



**POLICY REPORT
URBAN STRUCTURE**

Report Date: 2015.4.29
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Meeting Date: May 13, 2015

TO: Standing Committee on City Finance and Services
FROM: General Manager of Planning and Development Services
SUBJECT: Issues Report - Former Vancouver Post Office (349 West Georgia Street) -
Proposed Rezoning

RECOMMENDATIONS

- A. THAT Council advise Bentall Kennedy that it is willing to consider a CD-1 rezoning application to increase the density at 349 West Georgia Street to accommodate additional commercial and residential floor area, with consideration of the following:
1. A minimum of 7.0 FSR of non-residential (i.e. commercial) floor space must be provided and that additional non-residential density (including office space, a possible hotel, and retail/restaurants) over and above 7.0 FSR, may be supported.
 2. Market residential (condominiums) can be considered for the site in consideration of the viability of heritage retention, and additional market (rental and/or condominium) housing beyond the amount needed for heritage retention may be considered, subject to an urban design review (massing, shadowing and other factors) and a consideration of other public benefits offerings.
 3. The office component of the development should front on West Georgia Street.
 4. The height of the development should not exceed the height of the protected public view corridors crossing the site.
 5. Design development of the massing of the upper storeys above the original post office building should consider the shadowing impacts, including on adjacent sidewalks, publicly accessible at-grade open

- spaces and the proposed interior courtyard, and should complement the existing heritage building.
6. The plaza fronting on West Georgia should be a significant addition to the city's downtown public spaces.
 7. A statement of significance for the Post Office building should be prepared to identify the heritage values and character-defining elements of the building and site. The development should respect the significant heritage values of the Post Office building and its site by retaining, conserving, seismically up-grading and protecting it by heritage designation.
 8. Staff should discuss with the applicant provision for public benefits to address the impacts of a rezoning within the context of the City's financing growth framework, which could include but not be limited to heritage retention, density transfers from the heritage amenity bank, childcare, social housing, secured market rental housing, and other on- and/or off-site community facilities or public space.
 9. The proposal should comply with the City's *Green Buildings Policy for Rezoning*s and the *Rezoning Policy for Sustainable Large Developments*.
 10. Consultation should be undertaken with the general public, heritage groups, business groups and other interested parties, prior to submitting the rezoning application.

- B. THAT passage of the above resolutions will in no way fetter Council's discretion in considering any rezoning application for the subject site and does not create any legal rights for the applicant or any other person, or obligation on the part of the City; and expenditure of funds or incurred costs are at the risk of the person making the expenditure or incurring the cost.

REPORT SUMMARY

The purpose of this report is to:

- Advise Council that a rezoning inquiry has been received from Bentall Kennedy proposing the retention of the West Georgia Street Post Office (see Map One), the addition of tower and 'slab' built form components rising above the existing structure and a mix of commercial and residential uses on the site.
- Provide background on the heritage significance of the former post office.
- Recommend that staff work with the inquirer to prepare a rezoning application that addresses Council land use and rezoning policies and objectives, heritage and urban design considerations (built form, view corridors, shadowing, and additions to downtown public spaces), public benefits, sustainability and public consultation.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

1990: Council instructed staff to review the post-1940 buildings for possible additions to the Heritage Inventory. At that time, the West Georgia Post Office was identified as a candidate to be listed on the *Vancouver Heritage Register* in the "B" evaluation category.

1991: *Central Area Plan* policies call for focusing employment areas and office developments adjacent to transit.

