



ADMINISTRATIVE REPORT

Report Date: December 18, 2014
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VanRIMS No.: 08-2000-20
Meeting Date: February 17, 2015

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the General Manager of Real Estate and Facilities Management

SUBJECT: Powell Street Overpass Project - Road Establishment and Sale of City Owned Remnant Property at 900 Block Powell Street

RECOMMENDATION

- A. THAT Council direct the Director of Legal Services to consolidate the six (6) City owned properties within the 900 Block of Powell Street to form a single lot as shown within bold outline on Appendix B (to be referred to hereon as "Lot 7").
- B. THAT Council approve the establishment as Road of a portion of Lot 7 as shown hatched on Appendix C (the "New Road Portion").
- C. THAT Council direct the Director of Real Estate Services to market for resale the remainder of Lot 7 (to be referred to hereon as "Remainder 7") subject to the additional terms and conditions noted in Appendix "A", as a single parcel as shown generally within bold outline on Appendix C and comprising approximately 887 m² and to report back to Council for approval before completing any sale agreement.

REPORT SUMMARY

This report seeks Council Authority to establish as road property that was acquired for the Powell Street Overpass Project (the "Project") and to market and sell the surplus lands as a single development site. The revenue received from the sale will be used to reduce the total project cost as required by the Project Funding-Delivery Agreements with our funding partners and the return of the remnant property to market will minimize the net loss of industrial zoned land in the vicinity of the Powell Street Overpass.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- The authority for establishing streets and lanes is set out in Section 291 of the Vancouver Charter.
- On July 21, 2009, RTS 8242, Council approved, in principle, the Powell street grade separation project for a total estimated cost of \$50,000,000, with a net City contribution of up to \$7.5M, subject to funding approval through the City's Capital planning process leading up to the 2012-2014 Capital Plan.
- On April 10, 2012, the City entered into a funding agreement with Transport Canada for \$18,500,000 of the required funding for this Project.
- On July 25, 2012 Council approved the Powell Street Overpass design and construction concept and proceeding with negotiations with the Canadian Pacific Rail Company ("CPR") and Port Metro Vancouver ("PMV") for the Project Funding-Delivery Agreements.
- On March 14, 2013, Council authorized staff to conclude and execute the necessary agreements for the Project amongst the City of Vancouver, Port Metro Vancouver, Canadian Pacific Railway and Burlington Northern Inc.
- On April 23, 2013, Council received a report for information, communicating the successful resolution and execution of agreements between the City of Vancouver, Port Metro Vancouver, Canadian Pacific Railway and Burlington Northern Inc., the awarding of a Design-Build contract to BA Blacktop, and commencement of the project.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services (GMES) and the General Manager of Real Estate and Facilities Management recommend approval of the foregoing.

REPORT

Background/Context

The Project has shifted the alignment of Powell Street to the south by up to 15 metres between Hawks Avenue and Clark Drive and impacted several properties on the south side of Powell Street. This report deals with six properties within the eastern half of 900 Block of Powell St as shown in Appendix "B". The whole extent of the Project is shown on the location context map attached as Appendix E. The Powell Street Overpass is now constructed and open to traffic and the New Road Portion referred to in Recommendation B now contains the new overpass.

At the outset of the Project the City acquired the lands necessary for the construction of the overpass. The impact at 900 block of Powell Street was significant and it was necessary to acquire a number of whole lots rather than just the portions essential to the road widening. After the establishment as road of the New Road Portion the

remnant lands (Remainder 7) are intended to be marketed for resale and returned to the industrial land base.

A statutory right of way (SRW), in favour of the City, will be registered over the north 3.1 metres of the Remainder 7 to protect the area for overpass maintenance access ("SRW Area A"). A second SRW and Option to Purchase Agreement, in favour of the City for road purposes, will be registered over two westerly portions of Remainder 7 to protect the area for future railway expansion ("SRW Area B" and "SRW Area C"). All SRWs will allow for interim use by the prospective owner. All SRW areas are shown shaded on Appendix C.

