



REPORT TO COUNCIL

STANDING COMMITTEE OF COUNCIL  
ON CITY SERVICES AND BUDGETS

APRIL 21, 2011

A Regular Meeting of the Standing Committee of Council on City Services and Budgets was held on Thursday, April 21, 2011, at 9:35 am, in the Council Chamber, Third Floor, City Hall.

- PRESENT:**
- Councillor Raymond Louie, Chair
  - Mayor Gregor Robertson
  - Councillor Suzanne Anton\*
  - Councillor David Cadman
  - Councillor George Chow \*
  - Councillor Heather Deal\*
  - Councillor Kerry Jang
  - Councillor Geoff Meggs, Vice-Chair\*
  - Councillor Andrea Reimer\*
  - Councillor Tim Stevenson\*
  - Councillor Ellen Woodsworth\*

**CITY MANAGER’S OFFICE:** Penny Ballem, City Manager

**CITY CLERK’S OFFICE:** Lori Isfeld, Meeting Coordinator

\* Denotes absence for a portion of the meeting.

**MATTERS ADOPTED ON CONSENT**

MOVED by Councillor Deal  
THAT the Committee recommend to Council

THAT the Committee adopt Item 1 on consent.

CARRIED UNANIMOUSLY  
(Councillors Chow, Meggs and Stevenson absent for the vote)

1. **Vancouver Heritage Foundation Board - Annual Report for 2010  
March 24, 2011**

THAT the Committee recommend to Council

THAT Council approve the 2010 Annual Report of the Vancouver Heritage Foundation attached as Appendix A of the Other Report dated March 24, 2011, entitled “Vancouver Heritage Foundation Board - Annual Report for 2010”, and authorize

payment of \$114,000 for the first year of the three-year operating agreement.  
Funding is included in the 2011 Operating Budget.

ADOPTED ON CONSENT  
(Councillors Chow, Meggs and Stevenson absent for the vote)

**2. 2010 City of Vancouver Annual Financial Report  
April 14, 2011**

Staff from Financial Services provided a presentation and responded to questions.

\* \* \* \*

*At 10:20 am the Committee recessed and reconvened at 10:40 am with all members present except for Councillors Deal, Reimer, Stevenson and Woodsworth.*

\* \* \* \* \*

MOVED by Councillor Cadman  
THAT the Committee recommend to Council

THAT Council receive for information the City of Vancouver Financial Statements for the year ended December 31, 2010.

CARRIED UNANIMOUSLY  
(Councillors Deal, Reimer, Stevenson and Woodsworth absent for the vote)

**3. 2011 Property Taxation: Distribution of Property Tax Levy  
April 13, 2011**

Staff from Financial Services provided a presentation and responded to questions.

The Committee heard from seven speakers, all of whom expressed concerns regarding the report.

MOVED by Mayor Robertson  
THAT the Committee recommend to Council

THAT Council instruct the Director of Finance to calculate the 2011 general purpose tax rates for all property classes, incorporating a one percent shift of tax levy from non-residential properties (Classes 2, 4, 5 and 6) to residential properties (Classes 1, 8 and 9), resulting in a tax distribution of approximately 52.5% residential and 47.5% non-residential.

carried

AMENDMENT MOVED by Councillor Cadman

THAT the motion be amended by adding the words "but not" before the words "incorporating a one percent shift of tax levy from non-residential properties", by striking 52.5% and replacing it with 51.5%, and by striking 47.5% and replacing it with 48.5%, to read as follows:

"THAT Council instruct the Director of Finance to calculate the 2011 general purpose tax rates for all property classes, but not incorporating a one percent shift of tax levy from non-residential properties (Classes 2, 4, 5 and 6) to residential properties (Classes 1, 8 and 9), resulting in a tax distribution of approximately 51.5% residential and 48.5% non-residential."

LOST

(Councillors Anton, Chow, Deal, Jang, Louie, Meggs, Stevenson and Mayor Robertson opposed)  
(Councillor Reimer absent for the vote)

The amendment having lost, the motion was put and CARRIED with Councillors Cadman and Woodsworth opposed and Councillor Reimer absent for the vote.