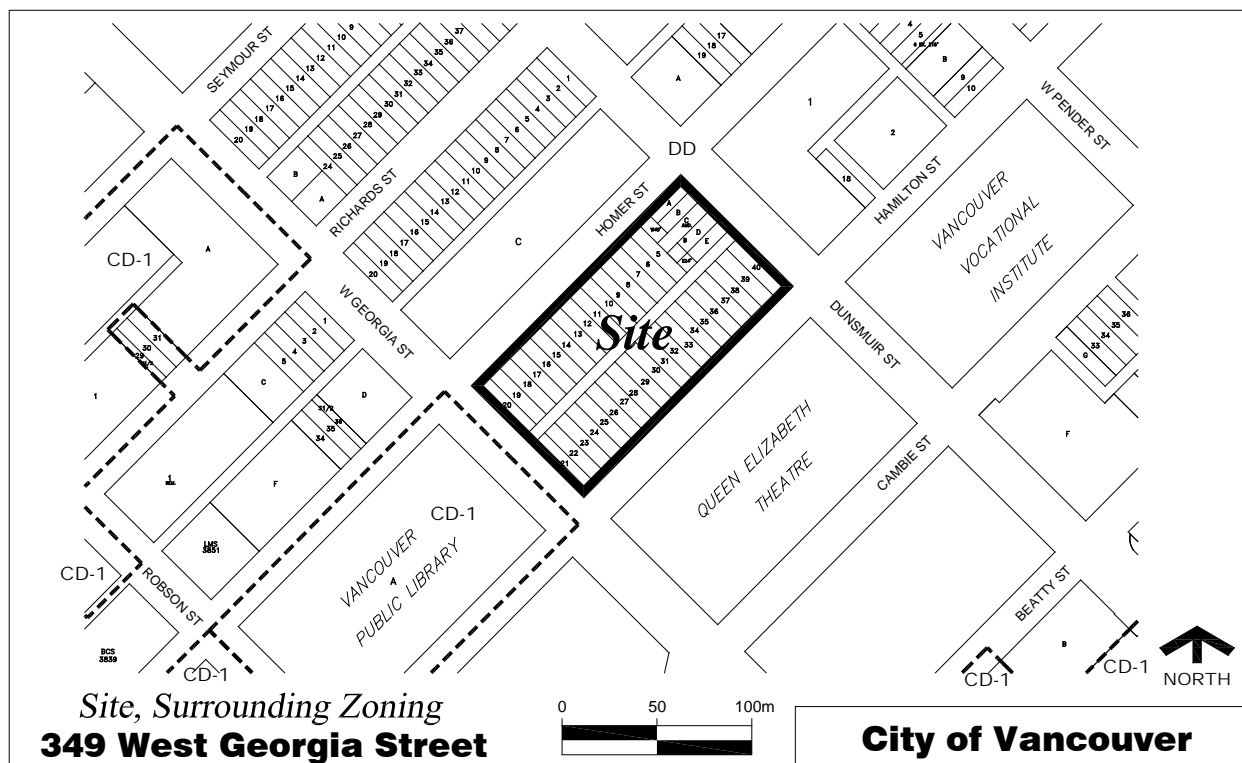
2008: Council removed residential as a permitted use in the Central Business District extension area where the West Georgia Street Post Office building is located.

2008: *Rezoning Policy for the Central Business District and the CBD Shoulder: (AREAS A, B, C1 & F AND AREAS C3 & H)* which supports rezonings that increase commercial densities and, as outlined in this policy, the conditions under which market residential can be considered.

2013: *Rezoning Policy for Sustainable Large Developments* which requires studies for sustainable site design, access to nature, sustainable food systems, green mobility, rainwater management, zero waste planning, affordable housing and low carbon energy supply for large development sites, having a site size of 1.98 acres or more, or containing 484,375 sq. ft. or more of new floor area.

2014: Heritage Action Plan which seeks to update the Heritage Register, streamline approvals and review incentives.

2014: *Green Buildings Policy for Rezonings* which requires new buildings on rezoned sites be designed and built to meet and apply for Passive House or LEED® Gold (or better) certification.



Map One - Location of the Canada Post Building, which encompasses the entire city block.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services recommends the consideration of this rezoning application as an unique opportunity to achieve City goals related to the provision of new job space, the retention of an important heritage building, important public space improvements, and other public benefits to be determined through a rezoning process.

