherent to all such projections.

Step Three of the Metro Core Study developed policy directions for the Metro Core, and specific sub-area roles and policy directions. The following provides a summary of overall policy directions that were endorsed by Council in the *Metropolitan Core Jobs and Economy Land Use Plan Issues and Directions Report (2007)*:

- Ensure adequate job space for future job growth, while meeting other City objectives for heritage, cultural amenities and affordable housing;
- Ensure a diversity of job space;
- Focus job growth on public transit;
- Explore parking strategies that support sustainable transportation modes;

- Discourage the conversion of significant office space;
- Review issues relating to the conversion of existing hotel space (this policy direction will be considered for the Metro Core as a whole in Part Two, in 2009);
- Expand the CBD to include the CBD Extension areas; and
- The priority in the expanded CBD is job space. Market residential should only be permitted to achieve other City objectives, provided that the anticipated commercial space is also achieved.

This report presents the results of the first part of Step 4, with proposed zoning changes and rezoning policy in the Downtown part of the Metro Core that will implement the adopted Directions.

Other Related Issues and Initiatives

In the course of the Metro Core Study, a number of closely related issues have been identified by stakeholder groups and City staff. While in most cases these issues don't fall directly within the scope of the Metropolitan Core Jobs & Economy Land Use Plan, they are being addressed through other initiatives including:

- Economic Development (*Vancouver Economic Development Commission*);
- Housing Affordability (*EcoDensity and other City and Provincial initiatives*);
- Property Tax Policy and Tax Base Issues (*Property Tax Policy Review Commission*);
- Transportation (*Metro Core transportation modeling and Downtown Parking Study by Engineering Services*);
- Heights, Bonuses, Transfer of Density and Public Benefits (*Heritage Building Rehabilitation Program Review and forthcoming Capacity Options Review*); and
- Port Planning and Expansion (*Port of Vancouver*).

While all of these initiatives collectively seek to enhance the economic vibrancy of the area, the Metro Core Jobs and Economy Land Use Plan is fundamentally about ensuring that the zoning and transportation capacity in the Metro Core is sufficient to accommodate economic and job growth, and that land use regulations are not an impediment to economic development.

DISCUSSION

The discussion below outlines the work since July 2007 and then describes the proposed DODP zoning changes, rezoning policy, and office conversion policy. There is also information on transportation and property tax implications of the proposals, as well as comment on potential capacity to support public benefits, and the anticipated longer term Downtown Capacity Options Study.

Throughout the discussion the term "commercial" will be used as a convenience, but it signifies all types of non-residential uses allowed in the DOPD since they all provide "job space"; office, retail, service, institutional, cultural etc.

1.0 Study Progress Since July 2007

Following Council's adoption of the general and area-specific policy directions in the *Issues and Directions Report*, City staff has completed the analysis, consultation and draft detailed policy and zoning changes needed to accommodate future job and economic growth in the Downtown area while meeting other City objectives.

The policies proposed in this report are specific to Downtown. Further work will complete Step Four with detailed policies for the remaining areas of the Metro Core including the Mount Pleasant industrial area and Central Broadway.

Staff have determined that on the sites that are anticipated to be available for development, the downtown job space capacity demands can be met with the changes to the DODP, HA-3 District Schedule and rezoning policies proposed in this report.

The recommended policies and zoning changes, combined with job space potential in North East False Creek and the Central Waterfront and Hub, will meet the potential job space deficit of 5.8 million square feet in the Downtown peninsula. As shown in Table 1, when combined with what is anticipated in Central Waterfront and Northeast False Creek, they will yield a potential increase of 5.4 million to 7.6 million square feet of additional commercial space beyond current zoning.

The range of potential job space capacity is reflective of the inherent uncertainty of a long term projection, as well as a recognition that not all developments will choose to optimize the job space on each of the redevelopment sites through rezoning. Some property owners may choose to pursue redevelopment through the available zoning, which would yield the lower end of the projection.

| Estimated Additional Job Space Capacity in Downtown Peninsula | |
|---|---|
| DODP (This report) | |
| CBD | 3.0 to 5.0 million ft ² |
| CBD Shoulder | 0.3 to 0.5 million ft ² |
| Subtotal | 3.3 to 5.5 million ft² |
| Future Policy Reports | |
| Waterfront Hub | 1.1 million ft ² |
| NE False Creek | 1.0 million ft ² |
| TOTAL Additional | ~5.4 to 7.6 million ft² |

Table 1: Estimated Additional Job Space Potential

Beyond 2031, additional job space will be available as more commercially zoned sites become available due to aging buildings, changing ownership, and other factors that make them candidates for redevelopment. As time goes on, staff will be monitoring job space development to ensure that longer term job space demands are met.

2.0 Recommended Policies to Meet Downtown Job Space Needs to 2031

The proposed zoning changes, rezoning policy, and office conversion policy are discussed in the sections below, with brief rationale and comments on some of the issues addressed in finalizing the proposals. Appendices A to D provide specifics of the zoning changes and policies.

2.1 Amendments to the Downtown Official Development Plan: CBD

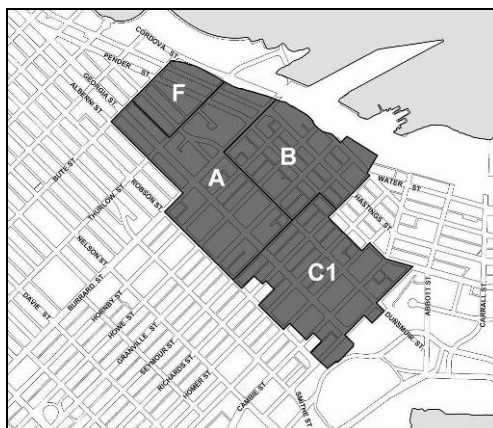


Figure 5: CBD shown as areas A, B, C1 & F

The Central Business District (CBD) is the region’s premier business and cultural district, the focal point for the region’s transportation system and is extremely important to Metro Core job space supply.

The Metro Core Issues and Directions Report affirms that CBD should remain the region’s premier business and cultural district, and the focal point for regional transportation system.

Proposed Changes to Zoning

- Increase permitted non-residential FSR by 2 FSR in each sub area (i.e. area A to 11 FSR, areas B & F to 9 FSR and area C1 to 7 FSR)
- Remove residential uses from DODP area C1 and F (Residential is not permitted already in DODP areas A and B)

Rationale

The proposed zoning changes will intensify the CBD in two ways: first, an increase in permitted commercial density of 2.0 FSR across the CBD will immediately create additional job space capacity which developers can readily access through the development permit process. (Note that the rezoning policy discussed below will allow additional job capacity, as well.) Second, the removal of residential as a permitted use across the expanded CBD will ensure that potential development capacity is not take up by residential, and that land values remain reasonable for commercial development as a result of reduced land speculation for residential use.

Staff considered the option of using only site-specific rezonings to add capacity. While that provides the City with the optimum level of ability to ensure urban design fit and address community amenity needs, it is a longer process for developers than the development permit process and might discourage commercial development. So what is proposed is a combination of “prezoning” a 2 FSR increase in all CBD sites, as well as allowing rezonings for more density where this can be achieved.