\* \* \* \* \*

*After the conclusion of Item 3, it was,*

*MOVED by Councillor Deal*

*THAT, under Section 2.3 (a) of the Procedure By-law, Council extend the length of the Standing Committee on City Services and Budgets meeting by one hour or less.*

*CARRIED UNANIMOUSLY AND  
BY THE REQUIRED MAJORITY  
(Councillors Anton and Reimer absent for the vote)*

\* \* \* \* \*

**4. Option to Purchase 639 Commercial Drive (York Theatre) and Lease of  
639 Commercial Drive to the Vancouver East Cultural Centre  
March 25, 2011**

Vancouver City Council, at its meeting on April 19, 2011, referred this matter to the Standing Committee on City Services and Budgets meeting on April 21, 2011, in order to hear from speakers.

The Committee heard from one speaker in opposition to the report.

MOVED by Councillor Deal

THAT the Committee recommend to Council

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute an Option to Purchase Agreement, on terms and conditions satisfactory to the Directors of Real Estate and Legal Services, with 0843836 B.C. Ltd., (Incorporation No. BC0843836), (the "Owner/ Developer"), regarding the premises located at 639 Commercial Drive, legally described as Lots A and B of Lot 12, Block D, District Lot 183, Plan 3137, PID: 013-108-506 and PID: 013-108-514, respectively and PID: 013-108-531, Lot C, except part in Reference Plan 1808, of Lot 12, Block D, District Lot 183, Plan 3137, (as shown on Appendix A of the Administrative Report dated March 25, 2011, entitled "Option to Purchase 639 Commercial Drive (York Theatre) and Lease of 639 Commercial Drive to the Vancouver East Cultural Centre"), providing the City with the exclusive and irrevocable right to acquire title in fee simple of the said lands and premises (the "York Theatre") for a nominal sum of ten dollars (\$10) upon completion of the renovation and restoration of the York Theatre by the Owner/Developer to the satisfaction of the Directors of Facilities Design and Management and Planning, and the Managing Director of Cultural Services and in accordance with a duly authorized Heritage Revitalization Agreement, and after issuance of occupancy permits for full occupancy and use thereof.
- B. THAT Council authorize the Director of Real Estate Services to negotiate and execute an Offer to Lease the York Theatre with the Vancouver East Cultural Centre (the "VECC"), a registered non-profit society, for use as a cultural/ performing arts centre for a term of sixty (60) years at a nominal rent of ten dollars (\$10), inclusive of rent in lieu of taxes, upon the terms and conditions described in Appendix B of the Administrative Report dated March 25, 2011, entitled "Option to Purchase 639 Commercial Drive (York Theatre) and Lease of 639 Commercial Drive to the Vancouver East Cultural Centre", and upon such other terms and conditions as the Directors of Legal Services, Real Estate Services and Facilities Design and Management and the Managing Director of Cultural Services may require or approve and such Offer to Lease will be subject to VECC providing the City, within four (4) months of the effective date of the Offer to Lease, with an updated business plan detailing the intended operating model for the York Theatre with a financial model related to program delivery and tenant capacity to address facility operating and capital costs. Following receipt of the business plan the City will have thirty (30) days in which to review and approve the business plan. In the event the City does not approve the business plan the Offer to Lease will be considered null and void and of no further force or effect.
- C. THAT Council authorize the Director of Real Estate Services, upon the City obtaining ownership of the York Theatre, and subject to the approval of the updated business plan of the VECC, pursuant to B above, to negotiate and execute a lease of the York Theatre with the VECC upon the terms and conditions set out in the Offer to Lease pursuant to B above, and upon such other terms and conditions as the Directors of Legal Services, Real Estate

Services and Facilities Design and Management and the Managing Director of Cultural Services may require or approve.

- D. THAT, with respect to A above, no legal rights or obligations will arise or be created until execution of the Option by the Owner/Developer and by the City through its authorized signatory, the Director of Real Estate Services;

FURTHER THAT, with respect to B above, no legal rights or obligations will arise or be created until execution of the Offer to Lease by VECC and by the City through its authorized signatory, the Director of Real Estate Services;

AND FURTHER THAT, with respect to C above, no legal rights or obligations will arise or be created until execution of the Lease by VECC and by the City through its authorized signatory, the Director of Real Estate Services.

