



## ADMINISTRATIVE REPORT

Report Date: January 6, 2015  
Contact: Al Zacharias/Devan Fitch  
Contact No.: 604.873.7214/  
604.871.6998  
RTS No.: 10791  
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 Properties at 1100 Block Powell Street

### **RECOMMENDATION**

- A. That Council approve the establishment as Road of the northerly portions of four (4) City owned properties within the 1100 Block of Powell Street described more particularly in Appendix A and as shown within bold outline on Appendix B (the "New Road Portions").
- B. That Council direct the Director of Legal Services to consolidate the two (2) most westerly City owned properties within the 1100 Block of Powell Street to form a single lot as shown within bold outline on Appendix C (to be referred to hereon as the "New City Lot").
- C. THAT Council direct the Director of Real Estate Services to market for resale the New City Lot and the two (2) other City owned properties (to be referred to as "Remainder Lot 19" and "Remainder Lot 20" respectively) subject to the additional terms and conditions noted in Appendix "A", 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 three (3) separate development sites. The revenue received from the sales 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 properties 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 Railway 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 four properties within the westerly half of the 1100 Block of Powell St as shown in Appendix C. 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 Portions referred to in Recommendation A now contain the new overpass.

At the outset of the Project the City acquired the lands necessary for the construction of the overpass. The impact at 1100 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 Portions, the "Remnant Lands" (being the New City Lot, Remainder Lot 19 and Remainder Lot 20) 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 northerly 3.0 metres of the City owned properties to protect the area for overpass maintenance access ("SRW"). The SRW will allow for interim use by the prospective owner. The SRW area is 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 the New City Lot, Remainder Lot 18 and Remainder Lot 19, 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

consults 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 of a more marketable lot (New City Lot) and resale of Remainder Lot 19 and Remainder Lot 20 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 Portions and to market the Remnant Lands for resale.

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

#### ***Financial***

Proceeds from the sale of the Remnant Lands is 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 2010 and 2013 several environmental investigations were conducted in the 1100 Block of Powell Street.

No contamination was identified within the New City Lot.

Petroleum hydrocarbon contamination in soil and groundwater associated with a former underground storage tank (removed in 2013) and metals contamination in the shallow fill layer was identified in Remainder Lots 19 and 20.

Minor petroleum hydrocarbon contamination is present in groundwater beneath the New Road Portions. However, no further work is required to address the issue.

When the New City Lot, Remainder Lot 19, and/or Remainder Lot 20 are redeveloped, 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.