REPORT

Background/Context

The former Post Office has been a prominent building on West Georgia Street since the 1950s. The site is located in the Central Business District Extension Area. The site is a full block and is bounded by West Georgia Street, Homer Street, Dunsmuir Street and Hamilton Street. West Georgia Street is one of the downtown's ceremonial streets and is particularly significant in providing prestige addresses for business head offices.

The site is zoned Downtown District Official Development Plan, within Area C1, with a maximum permitted height of 150 feet, relaxable up to 450 feet by the Development Permit Board. However, there are two view corridors impacting the site limiting the maximum building height up to approximately 225 feet, except for the southwest corner where a building up to approximately 285 feet in height could be considered. The site is zoned for a density of up to 7.0 FSR for commercial and non-residential development.

Since 1958, the building was the City's Central Post Office. Recently, the Post Office has relocated to a site near the airport. The building has heritage merit. It was identified in the "Recent Landmarks - Post 40's Inventory," which was conducted in the early 90's, as a Class 'B'. Designed by a prominent architectural firm McCarter Nairne and Partners Architects, the design of the building subscribes to the general principles of the International Style of Modernism. (See Photo One)

Zoning Changes to Support Commercial Development in the Central Business District (2008)

In 2008, Council approved two zoning changes and the *Rezoning Policy for the Central Business District and the CBD Shoulder: (AREAS A, B, C1 & F AND AREAS C3 & H)* (attached as Appendix A) which are applicable to this site:

- The permitted commercial density was increased by 2.0 FSR (from 5.0 to 7.0). to create additional job space capacity which developers can readily access through the development permit process.
- Residential was deleted as a permitted use to ensure that potential commercial development capacity was not taken up by residential, and that land values remain viable for commercial development by discouraging land speculation for residential use.
- The *Rezoning Policy for the Central Business District and the CBD Shoulder: (AREAS A, B, C1 & F AND AREAS C3 & H)* does allow for the consideration of residential in this area as it would support the retention of a heritage building and/or single room occupancy hotel on-site.

- This rezoning policy also includes conditions for considering residential as part of the rezoning of a large site. These include conditions regarding site size, the siting of the office tower in a prominent location (e.g. on West Georgia Street) and a requirement that at least a minimum of the permitted commercial density in the zoning should be achieved on the site.

These regulatory and policy changes addressed Council's intent to foster economic development in the downtown and address the shortfall in commercial development capacity.



Photo One - the Vancouver Central Post Office in 1981

Development Inquiry from Bentall Kennedy (2015)

Staff have received a development inquiry from Bentall Kennedy that proposes:

- The adaptive reuse and retention of most of the Post Office building.
- The existing Post Office building would contain retail, office, hotel, residential lobbies and the blank granite walls would be modified to provide for pedestrian-oriented at-grade retail.
- Built form above the podium (ie the existing Post Office building) consisting of an office, hotel, and a mix of rental and condominium housing.
- All rental housing is proposed as secured "for profit affordable rental" apartments under the Rental 100 program as the inquirer wishes to qualify for reductions in the parking requirement and a waiver of Development Cost Levies (DCL's), subject to

compliance with the rental housing provisions set out in section 3.1 of the DCL By-laws.

- A plaza on the West Georgia Street frontage, replacing the existing parking lot.

Strategic Analysis

Staff recommend to Council that the inquirer be advised that a rezoning application will be considered for the site. The Inquiry incorporates many exemplary elements including the innovative retention and adaptive reuse of an important heritage building.

Staff further recommend that the inquirer work with staff on the preparation of a rezoning application that explores and addresses the following issues.