Under the Project Funding-Delivery Agreements between the City, PMV, and the CPR the acquisition costs for properties necessary for the Project are considered project costs for which PMV has contributed 62%, City has contributed 24%, and the CPR has contributed 14%. The agreements stipulate that in situations where it is necessary to acquire the entire property any marketable portion of the property not needed by the Project will then be offered for sale by the City and any net proceeds from that sale will be credited to the partners in the same ratios as applied to their respective contributions to the acquisition. The property acquisition costs are ineligible for cost sharing with Transport Canada.

In deeming Remainder 7 to be available for sale, the General Manager of Engineering Services ensures the property is not required for:

- transportation improvements for all modes; or
- infrastructure benefiting the public, and

has consulted with the Director of Real Estate Services and other City departments to ensure the property would not otherwise be an asset to deliver civic objectives such as:

- additional public green space;
- childcare; and
- affordable housing.

Strategic Analysis

The resale of portions of property acquired for the Powell Street Overpass Project is a requirement of the funding agreements with PMV and CPR to minimize total project costs.

The creation and resale of a marketable lot serves to reduce the net loss in land available for industrial use in the Powell Street area.

Council Authority is required for the establishment as road of the New Road Portion and to market Remainder 7 for resale.

Implications/Related Issues/Risk (if applicable)

Financial

Proceeds from the sale of Remainder 7 are intended to offset the property acquisition costs incurred by the funding partners. The proportionate share of the acquisition costs are set out in the Project Funding-Delivery Agreements at; PMV - 62%, City - 24%, and CPR - 14%. The City's proportionate share of the proceeds is to be credited to account CER-00117.

Environmental

Between 2005 and 2013 several environmental investigations were conducted at Lot 7. No contamination was identified within the New Road Portion but metals contamination was identified in the soil within Remainder 7. The contaminated soil was removed in 2013 concurrent with the building demolition on Lot 7.

When Remainder 7 is redeveloped, some further environmental investigation will be required to obtain a development permit and comply with BC Ministry of Environment requirements. A summary of environmental investigation results has been prepared for prospective purchasers and the property will be sold on an as-is, where-is basis.

CONCLUSION

The General Manager of Engineering Services, in consultation with the General Manager of Real Estate and Facilities Management and the Director of Real Estate Services, recommends approval of the Recommendations contained in this report.

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Appendix A

ADDITIONAL TERMS AND CONDITIONS

1. The conveyances are to be completed concurrently, with neither conveyance completing independently of the other.
2. Prior to the establishment as road of the New Road Portion the six (6) City owned properties will be consolidated into a single parcel as generally shown within the heavy outline on Appendix B to the satisfaction of the Director of Legal Services and the General Manager of Engineering Services. The six (6) City owned properties are more particularly described as follows:

<u>PID</u>	<u>Legal Description</u>
008-255-091	LOT 17 BLOCK 49 DISTRICT LOT 181 PLAN 196
008-255-105	LOT 18, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49 DISTRICT LOT 181 PLAN 196
008-255-113	LOT 19, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49 DISTRICT LOT 181 PLAN 196
008-255-121	LOT 20, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49 DISTRICT LOT 181 PLAN 196
009-273-352	LOT 22 BLOCK 49 DISTRICT LOT 181 PLAN 196
008-255-130	LOT 21 BLOCK 49 DISTRICT LOT 181 PLAN 196

3. The registration of a Statutory Right of Way in favour of the City over a portion of Remainder 7 (shown as SRW Area A on Appendix C) for overpass maintenance access and all utility purposes. The SRW agreement is to contain provisions to permit interim uses by the owner to the satisfaction of the General Manager of Engineering Services.
4. The registration of an Option to Purchase and Statutory Right of Way over portions of Remainder 7 (SRW Area B and SRW Area C on Appendix C), in favour of the City for road purposes (to enable future railway expansion). The SRW agreement is to contain provisions to permit interim uses by the owner to the satisfaction of the General Manager of Engineering Services.
5. A bridge (overpass) proximity agreement is to be registered over Remainder 7.
6. The Director of Legal Services or the Director of Real Estate Services, as applicable, to execute all plans, transfers, and documents as required.
7. Any agreements are to be drawn to the satisfaction of the Director of Legal Services.
8. No legal right or obligation shall be created and none shall arise hereafter until the documents are executed by the parties thereto, and fully registered in the Land Title Office.