\* \* \* \* \*

## Appendix A

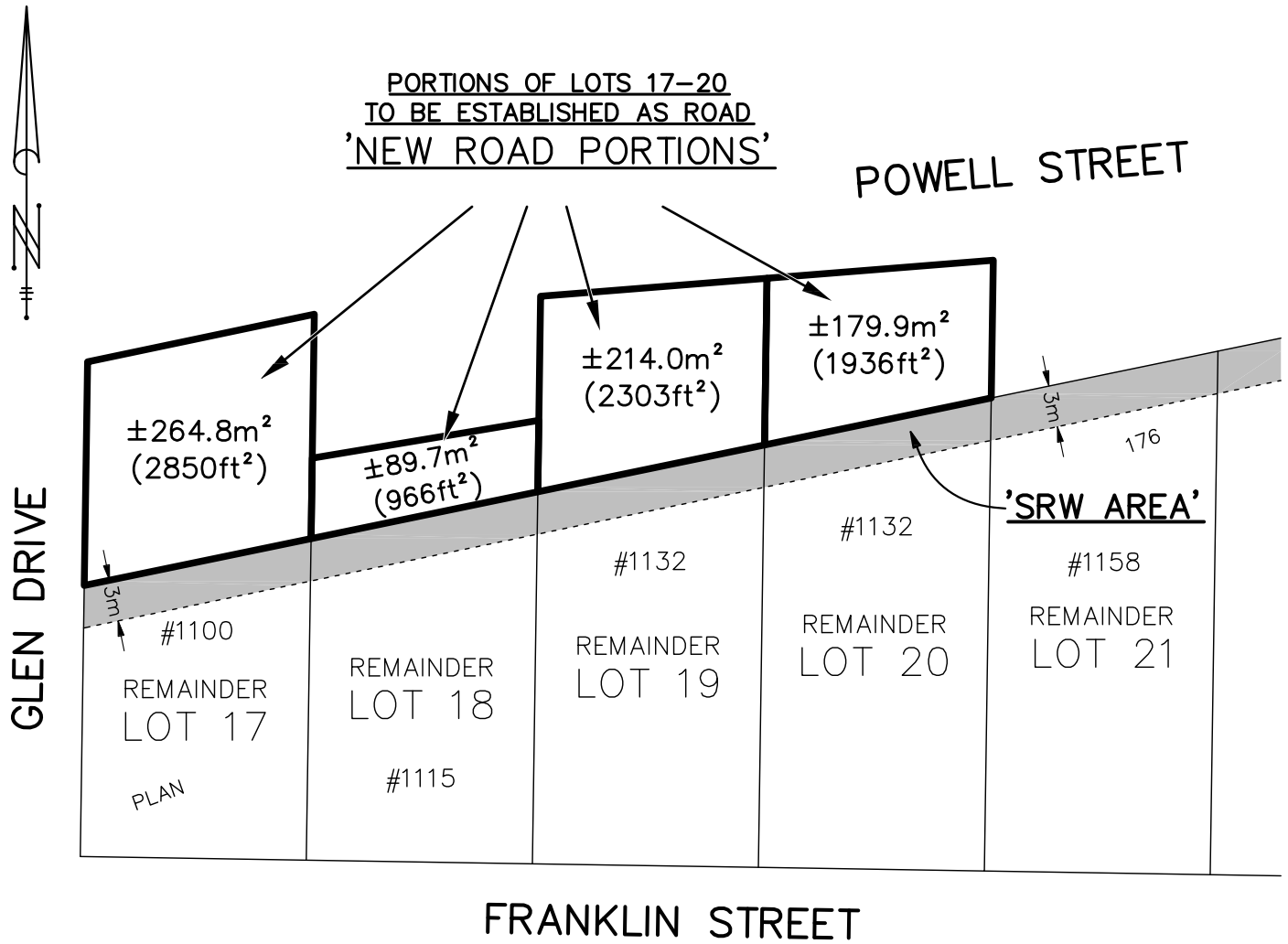
### ADDITIONAL TERMS AND CONDITIONS

1. The conveyances are to be completed concurrently, with neither conveyance completing independently of the other.
2. After the establishment as road of the New Road Portions the two (2) most westerly City owned properties will be consolidated into a single parcel as generally shown within the heavy outline on Appendix C to the satisfaction of the Director of Legal Services and the General Manager of Engineering Services. The four (4) City owned properties are more particularly described as follows:

| <u>PID</u>  | <u>Legal Description</u>  |
|-------------|---|
| 015-684-423 | LOT 17, EXCEPT PART IN PLAN LMP29960, OF LOT 2 BLOCK K DISTRICT LOT 182 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 176 |
| 015-684-539 | LOT 18, EXCEPT PORTIONS IN EXPLANATORY PLANS 11012 AND 11609, OF LOT 2 BLOCK K DISTRICT LOT 182 PLAN 176          |
| 007-945-051 | LOT 19, EXCEPT THE NORTH 7 FEET, NOW ROAD, OF LOT 2 BLOCK K DISTRICT LOT 182 PLAN 176                             |
| 007-945-078 | LOT 20, EXCEPT THE NORTH 7 FEET, NOW ROAD, OF LOT 2 BLOCK K DISTRICT LOT 182 PLAN 176                             |