Land Use

As provided for in Section 5.2 of the *Rezoning Policy for the Central Business District (CBD) and CBD Shoulder*, residential can be considered for this site, at least, to the extent that it supports the viability of heritage retention and it meets the following conditions:

- The site is 50,000 square feet or more in size and can support an office tower as a stand-alone building (in this case above the existing post office).
- The site is contiguous with no intervening lane.
- It includes an amount of non-residential space equal to the maximum permitted by the Downtown Official Development Plan (a minimum of 7.0 FSR non-residential use).
- The office tower is positioned in the ideal office/commercial location on the site, and has a frontage on West Georgia Street, a key commercial arterial.

This Rezoning Policy also requires that the Director of Planning get advice from Council prior to the submission of a rezoning application to determine whether the consideration of residential on a site in the CBD is in the public interest.

Heritage Retention

Heritage retention is one of the major drivers for the design of this project. Staff will work with the applicant and share the proposal with the public and the Vancouver Heritage Commission to gain advice on the approach to heritage retention. Development of the conservation plan will be requested, including consideration of existing public art and components of the original interiors. Such issues as the retrofitting the ground floor for retail, the proposed alteration to one of the building's corners and integration of built form elements on the upper levels above the existing building will be reviewed carefully.

Urban Design

Staff recommend further exploration of the upper level massing from the perspective of shadowing of sidewalks, adjacent plaza spaces and the shadowing of the roof level terrace spaces proposed for the roof of the existing former post office building. The proposed density and massing needs to have a comfortable fit with the existing Post Office and its presence as a podium for new development. The buildings should also adhere to the height limits imposed by the Vancouver View Corridors (ranging from 229' to 282')

Public Benefits

The inquiry proposes heritage rehabilitation and the provision of job space, “for profit affordable rental” apartments and an onsite childcare facility as the public benefits associated with the rezoning.

Staff recommend that there be further exploration of the appropriate mix of public benefits so that there is alignment between ensuring a viable project, its location in the Central Business District, addressing Council priorities, and urban design considerations.

Implications/Related Issues/Risk (if applicable)

Financial

Subject to Council direction, staff will report back as part of any rezoning report on applicable developer contributions (e.g. DCLs, CACs, and Public Art), as well as proposals for onsite and/or offsite amenities and an appropriate funding strategy.

Environmental

Fostering the development of ‘job space’ close to transit will assist in reducing GHG’s and increasing transit ridership.

The City’s *Green Buildings Policy for Rezonings* requires new buildings on rezoned sites be designed and built to meet and apply for Passive House or LEED® Gold (or better) certification. This requirement does not apply to heritage buildings. However, design efforts for these buildings should seek to improve green performance. The *Rezoning Policy for Large Developments* would also apply to this site. A study of the viability of being connected to a district energy system also required.

CONCLUSION

The retention and adaptive reuse of the former Central Post Office is a unique opportunity to address Council’s strategic priorities and develop a commercially viable project that will assist in enlivening the blocks of Georgia Street, east of Granville Street.

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REZONING POLICY FOR THE CENTRAL BUSINESS DISTRICT (CBD) AND CBD SHOULDER: (AREAS A, B, C1 & F AND AREAS C3 & H)