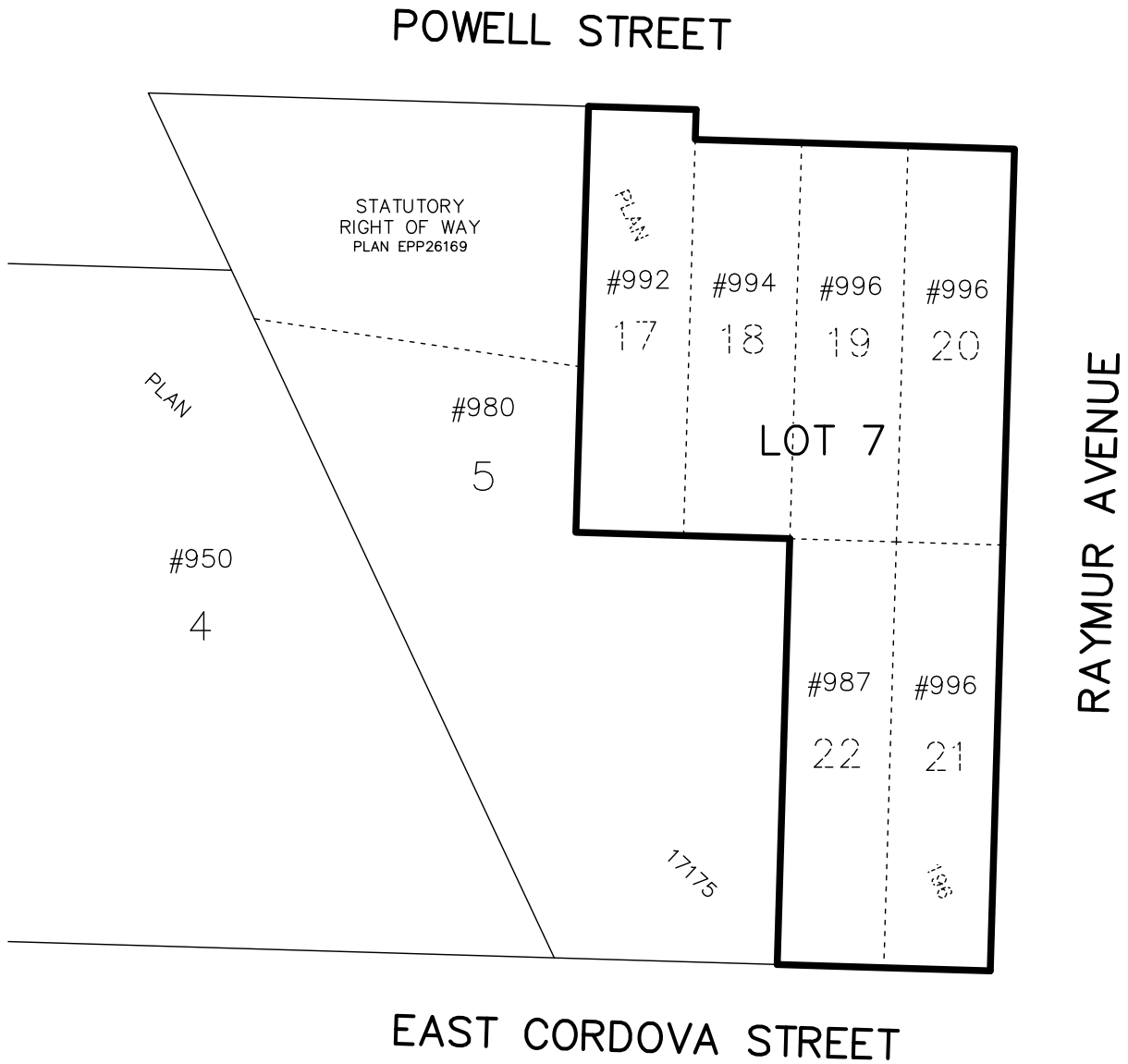