CARRIED UNANIMOUSLY AND  
BY THE REQUIRED MAJORITY

The Committee adjourned at 12:20 pm

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REGULAR COUNCIL MEETING MINUTES  
STANDING COMMITTEE OF COUNCIL ON  
CITY SERVICES AND BUDGETS

APRIL 21, 2011

A Regular Meeting of the Council of the City of Vancouver was held on Thursday, April 21, 2011, at 12:20 pm, in the Council Chamber, Third Floor, City Hall, following the Standing Committee on City Services and Budgets meeting, to consider the recommendations and actions of the Committee.

**PRESENT:** Mayor Gregor Robertson  
Councillor Suzanne Anton  
Councillor David Cadman  
Councillor George Chow  
Councillor Heather Deal  
Councillor Kerry Jang  
Councillor Raymond Louie  
Councillor Geoff Meggs  
Councillor Andrea Reimer  
Councillor Tim Stevenson  
Councillor Ellen Woodsworth

**CITY MANAGER'S OFFICE:** Penny Ballem, City Manager

**CITY CLERK'S OFFICE:** Lori Isfeld, Meeting Coordinator

**COMMITTEE OF THE WHOLE**

MOVED by Councillor Cadman  
SECONDED by Councillor Deal

THAT this Council resolve itself into Committee of the Whole, Mayor Robertson in the Chair.

CARRIED UNANIMOUSLY

**COMMITTEE REPORTS**

Report of Standing Committee on City Services and Budgets  
April 21, 2011

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Services and Budgets. Its items of business included:

1. Vancouver Heritage Foundation Board - Annual Report for 2010
2. 2010 City of Vancouver Annual Financial Report
3. 2011 Property Taxation: Distribution of Property Tax Levy
4. Option to Purchase 639 Commercial Drive (York Theatre) and Lease of 639 Commercial Drive to the Vancouver East Cultural Centre

Items 1 to 4

MOVED by Councillor Cadman

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of April 21, 2011, as contained in items 1 to 4, be approved.

CARRIED UNANIMOUSLY AND  
ITEM 4 BY THE REQUIRED MAJORITY

#### UNFINISHED BUSINESS

1. CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)  
April 5, 2011

Vancouver City Council, at its meeting on April 19, 2011, referred this matter to the Council meeting following the Standing Committee on City Services and Budgets meeting on April 21, 2011, as Unfinished Business.

MOVED by Councillor Cadman

- A. THAT the application by Henriquez Partners Architects on behalf of Wall Financial Corporation to rezone 639 Commercial Drive (Lots A and B of Lot 12, Block D, District Lot 183, Plan 3137; PID: 013-108-506 and PID: 013-108-514, respectively, and Lot C, Except part in Reference Plan 1808, of Lot 12, Block D, District Lot 183, Plan 3137; PID: 013-108-531) (the "Property") from RM-4N (Multi-Family Residential District) to CD-1 (Comprehensive Development District), to permit the renovation of the historic York Theatre building (the "Building") situated on the Property, the addition to the Building of a two-storey foyer and the use of the renovated Building as a performing arts theatre, be referred to a Public Hearing, together with:
  - (i) plans prepared by Henriquez Partners Architects, received on May 14, 2010, presented in Appendix F of the Policy Report dated April 5, 2011, entitled "CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)";
  - (ii) draft CD-1 By-law provisions, generally as presented in Appendix A of the same Policy Report; and

- (iii) the recommendation of the Director of Planning to approve the rezoning, subject to conditions contained in Appendix B of the same Policy Report;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary CD-1 By-law generally in accordance with Appendix A of the Policy Report dated April 5, 2011, entitled "CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)", for consideration at the Public Hearing.

- B. THAT, if the application is referred to a Public Hearing, the application to amend Schedule E of the Sign By-law to establish regulations for this CD-1 in accordance with Schedule B (C-2), as set out in Appendix C of the Policy Report dated April 5, 2011, entitled "CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)", be referred to the same Public Hearing;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law to amend the Sign By-law generally in accordance with Appendix C of the same Policy Report for consideration at the Public Hearing.