Adopted by City Council on June 16, 2009

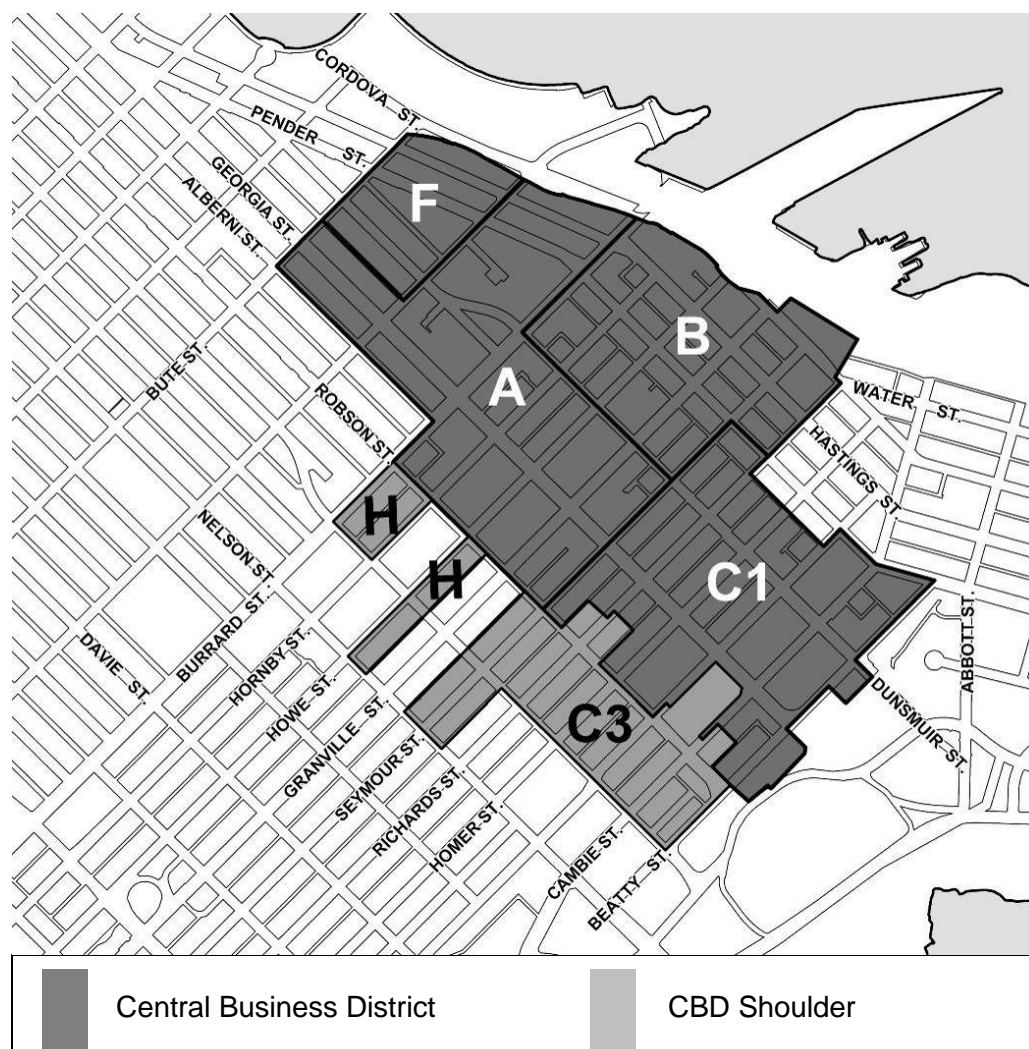
1 Application and Intent

The intent of this rezoning policy is to provide guidance for the commercial (non-residential) intensification of the CBD and CBD Shoulder. These areas are fundamental to meeting the long-term demand for job space.

This policy requires that new development is non-residential use and also stipulates the conditions by which market residential uses may be permitted, in very limited instances, to achieve public objectives.

Proposals under this policy will adhere to policies and guidelines related to the Downtown Official Development Plan (DODP) and other relevant Council-approved policies, while providing additional opportunities to strengthen the commercial character of the area.

This rezoning policy applies across the CBD and CBD Shoulder, which is comprised of DODP areas A, B, C1, C3, F and H, as outlined in the map below:



2 Definitions

For the purposes of this document:

- (a) “Heritage building” means a building listed on the Vancouver Heritage Register, or could qualify for listing on the Vancouver Heritage Register.
- (b) “SRA” means single residential accommodation as designated in the Single Residential Accommodation By-Law No. 8733.
- (c) “Site” or “Development Site” means a contiguous, developable piece of land.
- (d) “Non-residential” means any land use permitted in the Downtown ODP except residential and parking.
- (e) “CBD” means Central Business District and is illustrated as areas A, B, C1 and F in the map above.
- (f) “CBD Shoulder” is illustrated as areas C3 and H in the map above.

