

Refers Item No. 6
Public Hearing of October 19, 2010

MEMORANDUM

October 19, 2010

TO: Mayor Robertson and Councillors

COPY TO: P. Ballem, City Manager
S.A. Johnston, Deputy City Manager
M. Coulson, City Clerk
M. Welman, Director of Communications
F. Connell, Director of Legal Services
L. Jones, Acting Manager, Budgets Office
D. McLellan, General Manager of Community Services
B. Toderian, Director of Planning
R. Newirth, Managing Director of Cultural Services
P. Judd, General Manager of Engineering Services
M. Flanigan, Director of Real Estate Services
D. Djurkovic, Manger of Facility Development, Parks and Recreation

FROM: K. Munro, Assistant Director, Current Planning Division

SUBJECT: CD-1 Rezoning - 1569 West 6th Avenue

This memorandum reports to Council on the matter of a community amenity contribution (CAC), which had not yet concluded when staff completed the report on this application and when Council referred the application to Public Hearing on September 21, 2010.

RECOMMENDATION

THAT Appendix B of the report titled "CD-1 Rezoning - 1569 West 6th Avenue" be amended to add the following conditions under section (c) Conditions of By-law Enactment:

That, prior to the enactment of the CD-1 By-law, the registered owner shall on terms and conditions satisfactory to the Director of Legal Services and to the Director of Planning, the General Manager of Engineering Services, the Managing Director of Cultural Services, the General Manager of the Park Board, the Director of Real Estate Services, the Director of Facility Design and Management, and Approving Officer, as necessary, and at the sole cost and expense of the owner/developer, make arrangements for the following:

Community Amenity Contribution - Park Development

10. deliver, prior to enactment of the rezoning by-law the Community Amenity Contribution of \$244,000 which the developer has offered to the City, to be provided for public open space in the local area;

Community Amenity Contribution (CAC) - Artist Studios

11. provision of a cultural amenity space in the form of two artist studios, with a total area of not less than 800 sq. ft., as part of the development at 1569 West 6th Avenue;
12. design, construction, equipping and finishing of the proposed cultural amenity space, and for the sustainable operation of the studios as part of the Mayor's Arts Awards, Artist Studio Award Program;
13. transfer to the City at a nominal cost an air space parcel or strata lot containing this cultural amenity together with the appropriate rights and obligations applicable to the ownership and operation of this legal parcel including reciprocal easements and indemnities, repair and maintenance, cost sharing, insurance and other applicable legal obligations;
14. grant a perpetual right in favour of the City and the users of this cultural amenity space, in the form of a statutory right of way, for access to and use of two parking spaces and to the loading spaces in the underground parkade of the residential complex on this site, at no cost; and
15. provide a facility operating reserve in the amount of \$170,000 to be held by the City in an interest-bearing account and used to offset the operating costs of the amenity space for a period of approximately 21 years;

all of which secured rights and obligations are to be effected and implemented prior to occupancy of any part of the development on this site other than this cultural amenity space.

FURTHER THAT Appendix B of the report titled "CD-1 Rezoning - 1569 West 6th Avenue" be amended to add the following conditions under section (b) Conditions of Approval of the Form of Development:

Artist Studios

37. design and finish Artist Studios for Class B purposes (inclusive of Class A and B use);

Note to Applicant: See guidelines for Class B Artist Studios. A higher degree of ventilation for artists working with more toxic substances, slightly higher degree of sound proofing for possible use of amplified music, and industrial fittings.

38. design development to the Artist Studio uses to maximize interaction and pedestrian amenity through the use of display windows.

DISCUSSION

As part of the rezoning application for 1569 West 6th Avenue, the property owner has offered a CAC of \$1,576,000, of which \$774,000 was unallocated. Staff recommend that this portion of the CAC be allocated as follows:

- a cash contribution of \$244,000 for park development at the future City park at West 6th Avenue and Fir Street;
- a cultural amenity space in the form of two artist studios, providing 74 m² (800 sq. ft.) of production space, conveyed to the City as an air space parcel or strata lot, having an estimated value of \$360,000; and
- a cash contribution of \$170,000 to provide a 21 year Facility Operating Reserve for the artist studios.