2.2 Amendments to the Downtown Official Development Plan: CBD Shoulder

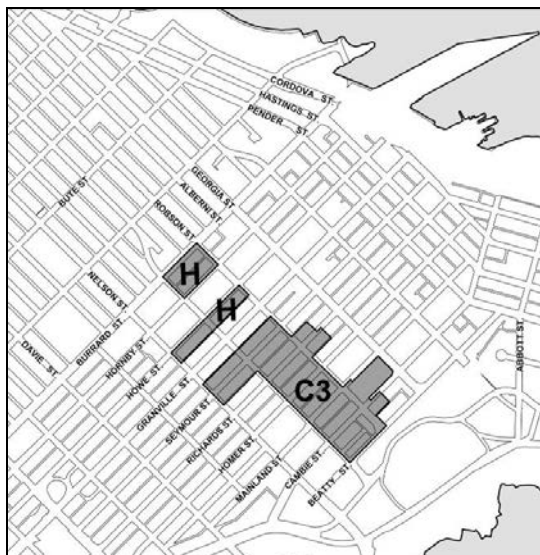


Figure 6: CBD Shoulder shown as areas C3 & H

The CBD Shoulder consists of areas C3 and H and acts as a transition from the largely residential and mixed-use areas of Downtown South, to the high intensity commercial uses of the Central Business District. It is a mixed use area that allows a total of 5 FSR of which up to 3 FSR may be residential. Since the 2004 Interim Policies, developments in the C3 Area have been required to deliver the 2 FSR non-residential job space.

As the CBD expands towards the residential areas of Downtown South, the CBD Shoulder will continue to play a vital role in providing services and jobs to area residents.

Proposed Changes to Zoning

- Require new development to provide a minimum of 2 non-residential FSR (i.e. put the Interim Policies provision in Area C3 into the DODP, and extend this requirement into Area H).

Rationale

Requiring the provision of the 2 FSR commercial will ensure that these areas continue to accommodate business activities such as entertainment, hotels, and cultural venues; and will provide an important transition between the mainly residential areas to the south and the CBD to the north.

2.3 Amendments to the HA-3 District Schedule (Historic Yaletown)



Figure 7: Yaletown shown as HA-3

The Yaletown area has a significant stock of heritage buildings, many of which are on the Vancouver Heritage Register and have been rejuvenated through heritage incentives. There is a significant amount of commercial space in Yaletown, primarily consisting of destination retail, restaurant and diverse office space. The demand remains high for both retail and office space in the area.

The Metro Core Issues and Directions Report sets a direction to maintain the approximately 70% commercial mix of historic Yaletown.

Proposed Changes to Zoning

- Remove the current limitation of 3.0 FSR for commercial uses, allowing the full 5.0 FSR to be commercial if desired.
- Require a minimum of 1.5 FSR of commercial in all new developments

Rationale

The proposed zoning changes seek to retain the commercial capacity of Yaletown by allowing new commercial buildings to be built to the full permitted density of mixed-use buildings, and by introducing a minimum commercial density requirement for all new buildings and heritage revitalization projects. The new requirement for a commercial FSR of 1.5 should not jeopardize heritage objectives as the economic return from having the remaining permitted density in residential use is sufficient to make the revitalization viable.

2.4 Proposed DODP Rezoning Policy: CBD and CBD Shoulder (Areas A, B, C1, C3, F and H)

In addition to the proposed zoning changes, City staff recommend the adoption of the *DODP Rezoning Policy: Central Business District and CBD Shoulder*, in Appendix C. This rezoning policy applies to the CBD and CBD Shoulder, which is comprised of DODP areas A, B, C1, C3, F and H, as outlined below in Figure 9.

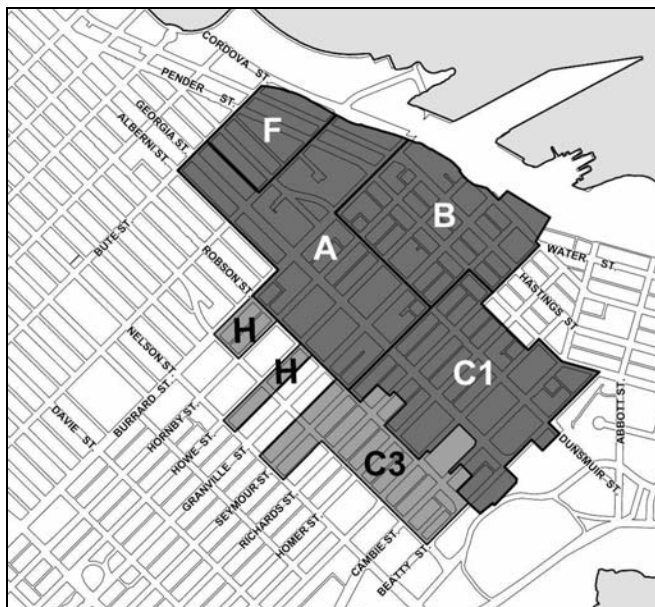


Figure 9: Areas affected by the proposed DODP Rezoning Policy - CBD and CBD Shoulder

The intent of this rezoning policy is to provide guidance for the commercial (non-residential) intensification of the CBD and CBD Shoulder. These areas are fundamental to meeting the long-term demand for job space, which requires that new development is non-residential.

The proposed rezoning policy will significantly increase the potential for commercial capacity in the CBD by guiding rezonings for non-residential buildings to reach heights and densities up to the view cones. Sites without view cones may go higher, subject to the Council-approved *General Policy for Higher Buildings*. The rezoning policy also requires that any rezonings in the CBD Shoulder provide a minimum of 2.0 FSR of non-residential use.

Consistent with the Interim Policies, the rezoning policy will allow consideration of market residential for developments which address two other key public objectives: maintaining or replacing SRAS, or preserving heritage buildings. The policy emphasizes that it is important to provide as much job space as possible even in these circumstances, however. Lastly, the rezoning policy recognizes that there may be a few very large sites (e.g. 50,000 sq. ft. or more) where market residential could be included (with at least the maximum commercial applicable in the DODP being provided) with advice from Council to achieve a substantial and important public benefit.

The rezoning policy also limits transfers of density into and within the CBD to non-residential uses only.

2.5 Proposed DODP and HA: Office Conversion Policy (DODP Areas C2, C3, G, and H; HA Districts HA-2 and HA-3)

City staff also recommend the adoption of the proposed *DODP and HA: Office Conversion Policy*, as outlined in Appendix D, in order to monitor the conversion of existing office space in mixed use portions of Downtown and heritage areas (Gastown and Yaletown).

The mixed use areas surrounding the CBD and in the adjacent heritage districts were identified in the Central Area Plan as places that would bring vibrancy to the downtown area during business and non-business hours, and would provide an important source of housing for employees to live and work in close proximity to the CBD. These areas have developed rapidly since the adoption of the Central Area Plan and have achieved these outcomes with great success.

The Metro Core Study does not recommend reconsideration of the mixed use zoning in these areas as there are few additional opportunities for expanding job space. There are a number of large, existing office buildings in the mixed use areas that do play a role in providing job space capacity for the Downtown, creating local job opportunities for residents, and supporting other neighbourhood-serving businesses, restaurants and services.

Although the zoning in these areas does permit both residential and commercial use, the City has discretion within the zoning. The conversion policy does not prohibit residential conversion of office space, but rather initiates a report to Council, where appropriate, to consider whether the conversion is in the public interest. Council then determines the desirability of the conversion based on factors such as proximity to rapid transit, the general pace of office conversion, access to amenities for new residents, and whether the conversion will result in the protection of a heritage resource. In this way, the City is able to monitor the conversion of significant office buildings.

