



ADMINISTRATIVE REPORT

Report Date: November 14, 2013
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VanRIMS No.: 08-2000-20
Meeting Date: November 19, 2013

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Application for Payment-in-Lieu of Parking at 475 Howe Street

RECOMMENDATION

- A. THAT Council approve in principle the offer of payment-in-lieu in the amount of \$606,000 for the waiver of 30 commercial parking spaces required by Section 4.1.2 of the Parking By-law for the development application at 475 Howe Street and direct payment to the Pay-in-Lieu Parking Reserve: Off-Street Parking.
- B. THAT the Director of Legal Services be requested to bring forward a By-law to amend Schedule A of the Parking By-law pursuant to Section 4.12.5 to effect this waiver.

REPORT SUMMARY

This report seeks Council approval-in-principle for the waiver of required parking and to accept payment-in-lieu of parking for thirty commercial parking spaces required by the Parking By-law for development application DE416842 currently in process, located at 475 Howe Street.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Vancouver Charter gives Council authority to accept a payment of money as an alternative to providing off-street parking spaces required by the Parking By-law. The funding must be allocated to either the Pay-in-Lieu Parking Reserve: Off-Street Parking or the Pay-in-Lieu Parking Reserve: Green Transportation.

In 1986, Council introduced parking “payment-in-lieu” to give property developers an option if the minimum parking required for their developments could not be provided on-site. It was limited to commercial or industrial uses or for heritage retention in areas within the downtown core where the parking could instead be provided in City-owned facilities. The payment-in-lieu funds are used to build replacement parking or offset the cost of existing parking in nearby civic parking facilities.

In 2009, Council approved changes to the Parking By-law which permitted payment-in-lieu of parking for residential uses in several historic areas including HA-1 (Chinatown), HA-2 (Gastown), HA-3 (Yaletown), and within the Downtown Official Development Plan Sub-area C2 (Victory Square). Residential payment-in-lieu funds are used to provide public realm improvements that support walking and cycling.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services, the General Manager of Planning and Development, and the Director of Finance recommend approval of the foregoing.

REPORT

Background/Context

The Parking By-law requires that minimum numbers of off-street parking spaces be provided in developments. Depending on the type of use and location, several tools are available to reduce requirements where developers cannot or do not wish to build all of these spaces on-site. These tools are intended to reduce the demand for parking or to provide it through other means and include the provision of:

- carshare vehicles and spaces,
- off-street parking on nearby sites,
- bicycle parking spaces beyond by-law requirements, and
- payment-in-lieu of parking.

Payment-in-lieu is generally used when no other tools are available. When an application is made for payment-in-lieu relief, staff bring a report to Council with a recommendation on the number of spaces to be waived and the dollar value to accept in lieu of those spaces. Current Council policy is to accept \$20,200 per space, which is based on the present value cost to construct and maintain a parking space in City facilities less the present value of future revenue from the space.

Should Council support the request to waive parking through payment-in-lieu, the applicant must pay \$20,200 per parking space waived. After the payment is made, the Director of Legal Services will bring forward a by-law for Council approval to amend Schedule A of the Parking By-law and thereby allow the issuance of a Development Permit. The funds paid by the applicant are credited towards one of two pay-in-lieu reserves.

Under current Council policy, commercial or industrial payment-in-lieu funds are directed to the Pay-in-Lieu Parking Reserve: Off-Street Parking. When replacement parking spaces are

identified in a nearby City-owned parkade, staff report back to Council with a recommendation to assign specific spaces to the development. When Council assigns those parking spaces for the applicant's use, the funds are transferred to the Parking Sites Reserve to offset the cost to construct and maintain the spaces. The Parking Sites Reserve was created by Council to fund the construction, maintenance, and rehabilitation of the City's parking facilities, and is primarily funded by revenues generated from EasyPark. The applicant is given first chance to lease the allocated spaces, at market rate.

Residential payment-in-lieu of parking funds are directed to the Pay-in-Lieu Parking Reserve: Green Transportation. When an appropriate project is identified which provides public realm improvements for walking or cycling, Council approval will be sought to allocate payment-in-lieu funds to the capital project.

Allocation and/or transfer of funds from the pay-in-lieu reserves to specific capital projects are considered and prioritized through the Capital Planning and Budgeting processes.

Strategic Analysis

An application, pursuant to Section 4.12 of the Parking By-law, has been received seeking Council's approval-in-principle to waive the number of parking spaces required by Section 4.1.2 of the Parking By-law and to make payment-in-lieu.

The particulars of the application are as follows:

Address:	475 Howe Street
Applicant:	Peter Hildebrand Iredale Group Architecture Suite 202, One Alexander St. Vancouver, B.C. V6A 1B2
Zoning:	DD
DE Number:	416842
Type of Development:	Commercial
Use:	Office & Retail
Legal Description:	PID: 029-156-653 Lot 1 Block 21 District Lot 541 Group 1 New Westminster District Plan EPP33012
Commercial Parking Required:	206
Commercial Parking Provided:	170
Number of spaces for Payment-in-lieu:	30
Recommended Amount/Space:	\$20,200
Total Funds Payable - Pay-in-lieu Parking Reserve: Off Street Parking	\$606,000

The applicant is proposing to provide the equivalent of 176 commercial parking spaces on-site, including bonusing for disability spaces and supplemental Class A bicycle parking spaces as permitted in the Parking Bylaw.

Staff have reviewed this application and believe that payment-in-lieu is appropriate for the proposed office building given the site constraints and the lack of opportunity to provide parking by another means. Parking cannot feasibly be constructed within the portion of the site containing the Heritage "A" designated Old Stock Exchange building and the applicant is already proposing 7 levels of underground parking, which is at the practical limit of parking depth from both constructability and functionality perspectives.

Parking is available at City-owned parking facilities near the site including the lots at 535 Hornby St, 777 Dunsmuir St. and 900 W. Cordova St. Staff feel that securing nearby parking through payment-in-lieu is a reasonable alternative to providing additional on-site parking.

Implications/Related Issues/Risk (if applicable)

Financial

The City, prior to issuance of the development permit, will receive payment of \$606,000 for deposit into the Pay-in-Lieu Parking Reserve: Off-Street Parking.

Legal

Where Council has agreed to waive the required parking and instead accept a sum of money in lieu of parking requirements, Schedule A of the Parking By-law hereto shall be amended to list:

- (a) the property affected by the waiver;
- (b) the extent to which the parking requirements are waived; and
- (c) the amount of money accepted by Council as payment-in-lieu.

CONCLUSION

The General Manager of Engineering Services recommends approval of the waiver of 30 commercial parking spaces at 475 Howe Street on the condition that the amount of \$606,000 is paid to the Pay-in-Lieu Parking Reserve: Off-Street Parking.

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