1. Park Development

A portion of the CAC is proposed to be used in the development of a portion of a local park in the Burrard Slopes. The entire block bounded by 5th, Pine, 6th and Fir, was identified as a park site in the Burrard Slopes Greenway and Open Space Plan (1994), and the Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines (2007, amended in 2010). The latter states that “providing parks and public open space is the most critical need in Burrard Slopes”. The park site is subject to an ongoing land assembly by the City. The proposed first phase is a single lot of roughly a quarter acre in size, located at the corner of 6th Avenue and Fir Street, and separated from the remainder of the block by the Arbutus rail line.

A budget of \$550,000 has been established for demolition, site preparation and park construction. To fund this first phase of park construction, the Park Board has submitted a Capital Budget 2011 request for \$300,000, slightly more than half of the total budget. It is proposed that the remainder would be funded through the \$244,000 CAC resulting from the rezoning of 1569 West 6th Avenue.

A program for this small park will be developed in consultation with the neighbourhood. The expectation is that the programming will complement the community gardening along the Arbutus rail line, possibly with a children’s playground that includes opportunities for play with natural materials, and a social gathering space. The consultation and design process could start in late spring 2011, with construction to happen later in the year.

2. Cultural Amenity Space

Artist Studios: An on-site public benefit is proposed involving the provision of a cultural amenity space in the form of approximately 74.3 m² (800 sq. ft.) suitable for use as artist studios in a stand-alone building. This cultural amenity space will form two new additions to the City’s Artist Studio Award Program, Mayor’s Arts Awards, which provides an opportunity for the City to support professional artists through work and living spaces, enabling them to further their expertise and practice.

The proposed artist studios are for Class A and/or Class B activities as defined in the City’s Zoning and Development By-law. At 37 m² (400 sq. ft.) per unit, these are “raw” light industrial work spaces to be used by visual, performing, sound or interdisciplinary artists, and appropriate for use as Class A or B artist studios. The studios fulfill a key strategy direction from the 2008 Cultural Facilities Priorities Plan, which identified cultural creation and

production spaces such as studios (especially in multi-tenant scenarios) as being essential to the ongoing vitality of the city's creative sector.

The cultural amenity building will be located within an air space parcel or strata lot on the subject site, the ownership of which will be conveyed to the City at a nominal purchase price once construction is complete. Further, two parking spaces will be secured for the artist studios in the underground parking lot as well as access to the two Class A loading spaces required in the development.

Facility Operating Reserve: In addition to providing the artist studio space, the property owner is providing a cash contribution towards the annual facility operating costs of the studios to ensure that they remain affordable for the studio awardees. This fund is calculated at \$170,000 based on an annual projection of costs for security, utilities, maintenance, and insurance of \$17,000. Real Estate Services has used a "present value calculation" that looks at future value and period length as well as payment amount and period length to arrive at the \$170,000 amount. The Facility Reserve Fund is projected to provide for annual operating subsidies for approximately 21 years. After this time the studio use and operation will be evaluated and reconfirmed or altered as necessary. The proposed zoning allows for a variety of cultural and commercial uses to allow flexibility for future use.

3. Financial Implications

The operating costs associated with the artist studios will become the responsibility of the City (and by way of subleases to the awardee tenants); the Facility Reserve Fund and below market lease rates for the studios will provide a total annual operating revenue sufficient to cover any operating costs. The Facility Reserve Fund is projected to last a minimum of 21 years at which time the program will be reviewed and renewed as appropriate. Future capital costs will be handled per the protocol of the time, which currently is dealt with through the Capital Budgeting process.

Conclusion

Planning staff recommend that this offer be accepted and further that it be secured to the satisfaction of the Director of Legal Services and the Director of Planning, as set out in the enactment conditions and proposed conditions of approval added by approval of the above Recommendation.



K. Munro
Assistant Director, Current Planning Division

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