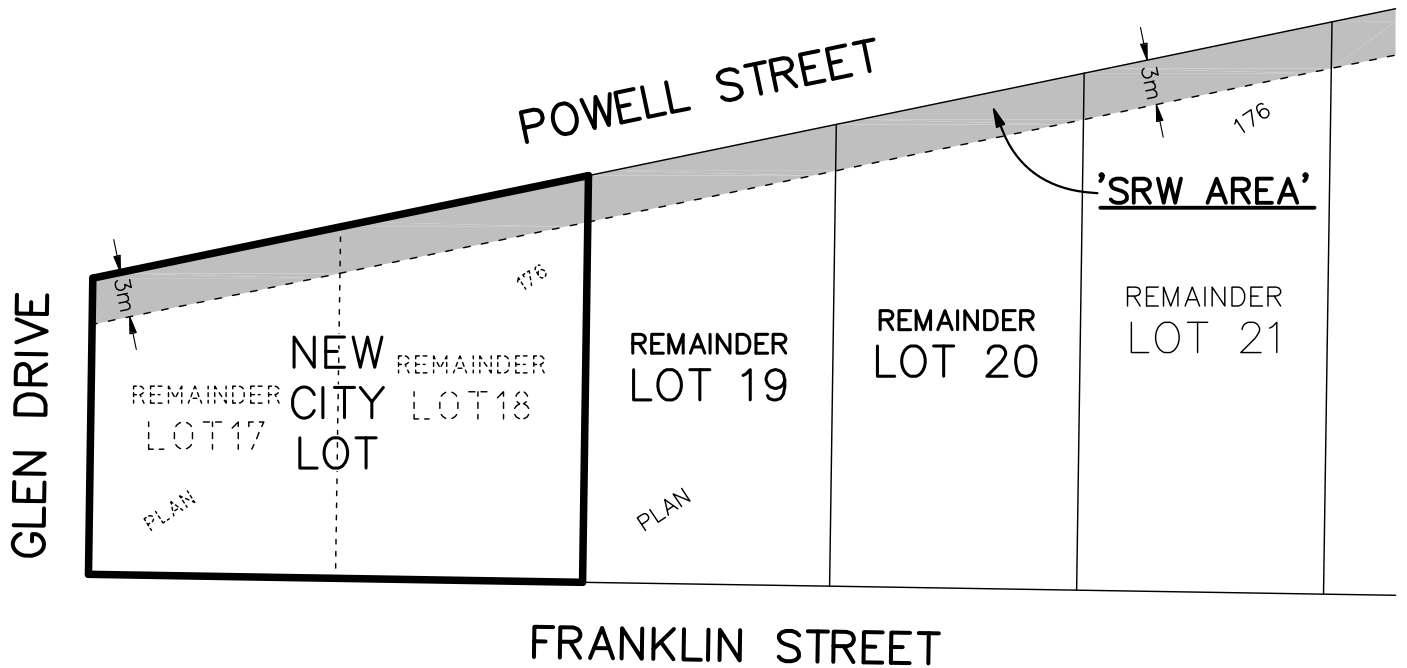
3. The registration of a Statutory Right of Way in favour of the City over the northerly portions of the Remnant Lands (shown as SRW Area on Appendix C) for overpass maintenance access and all utility purposes. The SRW agreement is to contain provisions to permit interim uses by the owner to the satisfaction of the General Manager of Engineering Services.
4. A bridge (overpass) proximity agreement is to be registered over the remainder properties.
5. The Director of Legal Services or the Director of Real Estate Services, as applicable, to execute all plans, transfers, and documents as required.
6. Any agreements are to be drawn to the satisfaction of the Director of Legal Services.
7. 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.