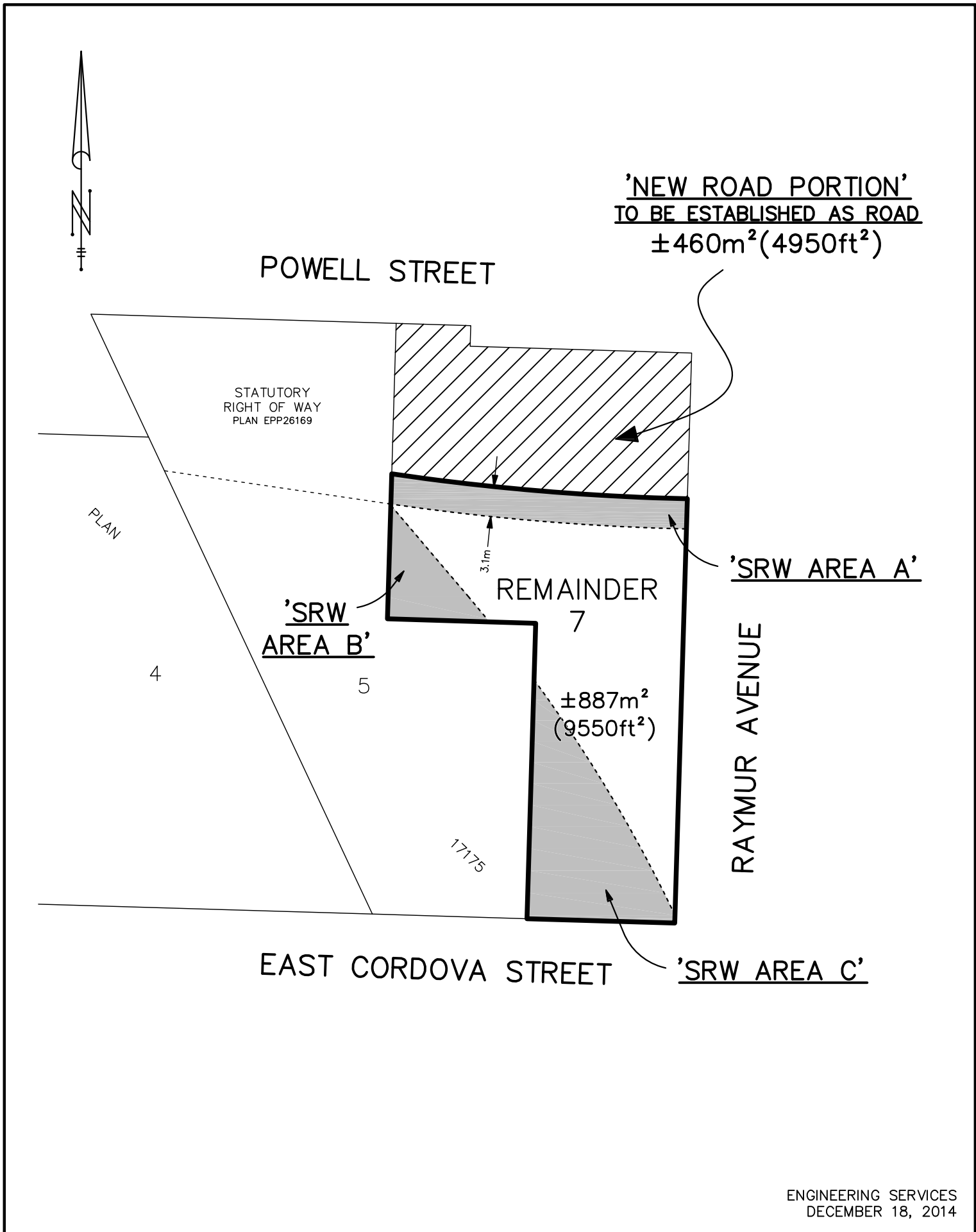