3 Rezoning for Non-Residential Development

Rezonings for non-residential development may be considered throughout the CBD and CBD Shoulder.

4 Rezoning for Development With Market Residential in the CBD Shoulder (areas C3 and H)

Rezonings that include market residential development may be considered in the CBD shoulder provided that a minimum of 2 FSR non-residential density is achieved.

5 Rezoning for Development with Market Residential in the CBD (areas A, B, C1, and F)

Rezonings for development that includes market residential should not be considered throughout the CBD, other than as described in sections 5.1 & 5.2.

5.1 Heritage Building or SRA on the site of the Proposed Rezoning

Rezoning proposals that include heritage buildings or SRA’s present a situation where a significant public interest may be lost if an economically feasible package cannot be created in a timely way. That is, the heritage building may be lost, or the objective of maintaining or replacing low income single units can not be met.

- (a) Where a proposal includes protection (through heritage designation and/or a heritage revitalization agreement) and rehabilitation of a heritage building; retention and upgrading of SRA; or replacement of SRA, market residential may be considered.
- (b) Ideally, the objective would be to achieve:
 - (i) As a non-residential minimum, a floor space ratio equal to the maximum applicable from the DODP; and
 - (ii) As a market residential maximum, the amount needed (above the non-residential return) to cover the heritage or SRA cost

- (c) However, noting that the market may not support some types or amounts of nonresidential in a timely manner, or the returns may not be sufficient to compensate for the heritage of SRA, less non-residential and more residential than the ideal may be considered.
- (d) In all cases, the overall amount of density on the site would be governed by the proposed built form being judged acceptable in urban design terms.
- (e) It is usually advantageous for the site to be larger than that occupied by the heritage or SRA building itself. However, the larger the site, the more the exercise of flexibility in (c) above could result in use of non-residential capacity (“job space”) for residential. Therefore, where it is determined that the entire land assembly should not be considered for (c), or in the case, a portion of the site should be governed by Section 3.0 above.

5.2 Large, Multi-use Development Sites

Rezoning that include market residential along with substantial non-residential use on large sites may be considered in the CBD, under the following conditions:

- (a) The Director of Planning, with advice from Council prior to the submission of a rezoning application to the City, determines that it may be in the public interest to allow rezoning including market residential to achieve substantial public benefit while still providing significant job space.
- (b) The site is large enough to accommodate the anticipated non-residential density in a stand-alone building separate from residential uses. Sites capable of achieving this condition are generally assumed to be greater than 50,000 sq.ft. in area.
- (c) The site is contiguous and does not span roads or lanes. Site assembly may occur across an existing lane where Council authority has been granted to close, stop up and convey the lane based on Engineering’s review and recommendation of suitable alternatives.
- (d) An amount of non-residential space equal to the maximum applicable from the DODP is achieved before consideration of any market residential from density bonusing or heritage transfer.
- (e) The non-residential building(s) must be positioned in the ideal office/commercial location on the site, including consideration of providing frontage on key commercial arterials such as Georgia Street and access to rapid transit stations.
- (f) The non-residential uses of the development must be fully developed concurrently or prior to the residential uses.

6 Transfers of Heritage Density

All heritage density transferred into and within the CBD must be as non-residential uses, with the exception of large, multi-use development sites as defined in section 5.2.

Heritage density transferred into the CBD Shoulder may be non-residential or residential use provided that a minimum of 2 FSR non-residential density is achieved.

7 Live/Work

In the case of proposals for General Office Live/Work or other types of live/work, all the space – whether for live or work functions – will be subject to the limitations placed on market residential uses by this Rezoning Policy and the DDODP.

8 Livability Impacts

Various areas within the CBD are close to downtown entertainment districts or other locations that may have off-site noise impacts (e.g. outdoor restaurants/lounges, bars, etc.). Therefore, rezonings that permit residential in the CBD should include measures to mitigate anticipated noise levels. Consideration should be given to notify initial