# APPENDIX 'B'



**TABLE OF CITY OWNED PROPERTIES**

| ADDRESS          | PID         | LEGAL DESCRIPTION  | PORTIONS OF LOTS TO BE ESTABLISHED AS ROAD |
|------------------|-------------|--|--|
| 1100 POWELL ST   | 015-684-423 | LOT 17, EXCEPT PART IN PLAN LMP29960, OF LOT 2, BLOCK K, DISTRICT LOT 182, PLAN 176                | ±264.8m <sup>2</sup>                       |
| 1115 FRANKLIN ST | 015-684-539 | LOT 18, EXCEPT PORTIONS IN EX PLANS 11012 AND 11609, OF LOT 2, BLOCK K, DISTRICT LOT 182, PLAN 176 | ±89.7m <sup>2</sup>                        |
| 1132 POWELL ST   | 007-945-051 | LOT 19, EXCEPT THE NORTH 7 FEET, NOW ROAD, OF LOT 2, BLOCK K, DISTRICT LOT 182, PLAN 176           | ±214.0m <sup>2</sup>                       |
| 1132 POWELL ST   | 007-945-078 | LOT 20, EXCEPT THE NORTH 7 FEET, NOW ROAD, OF LOT 2, BLOCK K, DISTRICT LOT 182, PLAN 176           | ±179.9m <sup>2</sup>                       |
| <b>TOTAL</b>     |             |  | <b>±748.4m<sup>2</sup></b>                 |