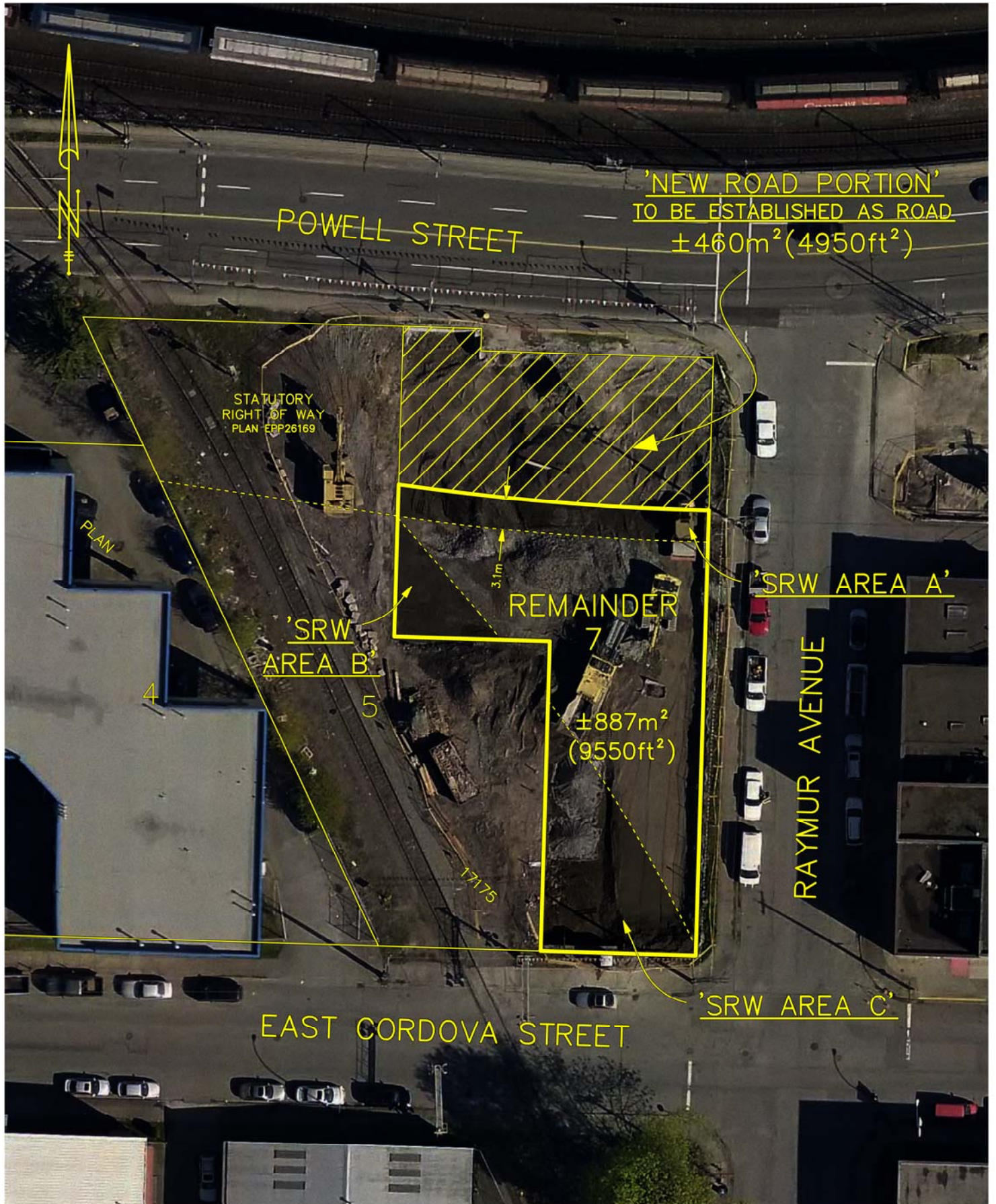


