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ADMINISTRATIVE REPORT

Report Date: April 8, 2010
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Meeting Date: April 4, 2010

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Amended Condition of Rezoning - 2330 Kingsway
Development Permit Application - DE412217

RECOMMENDATION

- A. THAT the Proposed Conditions of Rezoning Approval for 2330 Kingsway be amended to permit the property owner to build a free-standing childcare facility on a parcel of land to be subdivided from the development site as outlined in Appendix 'B', and transferred to the City together with the childcare facility for a nominal price.
- B. THAT Council accept a cash contribution from the developer in the amount of \$738,000 as the Community Amenity Contribution for this rezoning, to be deposited in the City Childcare Endowment Reserve.
- C. THAT the City be authorized to acquire that subdivided parcel and childcare facility on a freehold basis through legal arrangements, agreements, or instruments to the satisfaction of the Director of Legal Services in consultation with the Managing Director of Social Development and Director of Facilities Design & Management.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

At the Public Hearing of January 24, 2006, Council approved in principle the rezoning of 2330 Kingsway to a CD-1 District providing for a childcare facility at a location acceptable to the City, within the then proposed building to be located in the southwest corner of the site. The CD-1 By-law has yet to be enacted.

PURPOSE

The purpose of this report is to secure Council's approval of amended conditions of rezoning of the "Eldorado Hotel" site at 2330 Kingsway (See Appendix "A"), to permit the City to accept the offering of a childcare facility as a free-standing structure on a sub-divided parcel to be owned by the City, and a cash contribution of \$738,000 to assist with ongoing facility maintenance and operating costs, as the Community Amenity Contribution for this rezoning.

DISCUSSION

This project has seen several owner/developers and respective design consultants associated with the site's development since the mid 1990s. Hotson Bakker Boniface Haden Architects on behalf of the current owner/developer, Wall Financial Corporation, has responded to the conditions of rezoning and of Development Permit Board (DPB) approval.

The proposal involves the staged development of a mixed-use project that includes residential and commercial uses, as well as the childcare facility. When all phases are completed, the project will comprise 337 residential units, 27,901 sq. ft. of commercial space, and a 37-space childcare facility to be owned by the City. As agreed to at the Public Hearing, the current form of development is a single 22-storey tower located on the corner of Kingsway and Nanaimo, a mid-rise residential building on Nanaimo, townhouses to be located between a mews and the proposed childcare, a residential/commercial building on Kingsway, and the stand-alone childcare facility in the south east portion of the site.

Design development refinements subsequent to rezoning and approved by the DPB have, in staff's opinion, enhanced operational conditions for the childcare facility by relocating it to a location where the outdoor play area will receive the maximum possible amount of sunlight. The childcare facility was originally proposed to be located within one of the strata buildings, and held by the City under a long term lease. This report recommends that Council approve a relocation of the facility to free standing building located at grade to be owned by the City, and secured on terms and conditions satisfactory to the Director of Legal Services in consultation with the Managing Director of Social Development and the Director of Facilities Design & Management, as noted in Appendices B and C. The owner/applicant has increased the offering of a cash contribution toward facility operating costs from \$388,000 to \$738,000 to the Childcare Endowment Reserve Fund.

The proposed development has been assessed against the approved draft CD-1 By-law and other Council-approved guidelines, and found to respond to the stated objectives.

FINANCIAL IMPLICATIONS

The proposed childcare will offer 12 infant/toddler spaces that will be eligible under current policy for an annual operating subsidy grant of \$1,650 per space, (\$19,800 per year), source of funds the Childcare Endowment Reserve Fund. The facility will also include 25 spaces for three-to-five year olds; these spaces do not require subsidy. As a free standing facility, the City will incur operating and capital financial obligations for facility maintenance and operations and for long term facility re-capitalization. An allowance for the City's responsibilities for this facility will be provided for in the Facilities Design & Management department budgets, and any resulting increase will be subject to the regular City budget review process.

CONCLUSION

The principal adjustments to the rezoning submission have been the change from a leasehold arrangement to fee simple ownership, and the relocation of the childcare facility from atop the Nanaimo Street and 30th Avenue corner apartment building to the ground level easterly 30th Avenue location, with an increase in the cash contribution for facility operation. The new proposed location is far better operationally for the childcare facility without any consequent negative impacts for neighbours. Social Development staff strongly support the new location as approved by the Development Permit Board.

Staff recommend that Council approve the amended condition of rezoning to permit the relocation of the daycare facility in an improved location, along with an increase in the endowment as offered voluntarily by the applicant.

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AGREEMENTS

CHILDCARE

- (1) Execute a legal agreement, satisfactory to the Directors of Legal Services, Facilities Design and Management and the Managing Director of Social Development for the construction and transfer to the City of a fully fitted up (i.e. ready for immediate occupancy), furnished, equipped and supplied daycare facility comprising:
 - 37 spaces for toddlers and 3 to 5 year olds, at a location acceptable to the City;
 - Not less than 429 m² (4,620 ft²) of gross floor area of fully finished indoor space, plus a minimum of 390 m² (4,200 ft²) of immediately adjacent fenced and equipped outdoor space, plus a minimum of 78 m² (840 ft²) of covered outdoor space; and
 - Both the indoor and outdoor space of the toddler and 3 to 5 year olds Programs must meet all Community Care Facilities Licensing requirements and the intent of the City Childcare Design Guidelines and be satisfactory to the Managing Director of Social Development and the Director of Facilities Design and Management.
 - The owner shall also provide to the City an endowment contribution of \$738,000 and include unrestricted use of 7 parking spaces within the development site at a location to be determined by the City;

Where the Director of Legal Services deems appropriate, the preceding requirements are to be drawn in one or more legal agreements not only as personal covenants of the property owner, but also as Covenants pursuant to Section 219 of the Land Title Act.

Such agreement(s) is/are to be registered in the appropriate Land Title Office, with priority over such liens, charges and encumbrances effecting the subject site, the parking spaces and the City's rights as is considered advisable by the Director of Legal Services and otherwise to the satisfaction of the Director Legal Services prior to enactment of the by-law.

The preceding agreement(s) shall provide security to the City including indemnities, warranties, equitable charges, letters of credit, and withholding of permits, as deemed necessary and in a form satisfactory to the Director of Legal Services.

The timing of all required payments shall be determined by the appropriate City official having responsibility for each particular agreement who may consult with other City officials and City Council.