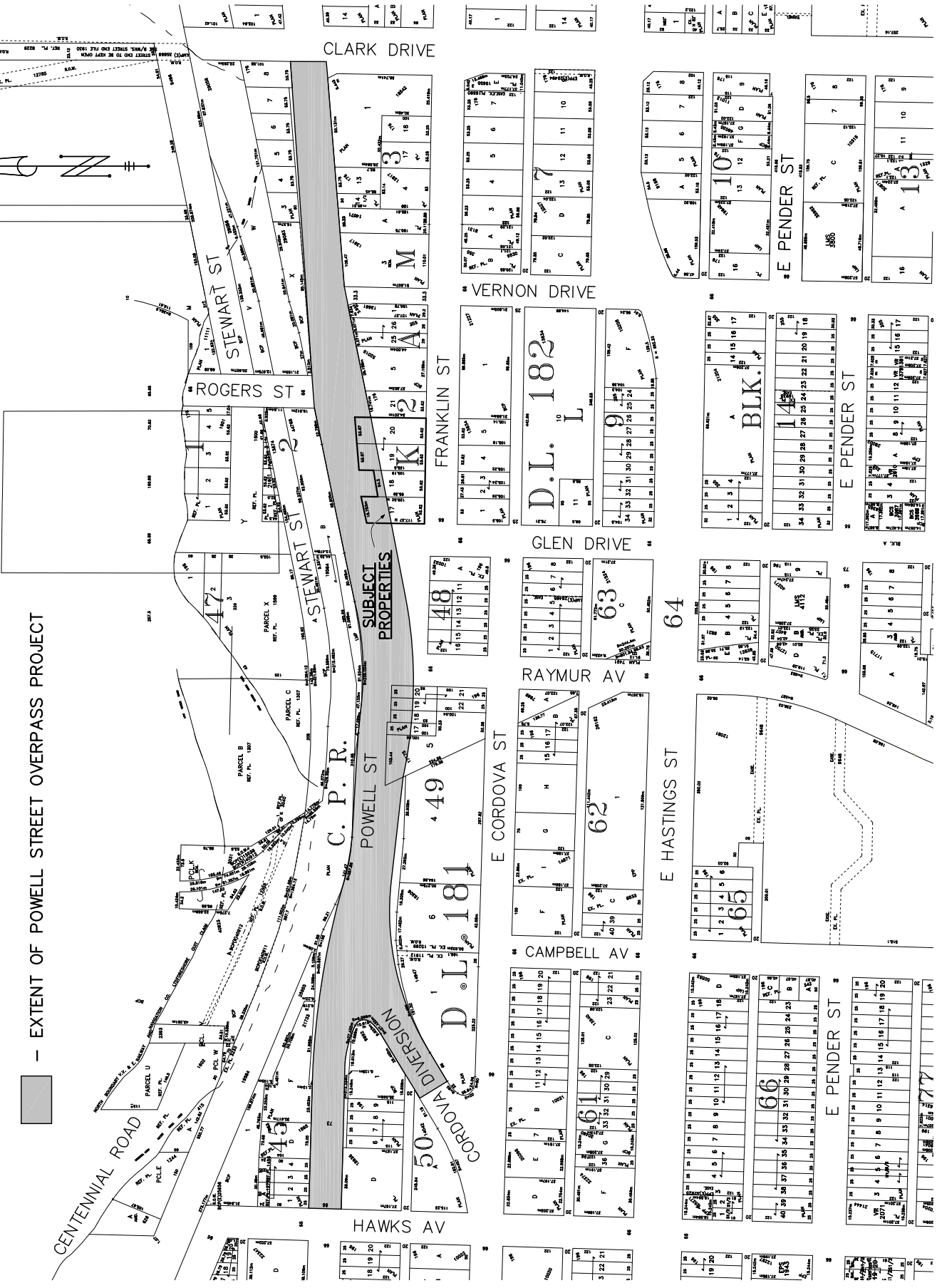


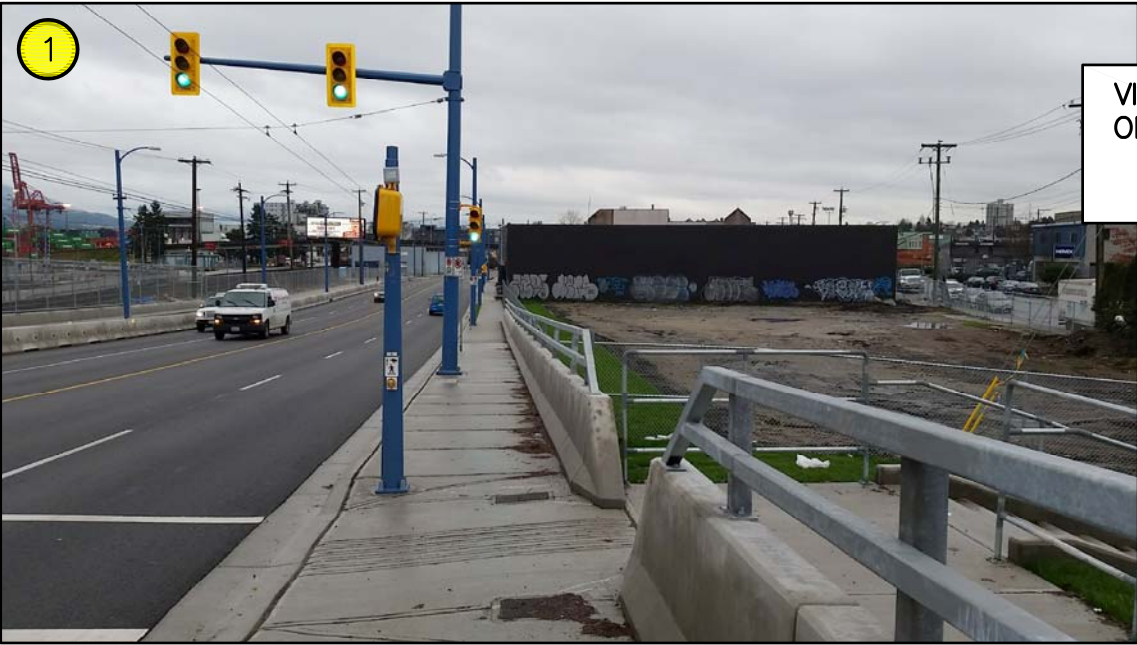
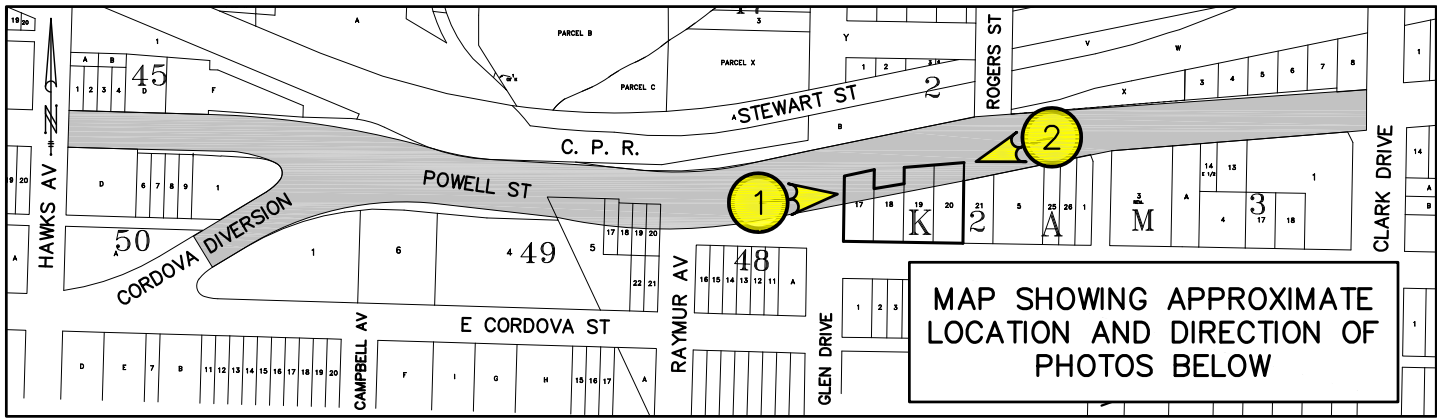
NOTE: THIS SKETCH SHOWS 2013 AERIAL PHOTOGRAPH AND DOES NOT SHOW THE COMPLETED OVERPASS