The office conversion policy applies to existing office buildings larger than 50,000 sq.ft. in Downtown District Areas C2, C3, G, and H; and existing office buildings larger than 30,000 sq.ft. in Historic Areas HA-2 (Gastown) and HA-3 (Yaletown), as illustrated in Figure 10:

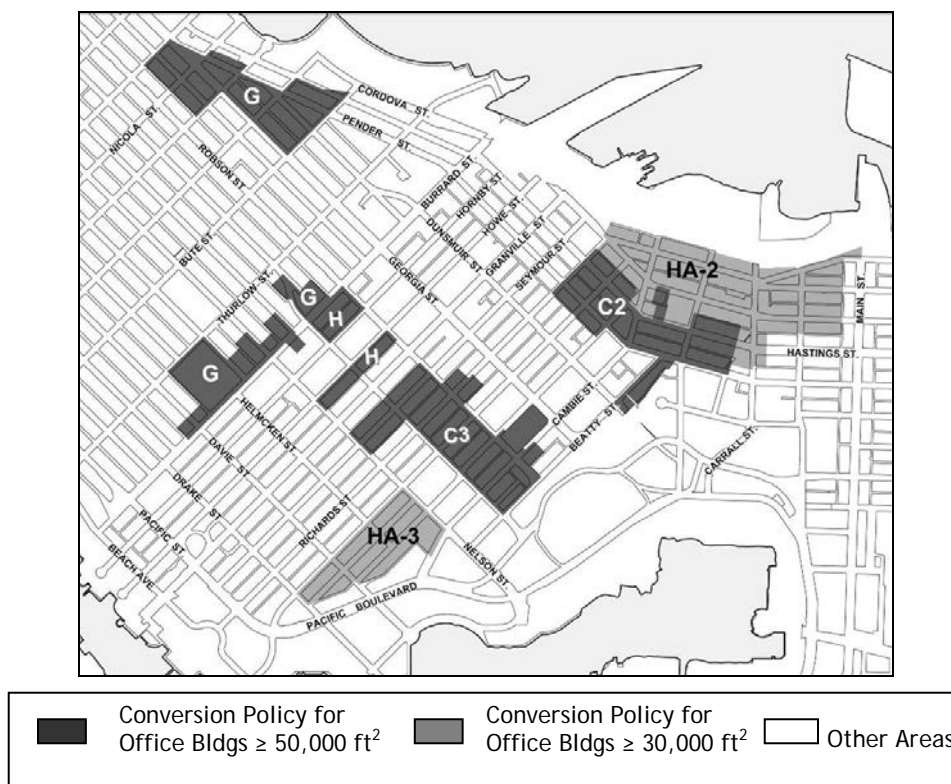


Figure 10: Areas affected by the proposed DODP and HA - Office Conversion Policy

3.0 Other Matters

3.1 Implications for Transportation

In addition to ensuring adequate job space supply, the Terms of Reference for the Metro Core Study seek to ensure that there is adequate transportation capacity to meet future job and economic growth. Engineering Services has engaged the services of transportation modelling consultants and determined that the anticipated transportation network can accommodate the projected job growth, as further detailed below.

Transportation Modeling Methodology

To assess how the transportation network will respond to increased population and employment in the Downtown, an analysis was undertaken in the City's AM Peak Hour model. This model is a variant of the region's transportation model, which is commonly used to project multi-modal travel demand and overall network performance. Since it is for the AM Peak Hour, this model is particularly suited to capture journey-to-work travel behaviour. For this study, the model was first calibrated to known conditions in 2004 then compared to a 2031 projection year.

The 2031 projection year required population, employment, transit network and road network assumptions. Within Vancouver, population and employment projections consistent with other parts of this study were used while outside of Vancouver regional projections were used. For the transit network, all expected region-wide transit network assumptions, such as the Canada Line and Evergreen line, were coded into the model. Within Vancouver, there were no increases in capacity on the road network; however, outside of Vancouver major road infrastructure projects, such as modifications to Highway 1, were assumed. A more complete listing of the transit and road network assumptions can be found in Appendix F.

Transportation Modeling Results

The most significant observation from the transportation model is that even though there is a considerable increase in trips commuting into the Downtown in the AM Peak Hour, all new trips are projected to be through walking, cycling, and transit; there is no projected increase in vehicle trips. All new trips are projected to be through walking, cycling, and transit. For trips entirely within Downtown the largest increase in trips is seen in walking whereas for trips commuting into the Downtown the largest increase is seen in transit. Staff believe that these projected transportation trends are reasonable since they are similar to observed trends between 1994 and 2004 (a period of job and population growth) for 24 hour trips to Downtown.

The considerable projected growth in transit trips illustrates the importance of investment in transit services to the Downtown. An examination of transit capacity into the Downtown indicated that existing transit infrastructure has the potential capacity to accommodate projected demand; however, many improvements, such as more transit vehicles and upgraded rapid transit stations, will be required. Some additional transit capacity has already been committed by TransLink. For example, a third Seabus has been confirmed, additional SkyTrain cars have been ordered, and the Canada Line will be operating in Fall 2009. The projected increases in walking and cycling indicate the importance of the infrastructure required to support these modes and reaffirms them as the City's top transportation priorities.

Commercial Parking Review

Engineering Services is currently reviewing Downtown commercial parking standards and is planning to bring a separate report to Council in 2009. The transportation findings of the Metro Core Study will serve as one of the inputs into that review.

3.2. Property Tax Implications

Two questions have been raised regarding the impacts of the recommendations in this report on property taxes:

- What effect will the changes to density and permitted land uses have on property taxes?
- Will the proposed rezoning decisions impact an affected property's eligibility for three-year land averaging in the calculation of property taxes?

Property Tax Levels

Any changes to rezoning can affect land values, and therefore property taxes. If an individual property's value rises more quickly than the average value in a property class, that property's year-over-year change in taxes will be higher than the class average.

For the purposes of assessing potential impact of this report's recommendations on land values, the two elements of the recommended zoning changes are considered separately. If the recommended zoning changes are adopted:

- maximum permitted density for non-residential uses would increase in certain areas, and
- the potential for residential development will be removed in certain areas.

The net impact of these changes on land values (and therefore property taxes) cannot be forecasted with any certainty. This is because at any point in time, there are many factors that affect land values.

- *Density*: Generally speaking, an increase in permitted density leads to an increase in land values. The proposed zoning changes would increase permitted density in certain areas. Taken in isolation, this could be expected to *increase* land values, and therefore increase property taxes.
- *Development Potential*: At present in Vancouver, residential property is valued significantly more highly than is non-residential. The proposed zoning changes would remove the potential for residential development in some areas. Taking this in isolation, this could be expected to *decrease* land values, and therefore decrease property taxes. (Noting that over time, the relative value of residential and non-residential land can vary substantially.)

Despite the fact that the interim policies for the CBD do not allow for residential development, property values currently reflect the potential for residential development. If the proposed zoning changes were to be enacted, it can reasonably be expected that there would be downward pressure on land values as a result of the removal of the potential for residential use, while at the same time, upward pressure on land values as a result of increased density allowances. The net impact of these opposite forces on land values will determine their net impact on property taxes.

Land Averaging

Since 1993, Vancouver City Council has used land averaging in the calculation of property taxes for residential and business class properties, as a means of mitigating the impacts on property taxes of large year-over-year changes in land values due to market conditions.

Land averaging phases in changes to property values over time. Generally speaking, if a property's value *increases* significantly in a given year, the application of land averaging will benefit that property in that year (e.g., property taxes will be lower than they would be without land averaging). If a property's value *decreases* significantly in a given year, the converse is true. Land averaging is revenue-neutral to the City, which means that the City collects the same total amount of property taxes as it would without land averaging (this is achieved by adjusting tax rates).

The City's *Averaging Bylaw* provides for certain properties to be exempted from land averaging, under certain conditions, including rezonings. According to the *Averaging Bylaw*, a property that is rezoned becomes exempt from land averaging in the year of the rezoning. For properties that are impacted by a rezoning decision that is initiated by the City's Director of Planning, the practice has been to review the applicability of land averaging on a case-by-case basis, with the final decision made by City Council. This would be the approach taken for the properties affected by the proposed rezoning decisions in this report.