- C. THAT, subject to approval of the rezoning at the Public Hearing, the Noise Control By-law be amended to include this Comprehensive District in Schedule B as set out in Appendix C of the Policy Report dated April 5, 2011, entitled "CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)";

FURTHER THAT the Director of Legal Services be instructed to bring forward the amendment to the Noise Control By-law at the time of enactment of the CD-1 By-law.

- D. THAT, if the application is referred to a Public Hearing, the Director of Legal Services be instructed to prepare, for consideration at the Public Hearing, a by-law to designate the Building under the provisions of the Vancouver Charter as a protected heritage property.
- E. THAT, if the application is referred to a Public Hearing, the Director of Legal Services be instructed to prepare, for consideration at the Public Hearing, a by-law authorizing the City to enter into with the owner of the Property a Heritage Revitalization Agreement, generally as described in this report and substantially in the form annexed hereto as Appendix D of the Policy Report dated April 5, 2011, entitled "CD-1 Rezoning and Heritage Revitalization Agreement at 639 Commercial Drive (York Theatre)", for the following:
  - (i) to secure the timely rehabilitation and long-term protection and conservation of the Building and, in consideration therefore, to assign to the Property 106,793 sq. ft. of transferable bonus density and, by way of covenant on title to the Property, restrict the transfer of this



bonus density to other properties owned by the Wall Financial Corporation group of companies or persons, which transfer or transfers must be approved by the City;

- (ii) vary the Vancouver Development Cost Levy By-law No. 9755 to waive payment of the Development Cost Levy otherwise payable in connection with the project contemplated by the Heritage Revitalization Agreement;
- (iii) to provide that once:
  - (a) the renovation and restoration of the Building is completed to the satisfaction of the Director of Planning, the Managing Director of Cultural Services and the Director of Facilities Design and Management;
  - (b) all occupancy permits for full occupancy and use of the Building have been issued; and
  - (c) completion of the purchase of the Property by the City (which purchase shall be subject to a separate report to Council);

the City will pay the following amounts to the owner of the Property as City contributions towards the cost of restoring the Building:

- (a) the amount of \$1,280,720 with such funds collected for the rezonings of 1133 West Georgia Street (\$1,130,000) and 490 Commercial Drive (\$150,720); and
- (b) the amount of \$1,000,000 as a contribution from the 2011 Capital Budget for Cultural Infrastructure.

- F. THAT, if the application is referred to a Public Hearing, Council approves that, as a matter of policy, the transferable heritage bonus density to be assigned to the Property under the Heritage Revitalization Agreement may be transferred to more than one receiver site, in accordance with the Heritage Revitalization Agreement and through the normal Transfer of Density processes, and that such receiver sites may be in different zoning, use, density and height districts than that of the Property.
- G. THAT A to F above be adopted on the following conditions:
  - (i) THAT the passage of the above resolutions creates no legal rights for the applicant or any other person, or obligation on the part of the City; any expenditure of funds or incurring of costs is at the risk of the person making the expenditure or incurring the cost;
  - (ii) THAT any approval that may be granted following the public hearing shall not obligate the City to enact a by-law rezoning the property, and any costs incurred in fulfilling requirements imposed as a condition of rezoning are at the risk of the property owner; and
  - (iii) THAT the City and all its officials, including the Approving Officer, shall not in any way be limited or directed in the exercise of their authority

or discretion, regardless of when they are called upon to exercise such authority or discretion.

NOTE: For details on the related proposal that the City take an option to purchase the Building, with the option not to be exercised before the rehabilitation of the Building is complete, and lease it to an operator, please see the Administrative Report from the Director of Real Estate Services dated April 5, 2011, entitled "Option to Purchase 639 Commercial Drive (York Theatre) and Lease of 639 Commercial Drive to the Vancouver East Cultural Centre".

CARRIED UNANIMOUSLY

**RISE FROM COMMITTEE OF THE WHOLE**

MOVED by Councillor Cadman

THAT the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

**ADOPT REPORT OF COMMITTEE OF THE WHOLE**

MOVED by Councillor Cadman  
SECONDED by Councillor Jang

THAT the report of the Committee of the Whole be adopted.

CARRIED UNANIMOUSLY

The Council adjourned at 12:22 pm