ENGINEERING SERVICES  
JANUARY 13, 2015



— EXTENT OF POWELL STREET OVERPASS PROJECT

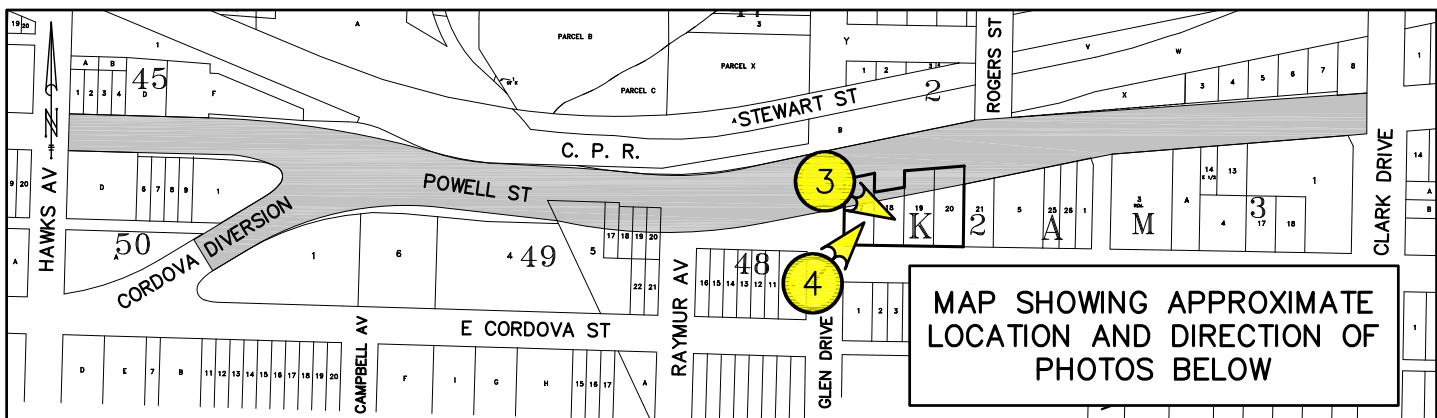




VIEW LOOKING EAST ON THE COMPLETED OVERPASS AT LOCATION 1



VIEW FROM EAST END OF COMPLETED OVERPASS LOOKING WEST AT LOCATION 2



VIEW LOOKING SOUTHEAST ON THE COMPLETED OVERPASS AT LOCATION 3



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