3.3 Potential Capacity to Support Public Benefits

For many years, additional floor space provided on sites in the downtown through bonusing under existing zoning, or through rezonings, has supported public objectives such as heritage building retention; affordable housing; transportation; social, community and cultural facilities and so forth. In most cases the additional floor space has been in residential use.

The need to use virtually all of capacity that can be located on sites in the CBD (within the current view cone height limits) for job space will reduce this ability. A companion report entitled "Potential 'Benefit' Capacity in the Downtown" discusses this issue fully. It recommends that Council endorse considering site-specific rezoning proposals in the downtown above the 300 ft. limit (but within the view cone limits); and also undertaking a "Downtown Capacity Options Study" to review the adopted height limits and view corridors affecting downtown capacity.

4.0 Public Consultation

The public consultation process was designed to consult with a wide variety of stakeholders by way of a Metro Core Advisory Group meeting, three public open houses (advertised in all usual local media and on the Metro Core listserv and website), and meetings with numerous

business, community and industry groups. Stakeholders were asked to provide their level of support and opinions on the following proposed Downtown policies and rezoning changes:

- The changes proposed for the Central Business District including increasing the permitted commercial density by an additional 2 FSR, rezoning of commercial buildings to the height of the established View Cones, and restricting residential;
- Creating a minimum commercial requirement in the CBD Shoulder (2 FSR min.) and Yaletown (1.5 FSR min.);
- Restricting transfer of heritage density into the CBD to non-residential uses only; and
- The proposed Office Conversion Policy.

Stakeholder opinions on the proposed changes were collected using one or more of the following consultation techniques: written comment sheets, one-on-one conversations, and/or group discussions. In addition, presentation material outlining the proposed changes was posted on the project web site.

Detailed responses from the public and the Metro Core Advisory Group are summarized in Appendix E, Sections 3 and 4. Overall, the feedback from each group indicates support for the proposed Downtown policies and zoning changes. However, there were a number of issues raised in consultation with various industry and business groups including:

1. *The role of Mixed-use buildings in providing job space.* Many people commented that high land and construction costs necessitate a mixed-use approach to building commercial space. Staff agree that this approach is effective in delivering job space in many areas outside of the CBD (such as False Creek North), but are concerned that the approach results in increasing land values and lost commercial capacity within the CBD.
2. *Concern that the number of jobs may increase higher than projected.* The Metro Core Study has used the same projections that the Urban Futures Institute completed for planning at Metro Vancouver, and are confident that they are reasonable and consistent with other planning initiatives. Projections are inherently uncertain however which is why the policy aims to meet “demand high”. Aiming for “demand high” allows increased flexibility to ensure that there is enough buffer to sufficiently accommodate significantly higher than projected employment in the Downtown to 2031.
3. *The length of time required to process commercial development applications.* There were many comments from the development community that the development economics of commercial buildings are marginal, and that the City should seek opportunities to expedite their processing and possibly “fast-track” the applications. There are currently various fixed-deadline, priority projects at the City that do not allow an opportunity to “fast-track” additional projects, but City staff are committed to ensuring that commercial development projects are processed as quickly as reasonably possible.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the recommendations in this report.

COMMUNICATIONS PLAN

The proposed policy and zoning changes outlined in this report will be communicated to the public, stakeholder groups and the relevant property owners in a number of ways prior to Public Hearing. In addition to the usual notification mechanisms undertaken by Staff for public hearings (notification letters, advertisements in newspapers, etc), the proposed changes will be posted on the Metro Core website (vancouver.ca/corejobs) and circulated to subscribers of the next Metro Core newsletter. Staff will also make use of the Metro Core listserve, and the communication networks of our voluntary Advisory Group (approximately 40 members from organisations such as the Board of Trade, various BIAs, the Urban Development Institute, industry groups etc).

Staff also want to ensure that any of the affected property owners who were unable to attend the three open houses this past summer have another opportunity to contemplate the proposed zoning and policy changes. As such, Staff will convene an additional property owners' public session, with appropriate notification, prior to the Public Hearing to give property a chance to ask questions and raise issues related to the changes. The results of this session will be conveyed to Council at the Public Hearing.

CONCLUSION

The Metro Core Jobs and Economy Land Use Plan has determined that a number of zoning and policy changes are required in the Downtown area to ensure that Vancouver can meet future job space demands until 2031. The proposed zoning changes and policies contained in this report set out a framework for development that ensures that the city can continue to grow and prosper for many decades to come.

* * * * *

PROPOSED MISCELLANEOUS TEXT AMENDMENTS
DOWNTOWN OFFICIAL DEVELOPMENT PLAN
[All additions are shown in *bold italics*. Deletions are shown in strikethrough.]

By-law amendments will be prepared generally in accordance with the provisions listed below and are subject to change and refinement prior to by-law posting.

Amend the Downtown Official Development Plan (By-law No. 4912), as described in this report and in Map 1 below to:

1. Add to Interpretation as follows:

1. Regulations are set out for land use; maximum *and minimum* standards for building density in terms of floor space ratio; maximum standards for parking and minimum requirements for loading.

2. Replace 'Downtown District Map 1 - Areas' with the Map 1 below, which defines and identifies portions of area C (S. 1);

3. Revise Section 1 as follows:

1. In the areas denoted by the letters 'A', ~~and 'B'~~, '*C1*' and '*F*' on Map 1 the following uses may be permitted, subject to such conditions and regulations as may be prescribed by the development Permit Board:

- (a) Hotel;
- (b) Light Industrial;
- (c) Office Commercial;
- (d) Other Commercial, including a Body-Rub Parlour;
- (e) Parking Area and Parking Garage, subject to the provisions of section 5;
- (f) Parks and Open Space;
- (g) Public and Institutional;
- (h) Retail Commercial;
- (i) Social, Recreational and Cultural, including Casino - Class 1 and Bingo Hall.

2. In the areas denoted by the letters '~~C~~', '*C2*', '*C3*', '*C4*', 'E', '~~F~~', 'G', 'H', 'J' and 'O' on Map 1 the following uses may be permitted, subject to such conditions and regulations as may be prescribed by the Development Permit Board:

- (a) Hotel;
- (b) Light Industrial;
- (c) Office Commercial;
- (d) Other Commercial, including a Body-Rub Parlour;
- (e) Parking Area and Parking Garage, subject to the provisions of section 5;
- (f) Parks and Open Space;
- (g) Public and Institutional;
- (h) Residential;
- (i) Retail Commercial;
- (j) Social, Recreational and Cultural, including Casino - Class 1 and Bingo Hall.

- 2A The areas denoted by the letters ~~'C'~~ and 'C2' and 'C3' may include live-work use if:
- (a) the use complies with section 11.23 of the Zoning and Development By-law;
 - (b) the use is on a site identified on Map 1A; and
 - (c) on Seymour Street, Nelson Street, and Smithe Street:
 - (i) the premises have direct access to grade, and
 - (ii) the principal entrance to the non-residential component is not more than 1.5 m above grade.

