



ADMINISTRATIVE REPORT

Report Date: January 6, 2010
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VanRIMS No.: 08-2000-20
Meeting Date: March 25, 2010

TO: Standing Committee on Planning and Environment
FROM: General Manager of Community Services Group
SUBJECT: 1121 Alberni Street (Unit Nos. 310 and 320)
Request for extension of Building Permit No. BU442808

RECOMMENDATION

THAT City Council approve an extension of Building Permit No. BU442808 for 1121 Alberni Street until June 15, 2010.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

Article 1A.7.5.1 of the Vancouver Building By-law addresses actions the City can take when an applicant, who has received a Building Permit, is not proceeding with active work under the permit. The By-law prohibits the Chief Building Official from granting more than one extension to a Building Permit. Any further extensions can only be approved by Council.

On January 28, 2000, the interim city-wide Vancouver Development Cost Levy (DCL) By-law (No. 8149) was enacted. On November 25, 2008, the By-law was repealed and replaced by a consolidated and modernized Vancouver Development Cost Levy By-law (No. 9755). On November 3, 2009, the By-law was amended to increase the rates effective January 1, 2010.

PURPOSE

This report seeks Council approval for an extension of a Building Permit for 1121 Alberni Street. The extension request has implications for the City's revenues from Development Cost Levies (DCLs).

BACKGROUND

Building Permit No. BU442808 was issued October 3, 2008 for interior and minor exterior alterations including a new mezzanine for a proposed restaurant tenant (class 1) on both the north and south sides (Units 310 and 320) of the second storey public right of way in the mixed-use building at 1121 Alberni Street. As work had not commenced, the applicant applied for an extension of the permit and it was approved by the Chief Building Official for a six month period, expiring December 15, 2009.

The property is located in a Comprehensive Development District (CD-1 No. 0426). The Manager of the Processing Centre - Development Services has no objection to this extension request.

DISCUSSION

The restaurant owner and permit applicant are now requesting a second extension due to current market conditions and financial considerations which have caused the construction of the project to be delayed.

Prior to the wide application of Development Cost Levies (DCLs) in Vancouver, applications for Building Permit (BP) extensions were usually approved. However, the presence of DCLs raises additional implications for BP extensions. When a BP is issued, the applicant is required to pay the DCL at the prevailing rate of the day. If a BP is extended and the extension spans a DCL introduction or rate increase, the permit holder can not be required to pay the new or additional DCL. If a significant period of time elapses between the DCL introduction or rate increase and a project's commencement, there are impacts for the City (which received reduced DCL revenues with which to pay for the increased costs of growth) and the project's competitors (who must pay the prevailing DCL even if they commence work within the same time frame). For these reasons, the City considers the merit of each BP extension request against the potential downsides that such an extension might engender.

In previous cases where a BP extension allowed an applicant to avoid paying an increased DCL rate, staff recommended approval of extensions provided the application is made within one year of the DCL rate increase. As only a short time has elapsed since the January 1, 2010 increase to the Vancouver DCL rates and the DCL amount was relatively small, a second BP extension would not result in significant negative impacts for City revenues or project competitors. For these reasons, staff recommend approval of the extension request for 1121 Alberni Street.

FINANCIAL IMPLICATIONS

With respect to the project at 1121 Alberni Street, a Development Cost Levy in the amount of \$6,702.00 has been paid (1,117 square feet @ \$6.00). If the permit is extended and work commences within the extension period, there will be no additional DCL payment required.

If Building Permit No. BU442808 is not extended, the applicant would be required to submit a new application for a Building Permit. The previous DCL payment could be refunded and the new application would be subject to all required permit fees plus the Development Cost Levy

at the rate in effect at the time of permit issuance. At the current rate (\$7.70 per square foot), the DCL would be \$8,600.90, being an increase of \$1,898.90.

It should be noted that an annual inflationary DCL rate adjustment system will begin in September 2010.

CONCLUSION

It is recommended that Council extend Building Permit No. BU442808 for 1121 Alberni Street until June 15, 2010, the standard six month extension period.

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