TABLE OF CITY OWNED PROPERTIES

ADDRESS	PID	LEGAL DESCRIPTION
992 POWELL ST	008-255-091	LOT 17, BLOCK 49, DISTRICT LOT 181, PLAN 196
994 POWELL ST	008-255-105	LOT 18, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49, DISTRICT LOT 181, PLAN 196
996 POWELL ST	008-255-113	LOT 19, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49, DISTRICT LOT 181, PLAN 196
996 POWELL ST	008-255-121	LOT 20, EXCEPT THE NORTH 7 FEET, NOW LANE, BLOCK 49, DISTRICT LOT 181, PLAN 196
996 POWELL ST	008-255-130	LOT 21, BLOCK 49, DISTRICT LOT 181, PLAN 196
987 EAST CORDOVA ST	009-273-352	LOT 22, BLOCK 49, DISTRICT LOT 181, PLAN 196

APPENDIX 'C'



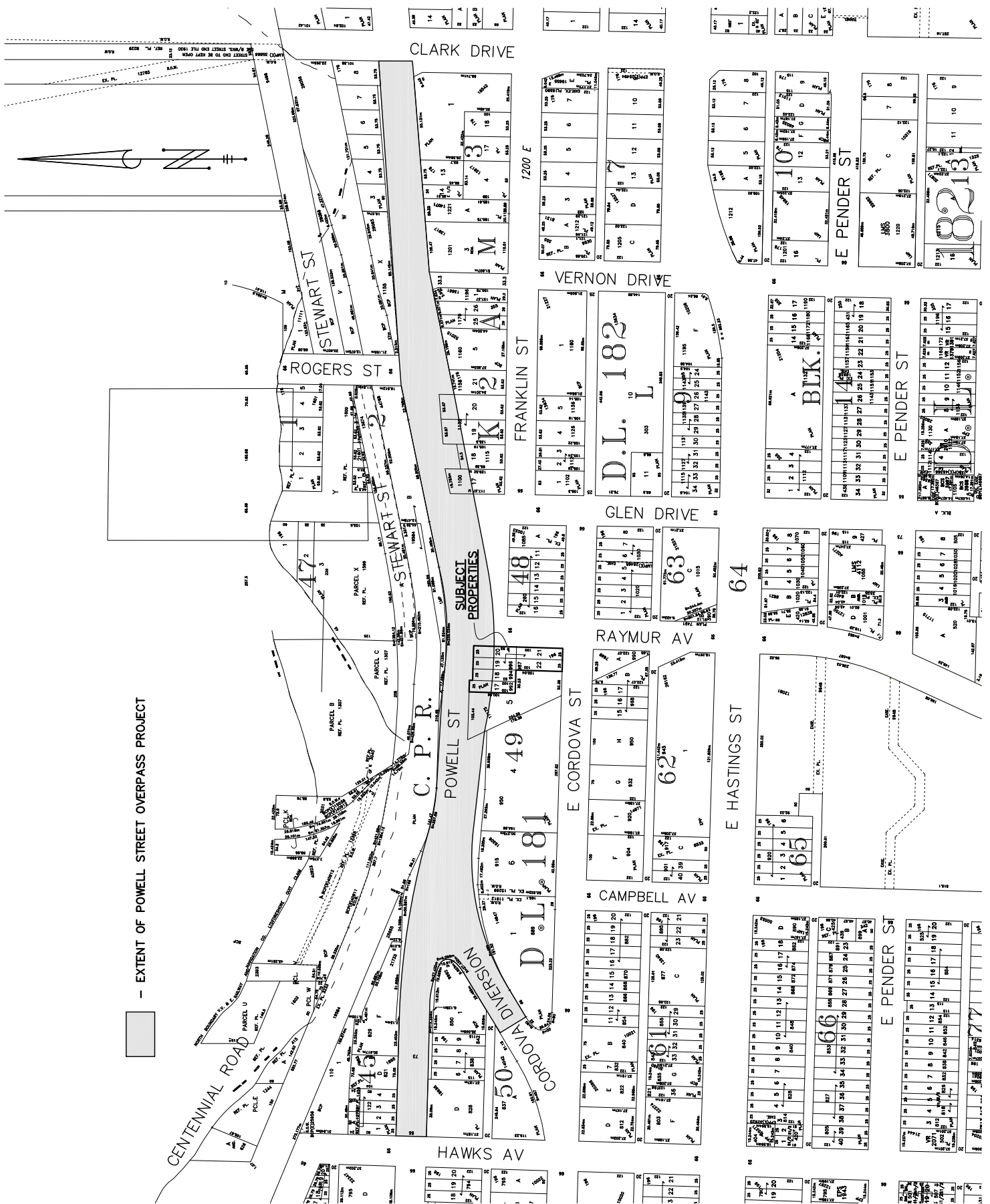