4. Revise Section 3.1 as follows:

A in the area denoted by the letter 'A', the total density for all permitted uses shall be floor space ratio ~~9.00~~ 11.00;

B in the area denoted by the letter 'B', the total density for all permitted uses shall be floor space ratio ~~7.00~~ 9.00;

~~C~~ C4 in the area denoted by the letter ~~'C'~~ C4, the total density for all permitted uses shall be floor space ratio 5.00;

C1 in the area denoted by the letter 'C1', the total density for all permitted uses must not exceed a floor space ratio of ~~9.00~~ 7.00;

F in the area denoted by the letter 'F', the total density for all permitted uses ~~shall be~~ **must not exceed** a floor space ratio ~~of 7.00~~ 9.0, ~~except that office uses shall not exceed floor space ratio of 6.00, and residential uses shall not exceed floor space ratio 3.00;~~

H in the area denoted by the letter 'H', the total density for all permitted uses shall be a floor space ratio 6.00 except that: ~~office use shall not exceed floor space ratio of 5.00 and residential uses shall not exceed floor space ratio 3.00;~~

- *office use shall not exceed a floor space ratio of 5.00;*
- *residential uses shall not exceed a floor space ratio 3.00; and*
- *in all cases, the minimum density for non-residential uses shall be a floor space ratio of 2.00.*

5. Insert into Section 3.1 between C2 and C4:

C3 in the area denoted by the letter 'C3', the total density for all permitted uses shall be floor space ratio 5.00 and a minimum density for non-residential uses shall be floor space ratio 2.00;

6. Revise Section 3.2 as follows:

The Development Permit Board may permit an increase in the floor space ratio for hotels in:

- the areas denoted by the letters 'A', 'B', ~~'C'~~, 'C1', 'C3', 'C4', 'F' and 'O' on Map 1 except for the area bordered by Pacific, Seymour, Drake and Howe Streets; and

7. Revise Section 3.3 as follows:

Except in the areas denoted by the letters 'A', 'B', 'C1', 'F', 'K1', 'K2', 'K3', 'L1', 'L2', 'M' and 'N' on Map 1, residential floor area may be substituted for non-residential floor area.

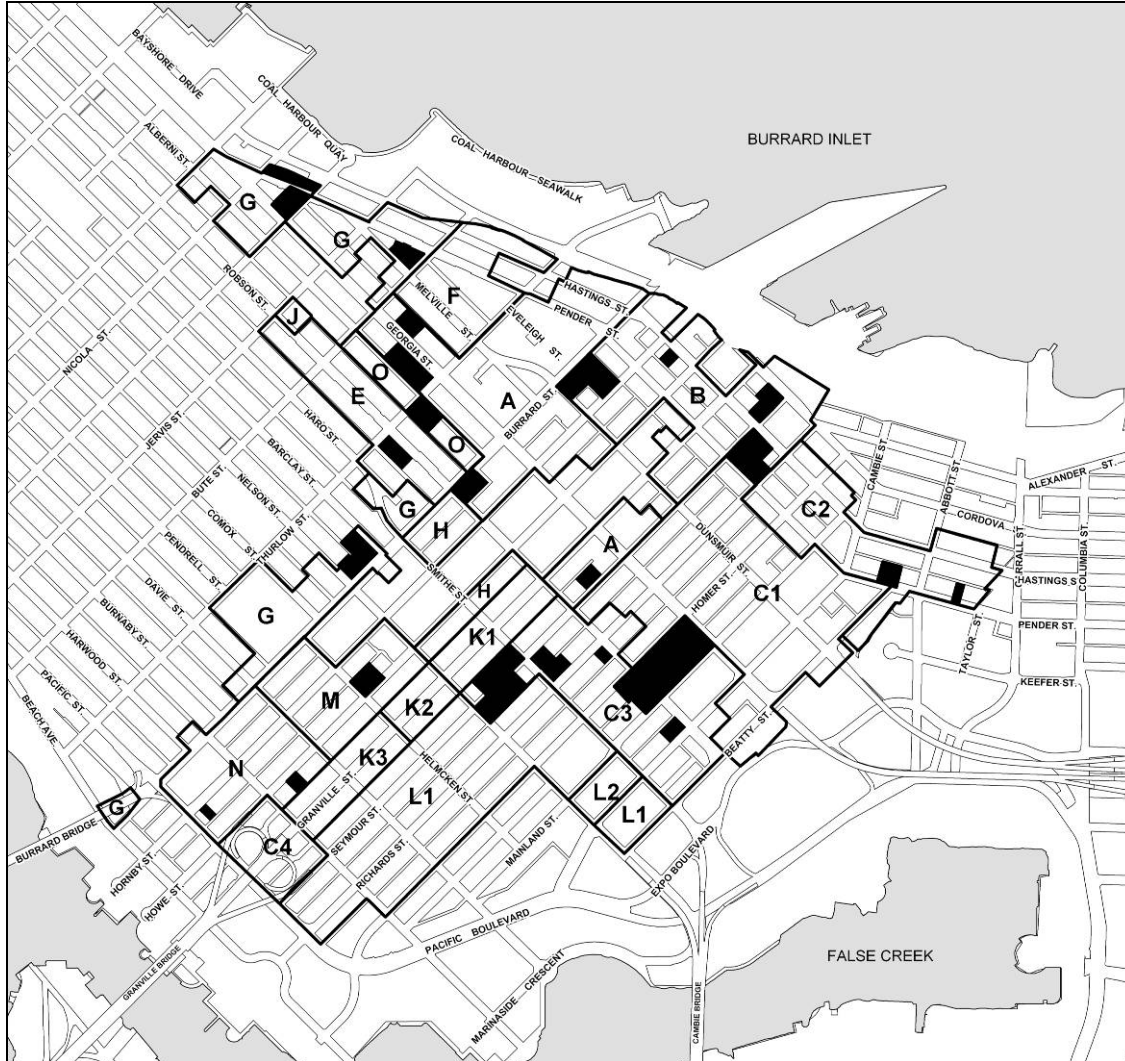
8. Revise Section 3.5 as follows:

Despite subsections 1 and 4, the density of live-work use, or residential use and live-work use combined, must not exceed a floor space ratio of 3.0 in the area denoted by the letter ~~'C'~~ or 'C2' or 'C4' on Map 1.

9. Revise Section 4 as follows:

The height of buildings in the areas denoted by the letters 'A', 'B', ~~'C'~~, 'C1', 'C2', 'C3', 'C4', 'E', 'F', 'G', 'H', and 'J' on Map 1 must not exceed the height limits shown on Map 3, except that:

REVISED Downtown District Map 1 - Areas



- Downtown District Zoning Boundary
- Area not zoned DD

PROPOSED MISCELLANEOUS TEXT AMENDMENTS
HA-3 DISTRICT SCHEDULE (YALETOWN HISTORIC AREA)

[All additions are shown in *bold italics*. Deletions are shown in ~~strikeout~~.]

By-law amendments will be prepared generally in accordance with the provisions listed below and are subject to change and refinement prior to by-law posting.

Amend the HA-3 District Schedule (Yaletown Historic Area) to:

1. Revise Section 4.7.1 as follows:

4.7.1A The floor space ratio shall not exceed 5.00 except that for a building existing on June 10, 1986, the floor space ratio shall not exceed the greater of 5.0 or that existing on June 10, 1986, subject to the following:

(a) The maximum floor space ratio for dwelling use, including artist studio, shall be 3.00;

(b) For new construction, the maximum floor space ratio for non-residential use shall not exceed ~~3.00~~ 5.00;

(c) For a building existing on or before June 10, 1986, the floor space ratio for non-residential use shall not exceed ~~3.00~~ 5.00 or the floor space ratio existing on June 10, 1986, whichever is greater;

(d) For a building existing on or before June 10, 1986 which is deemed to have heritage merit by the Vancouver Heritage Commission, the Development Permit Board may increase the non-residential floor space ratio, provided that the new construction or additions to buildings shall not exceed a maximum floor space ratio of 5.00;

(e) For a building existing on or before June 10, 1986, the maximum floor space ratio for hotel use shall be 5.00 or the floor space ratio existing on that date, whichever is greater; *and*

(f) Unless subject to the provisions of 4.7.3A(c), in the computation of floor space ratio, each square metre of parking garage above grade shall be counted as 0.7 square metres.

