



ADMINISTRATIVE REPORT

Report Date: January 18, 2012
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Meeting Date: February 14, 2012

TO: Standing Committee on City Finance and Services
FROM: Deputy Chief Building Official
SUBJECT: 558 West Broadway - Request for Building Permit Extension

RECOMMENDATION *

THAT Council approve a request for an extension of Building Permit No. BU448681 for 558 West Broadway for a one year period expiring September 29, 2012.

REPORT SUMMARY *

This report seeks Council approval to grant a 12 month extension of a Building Permit for 558 West Broadway. Building Permit No. BU448681 was issued September 29, 2010 for the construction of a new seven-storey commercial building with three levels of underground parking. An extension was granted by the Deputy Chief Building Official for a six month period expiring September 29, 2011. Staff have been meeting with the development team to review their project and as a result have provided this recommendation to Council.

An extension to September 29, 2012 will allow the developer time to restructure and allow this important redevelopment project to occur.

COUNCIL AUTHORITY/PREVIOUS DECISIONS *

Article 1A.7.5.1 of the 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.

*CITY MANAGER'S/GENERAL MANAGER'S COMMENTS **

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

*REPORT**Background/Context **

This report seeks Council approval of a request for an extension of a Building Permit for 558 West Broadway, which was issued September 29, 2010. Due to design changes in the rezoning and development application and a downturn in the economy, the applicant applied for an extension and it was approved by the Deputy Chief Building Official for a six month period expiring September 29, 2011.

The Building By-law requires any further extensions to be approved by Council. The applicant and the owner have requested a second extension of the Building Permit. The applicant indicates that construction has been delayed primarily because they have been unable to secure leasing agreements despite concerted efforts. It should be noted that three existing buildings remain on the site and are still occupied by commercial tenants.

*Strategic Analysis **

Multiple extensions of building permits are not common and are taken seriously by the city to determine the appropriateness of any extension. 558 West Broadway was rezoned in 2008 to allow construction of a new seven-storey commercial building with three levels of underground parking. The rezoning and approval process took approximately four months longer than usual and this, combined with the general economic downturn in this period, resulted in delays to the project and the loss of two large anchor tenants.

The development team have now restructured their business plan to stratify the building and bring this project to a successful completion. To support this, they require a second building permit extension. The project team have committed to commence work once the permit extension is approved.

*Implications/Related Issues/Risk (if applicable)**Financial **

A Development Cost Levy in the amount of \$932,980.16 has been paid for this project (at the DCL rate of \$82.88 per square metre in effect at the time the original Building Permit was issued). DCL rates have increased twice since the building permit was issued. If Council approves the second extension of this building permit, with the effect that the developer does not have to re-apply for a new permit at the current DCL rate, the City would forego \$439,923.56 in

DCL payments based on the higher current rate. Should the building permit be cancelled, however, and the District Building Inspector confirms that no construction has been carried out, the DCL of \$932,980.16 will be refunded in full, along with permit fees minus staff time spent on the project.

*CONCLUSION **

Given the applicants efforts to restructure their project and ensure its successful completion, it is recommended that Council approve this request for an extension of Building Permit No. BU448681 for 558 West Broadway for a one year period expiring September 29, 2012. As the Building By-law is to be updated this year, staff will be unlikely to recommend any further extensions.

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