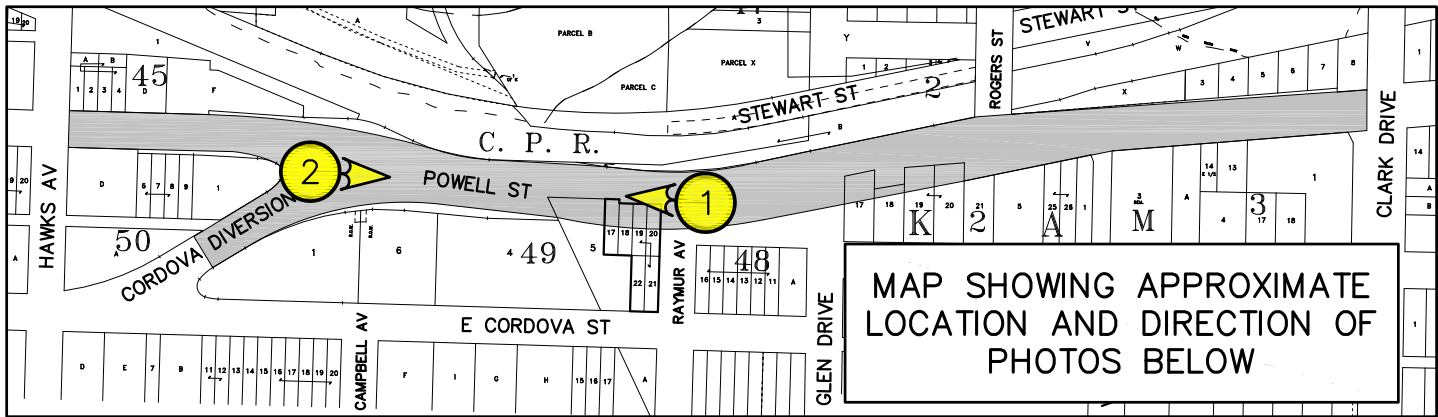
NOTE: THIS SKETCH SHOWS 2013 AERIAL PHOTOGRAPH AND DOES NOT SHOW THE COMPLETED OVERPASS

ENGINEERING SERVICES
DECEMBER 18, 2014

APPENDIX 'E'

— EXTENT OF POWELL STREET OVERPASS PROJECT





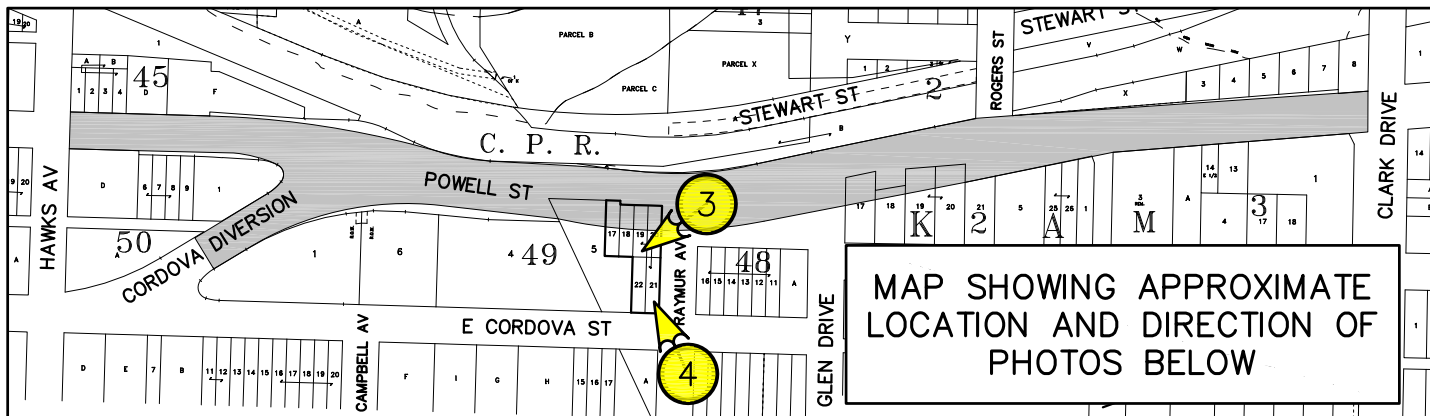
MAP SHOWING APPROXIMATE LOCATION AND DIRECTION OF PHOTOS BELOW



VIEW FROM ATOP THE COMPLETED OVERPASS LOOKING WEST AT LOCATION 1



VIEW FROM NORTH SIDE OF CORDOVA ON-RAMP LOOKING EAST ON COMPLETED OVERPASS AT LOCATION 2



VIEW FROM ATOP THE COMPLETED OVERPASS LOOKING SOUTHWEST AT LOCATION 3



VIEW FROM SOUTH SIDE OF COMPLETED OVERPASS LOOKING NORTHWEST AT LOCATION 4