2. *Add the following below Section 4.7.1A*

4.7.1B Notwithstanding Section 4.7.1A, for new construction, the minimum floor space ratio for non-residential uses shall be 1.50

3. *Add the following below Section 4.7.1B*

4.7.1C Notwithstanding Section 4.7.1A, for a building existing on or before June 10, 1986 which is deemed to have heritage merit by the Vancouver Heritage Commission, new construction or additions to buildings shall provide a minimum non-residential floor space ratio of 1.50.

DODP Rezoning Policy: Central Business District and CBD Shoulder (Areas A, B, C1, C3, F, and H)

DRAFT- October 14, 2008

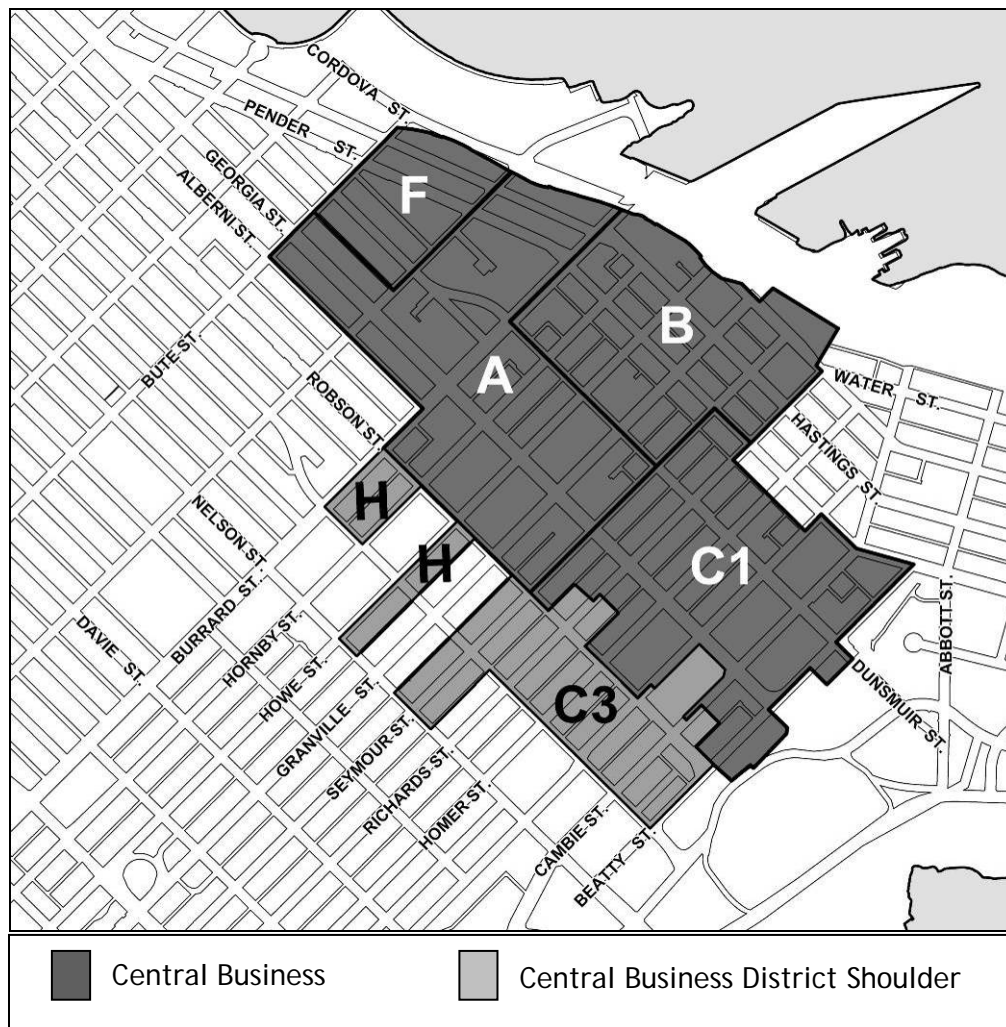
1.0 Application and Intent

The intent of this rezoning policy is to provide guidance for the commercial (non-residential) intensification of the CBD and CBD Shoulder. These areas are fundamental to meeting the long-term demand for job space.

This policy requires that new development is non-residential use and also stipulates the conditions by which market residential uses may be permitted, in very limited instances, to achieve public objectives.

Proposals under this policy will adhere to policies and guidelines related to the Downtown Official Development Plan (DODP) and other relevant Council-approved policies, while providing additional opportunities to strengthen the commercial character of the area.

This rezoning policy applies across the CBD and CBD Shoulder, which is comprised of DODP areas A, B, C1, C3, F and H, as outlined in the map below:



2.0 Definitions

For the purposes of this document:

- (a) "Heritage building" means a building listed on the Vancouver Heritage Register, or could qualify for listing on the Vancouver Heritage Register.
- (b) "SRA" means single residential accommodation as designated in the Single Residential Accommodation By-Law No. 8733.
- (c) "Site" or "Development Site" means a contiguous, developable piece of land.
- (d) "Non-residential" means any land use permitted in the Downtown ODP except residential and parking.
- (e) "CBD" means Central Business District and is illustrated as areas A, B, C1 and F in the map above.
- (f) "CBD Shoulder" is illustrated as areas C3 and H in the map above.

3.0 Rezoning for Non-Residential Development

Rezonings for non-residential development may be considered throughout the CBD and CBD Shoulder.

4.0 Rezoning for Development With Market Residential in the CBD Shoulder (areas C3 and H)

Rezonings that include market residential development may be considered in the CBD shoulder provided that a minimum of 2 FSR non-residential density is achieved.

5.0 Rezoning for Development with Market Residential in the CBD (areas A, B, C1, and F)

Rezonings for development that includes market residential should not be considered throughout the CBD, other than as described in sections 5.1 & 5.2.

5.1 Heritage Building or SRA on the site of the Proposed Rezoning

Rezoning proposals that include heritage buildings or SRA's present a situation where a significant public interest may be lost if an economically feasible package cannot be created in a timely way. That is, the heritage building may be lost, or the objective of maintaining or replacing low income single units can not be met.

- (a) Where a proposal includes protection (through heritage designation and/or a heritage revitalization agreement) and rehabilitation of a heritage building; retention and upgrading of SRA; or replacement of SRA, market residential may be considered.
- (b) Ideally, the objective would be to achieve:

- i. As a non-residential minimum, a floor space ratio equal to the maximum applicable from the DODP; and
 - ii. As a market residential maximum, the amount needed (above the non-residential return) to cover the heritage or SRA cost.
- (c) However, noting that the market may not support some types or amounts of non-residential in a timely manner, or the returns may not be sufficient to compensate for the heritage of SRA, less non-residential and more residential than the ideal may be considered.
- (d) In all cases, the overall amount of density on the site would be governed by the proposed built form being judged acceptable in urban design terms.
- (e) It is usually advantageous for the site to be larger than that occupied by the heritage or SRA building itself. However, the larger the site, the more the exercise of flexibility in (c) above could result in use of non-residential capacity ("job space") for residential. Therefore, where it is determined that the entire land assembly should not be considered for (c), or in the case of very large assemblies, a portion of the site should be governed by Section 3.0 above.

5.2 Large, Multi-use Development Sites

Rezoning that include market residential along with substantial non-residential use on large sites may be considered in the CBD, under the following conditions:

- (a) The Director of Planning, with advice from Council prior to the submission of a rezoning application to the City, determines that it may be in the public interest to allow rezoning including market residential to achieve substantial public benefit will still providing significant job space.
- (b) The site is large enough to accommodate the anticipated non-residential density in a stand-alone building separate from residential uses. Sites capable of achieving this condition are generally assumed to be greater than 50,000 sq.ft. in area.
- (c) The site is contiguous and does not span roads or lanes.
- (d) An amount of non-residential space equal to the maximum applicable from the DODP is achieved before consideration of any market residential from density bonusing or heritage transfer.
- (e) The non-residential building(s) must be positioned in the ideal office/commercial location on the site, including consideration of providing frontage on key commercial arterials such as Georgia Street and access to rapid transit stations.
- (f) The non-residential uses of the development must be fully developed concurrently or prior to the residential uses.

6.0 Transfers of Heritage Density

All heritage density transferred into and within the CBD must be as non-residential uses, with the exception of large, multi-use development sites as defined in section 5.2.

Heritage density transferred into the CBD Shoulder may be non-residential or residential use provided that a minimum of 2 FSR non-residential density is achieved.

7.0 Live/Work

In the case of proposals for General Office Live/Work or other types of live/work, all the space - whether for live or work functions - will be subject to the limitations placed on market residential uses by this Rezoning Policy and the DDODP.

8.0 Livability Impacts

Various areas within the CBD are close to downtown entertainment districts or other locations that may have off-site noise impacts (e.g. outdoor restaurants/lounges, bars, etc.). Therefore, rezonings that permit residential in the CBD should include measures to mitigate anticipated noise levels. Consideration should be given to notify initial and future residents of these noise impacts (e.g. covenants on title and other measures).

DODP and HA: Office Conversion Policy (DODP Areas C2, C3, G, and H; HA Districts HA-2 and HA-3)

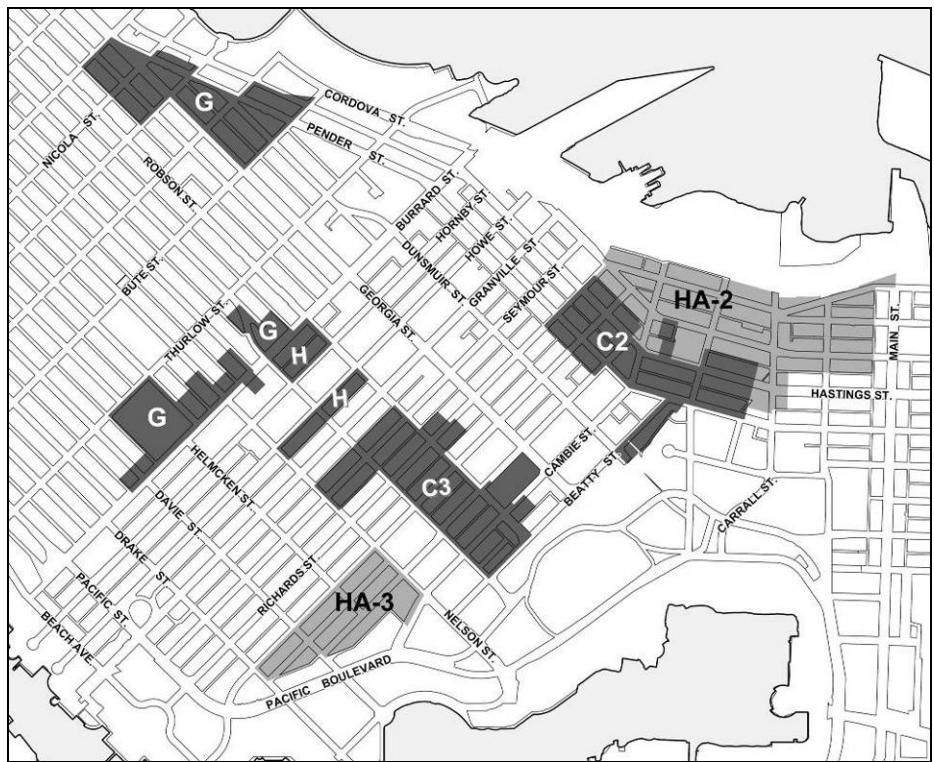
DRAFT – October 14, 2008

1.0 Application and Intent




The policy is intended to be used in the evaluation of inquiries and applications for conversion of significant, existing office space to residential use in areas of Downtown where zoning provides the option of both commercial and residential uses.

The policy applies to Downtown District Areas C2, C3, G, and H and Historic Area Districts HA-2 (Gastown) and HA-3 (Yaletown), as shown in the Map 1.

The zoning in these areas generally anticipates mixed-use, and there are numerous existing, significant office buildings. Although the zoning does permit both residential and commercial use, the City has discretion within the zoning. This conversion policy does not prohibit residential conversion of office space, but rather initiates a report to Council, where appropriate, to consider whether the conversion is in the public interest. In this way, the City is able to monitor the conversion of significant office buildings.



Map 1

| | | | | | |
|---|--|---|--|--|-------------|
|  | Conversion Policy for Buildings $\geq 50,000$ ft ² (DODP Areas) |  | Conversion Policy for Buildings $\geq 30,000$ ft ² (HA Districts) |  | Other Areas |
|---|--|---|--|--|-------------|

2.0 Definitions

For the purpose of this document:

- a) "Office" means any office, including banks and financial institutions.
- b) "Existing office space" means any building containing office commercial use, as exists as of **<Council Approval Date>**.
- c) "Heritage building" means a building listed on the Vancouver Heritage Register or a building that could qualify for listing on the Vancouver Heritage Register.

3.0 Application of the Office Conversion Policy

The Office Conversion Policy applies to buildings in the following areas:

- DODP Areas C2, C3, G and H containing *50,000 square feet* or more of existing office floor space; and
- Historic Area Districts HA-2 and HA-3 containing *30,000 square feet* or more of existing office floor space.

4.0 Conditions for Consideration of Conversion

4.1 Proposals and development applications to convert existing office space to residential use may be subject to a report to City Council at the discretion of the Director of Planning.

4.2 The report to Council will assess enquiries and development applications for conversion based on consideration of the following criteria:

- a) The current supply of office space and the projected demand for the next 25 years in the Downtown, including the Heritage Districts.
- b) The amount of office space being converted and the general pace of office space conversion.
- c) Whether the building is on the Vancouver Heritage Register (or is a post 1940 building worthy of inclusion on the VHR), is at risk, and heritage designation will result.
- d) The quality of the development proposal in terms of liveability and design with consideration to the level of and proximity to land uses and amenities that support residential use.
- e) Proximity of rapid transit stations to support sustainable commuting alternatives through highly accessibility and maximize the benefits of existing transit investments.

SUMMARY OF THE PUBLIC CONSULTATION PROCESS

1.0 Summary

The public consultation process for proposed downtown policies included an Advisory Group meeting, three public open houses, and meetings with several interest groups. There was general support for the proposed policies throughout the public consultation process.

2.0 List of Meetings

2.1 Advisory Group Meeting

Tuesday, June 3, 8:00 am - 10:30 am

Location: Downtown Public Library, Alma VanDusen & Peter Kaye

2.2 Public Open Houses

Wednesday, June 11, 3:00 to 7:00 pm

Location: SFU Harbour Centre Concourse and Teck Gallery Lounge

Thursday, June 12, 3:00 to 7:00 pm

Location: Roundhouse Community Centre

Sunday, June 15, 10 am to 2 pm

Location: Downtown Public Library, Promenade

2.3 Meetings with the following Interest Groups:

- Vancouver Board of Trade;
- National Association of Industrial and Office Properties (NAIOP), Development Issues Committee;
- Vancouver Economic Development Commission (VEDC);
- EasyPark Planning Committee;
- Vancouver City Planning Commission;
- Gastown BIA;
- Gastown Historic Area Planning Committee (GHPAC);
- Urban Development Institute (UDI);
- Downtown BIA;
- Downtown Vancouver Association;
- Yaletown BIA; and
- TransLink.

3.0 Advisory Group Meeting

There were 18 members of the Advisory Group present at the meeting. The meeting agenda included a presentation of the proposed policies and various opportunities to for group discussion.

The Advisory Group members were asked for comments and feedback on the following five questions:

1) Central Business District

- What is your opinion on the changes proposed for the Central Business District (including rezoning an additional 2 FSR commercial, rezoning to View Cones for commercial, and restricting residential).

2) CBD Shoulder and Yaletown

- What is your opinion on the minimum commercial requirement in the CBD shoulder (2 FSR min) and Yaletown (1.5 FSR min)?

3) Heritage Density

- What is your opinion on restricting transfer of heritage density into the CBD to non-residential uses only?

4) Office Conversion Policy

- What is your opinion on the proposed Office Conversion Policy?

5) Other Comments or Questions

- What is your opinion on any other issues or concerns raised by the proposed policies?

The majority of the Advisory Group's comments were focussed on the proposed changes in the Central Business District such as the concern for increased property taxes with the increased based densities in the CBD and suggestions for providing incentives for commercial development. In additions, a detailed discussion regarding the possibility of decreasing parking requirements for commercial buildings was incorporated into the group discussion.

Following the group discussion, the Advisory Group was given a "Straw Poll" to get a sense of their initial reaction to the proposed policy and zoning changes. The group was asked to respond individually in written form with their relative level of support for the changes, and asked to provide any other comments.

3.1 Summary of Advisory Group "Straw Poll"

3.1.1 CBD

Overall, the group indicated strong support for the proposed changes.

Comments: Positive Responses

- General support
- Prescribed densities and restriction of residential help to stabilize land values, taking speculation on land values out of the market

Comments: Concerns and Suggestions

- Concerns for impact of heights on view corridors and urban design
- Concerns re increase of 2 FSR on 1) property taxes/land value; 2) heritage buildings; 3) on current occupants as they get no value for this increase

- Concern for the affordable housing with the residential restriction in the CBD
- City should create incentive for developers to build office; decrease costs and time frames associated with DP, BP and rezoning applications.
- City should improve messaging of removal of residential in the CBD; increase media coverage

Clarification Questions

- How were the 25 sites chosen?
- Why did you choose an increase of 2 FSR?

3.1.2 CBD Shoulder and Yaletown

Overall, the group indicated strong support for the proposed changes.

Comments: Positive Responses

- General support
- This is a good area for mixed use and the minimum requirement sets a good balance

Comments: Concerns and Suggestions

- The required commercial component may inhibit development
- Concern for reduction of “eyes on the street” with commercial rather than residential at grade
- The required commercial FSR in Yaletown should be increased
- Should increase parking for commercial uses
- Should provide flexibility around 1.5 FSR
- Should let the market sort itself out

3.1.3 Heritage Density

Overall, the majority of the group indicated support but some members did somewhat disagree with the proposed changes.

Comments: Positive Responses

- General support

Comments: Concerns and Suggestions

- Concern for loss of heritage buildings
- Transfer should still be allowed for mixed use projects that meet their commercial density
- Transfer of density should be flexible to achieve specific objectives
- Okay as long as there are receiving sites created

3.1.4 Office Conversion Policy

Overall, the group indicated strong support for the proposed policy.

Comments: Positive Responses

- General support
- This policy makes sense
- Good direction that will help stabilize land values

Comments: Concerns and Suggestions

- Flexibility needed for meeting other City objectives
- Live-work rental would be viable for conversion
- Questions regarding minimum square footage of 30,000 and 50,000 sq ft
- Should not allow conversion on all office buildings

3.1.5 Other Comments

Comments

- Doubt vehicle count won't increase
- Need to coordinate with other plans
- Should increase residential in the West End
- Capital gains tax and pension fund limitations
- Surface parking for night events needs consideration
- Economic drag to build parking for office space
- Decreased parking is not a problem because of good transit access
- Reducing parking ratio improves economics but negative for leasing
- Concentrating development in CBD is more efficient from transportation perspective
- Density in the core is best from a transportation perspectives
- Need a mix of vehicles and transit for commuting
- What will happen to the Telus and Bay parkades?

4.0 Public Open Houses

The response at the three public open houses was generally positive. Comments from the public were gathered through one-on-one conversations with Metro Core Team members and comments cards asking for opinions on the proposed changes to the CBD, CBD Shoulder and Yaletown, Heritage Density, and the Office Conversion Policy as well as other comments. The majority of the one-on-one conversations included clarification questions and questions from property owners regarding the impacts the new policies would have on their property. The written comments included the following:

- Buildings should be built beyond the view corridors
- There should be more mixed use buildings
- Should increase base densities in the CBD and increased required commercial FSR in the CBD Shoulder and Yaletown
- Does not agree with the increasing permitted densities
- Heritage density transferred as commercial in the CBD should count for 2 times the density
- The CBD should be for office space only
- Doesn't see the value of having a transition zone

4.1 Summary of Results

The comment cards asked individuals to provide their level of support for the changes to the CBD, CBD Shoulder and Yaletown, Heritage Density, and the Office Conversion

Policy with a scale of responses of strongly support, somewhat support, somewhat disagree, strongly disagree, or no comment.

4.1.1 CBD

Views on the proposed changes in the CBD:

- 12/14 strongly support or somewhat support
- 2/14 somewhat disagree or strongly disagree

4.1.2 CBD Shoulder and Yaletown

Views on the proposed changes in the CBD Shoulder and Yaletown:

- 11/13 strongly support or somewhat support
- 2/13 somewhat disagree or strongly disagree

4.1.3 Heritage Density

Views on the proposed changes to Heritage Density:

- 10/12 strongly support or somewhat support
- 2/12 somewhat disagree or strongly disagree

4.1.4 Office Conversion Policy

Views on the proposed Office Conversion Policy:

- 12/12 strongly support or somewhat support

5.0 Interest Groups

The majority of the response from interest groups was positive. While each of the groups had comments specific to their organisation, there were some common issues that arose from various organisations:

- Concerns for the decrease in available parking downtown and need for parking to support retail
- Suggested increasing the required commercial FSR to 2 in Yaletown
- An expectation that there would continue to be a lot of development pressure in the area to build residential
- A shared long term goal is to protect commercial space
- A commonly held desire to see a decrease in cost and time for permit and rezoning applications, particularly for non-residential development

Road and Transit Network Assumptions used in Transportation Modelling Analysis

To create the projection year used in this transportation model, assumptions were made about the landscape of the road and transit network in 2031.

1.0 2031 Road Network Assumptions

On the road network, the following modifications between 2004 and 2031 were assumed in the transportation model:

- Minor modifications in the Downtown due to parking regulation changes proposed in the Downtown Transportation Plan
- Modifications to the road network in the vicinity of the Waterfront Hub
- Increased Downtown parking fees above inflation between 2004 and 2011, increased with inflation between 2011 and 2031
- Expanded Highway 1 between the Second Narrows Bridge and Langley
- New Golden Ears Bridge
- Modified Pitt River Bridge
- New South Fraser Perimeter Road
- New North Fraser Perimeter Road

2.0 2031 Transit Network Assumptions

On the transit network, the following modifications between 2004 and 2031 were assumed in the transportation model:

- Canada Line
- Millennium Line Extension to UBC (SkyTrain technology)
- Eastern extension of Expo Line in Surrey to 160th Street
- Evergreen Line to Coquitlam (SkyTrain technology)
- Streetcar:
 - Phase Zero - Granville Island to Science World
 - Phase One - Science World to Waterfront
 - Stanley Park Extension
 - Pacific Boulevard Extension
 - Arbutus Corridor/Granville Street to Downtown
- Additional transit services as per the 2004 Area Transit Plan
- Third Seabus