



**POLICY REPORT
DEVELOPMENT AND BUILDING**

Report Date: June 26, 2015
Contact: Kevin McNaney
Contact No.: 604.871.6851
RTS No.: 10836
VanRIMS No.: 08-2000-20
Meeting Date: July 8, 2015

TO: Standing Committee on City Finance and Services

FROM: General Manager of Planning and Development Services and Deputy City Manager

SUBJECT: Issues Report - Proposed Rezoning - Central Steam Site, 720 Beatty Street

RECOMMENDATION

The General Manager of Planning and Development Services recommends:

THAT Council indicate it is willing to consider a rezoning application from Creative Energy Vancouver Platforms Inc. (“Creative Energy”) for the site at 720 Beatty St./701 Expo Blvd. (PID: 009-599-479, Lot 8, Except Portions in Plan 13872 and Reference Plan 16566, Block 49, District Lot 541, Plan 9669 (“Lot 8”); and PID: 018-500-382, Lot 222, False Creek, Plan LMP12038 (the “Central Steam Site”), Lot 8 of which is within the C1 Area of the Central Business District of the Downtown Official Development Plan where only non-residential use is permitted unless Council approves market residential use in accordance with the Rezoning Policy for the Central Business District (CBD) and CBD Shoulder (2009), if the following conditions are met:

- I. the General Manager of Planning and Development determines that any proposed market residential uses will result in a substantial public benefit as described in this report and, if a rezoning application is made, the conditions of rezoning of the Central Steam Site are approved by Council in accordance with the usual rezoning process;
- II. proposed market residential uses will only be considered if the rezoning application also proposes a minimum of 7.0 FSR (floor space ratio) of non-residential uses, as non-residential uses are required by the Downtown Official Development Plan, with the final achievable density to be identified in the rezoning process;

- III. all non-residential uses must be fully constructed concurrently with or prior to any market residential uses and in accordance with a timeline satisfactory to the General Manager of Planning and Development Services;
- IV. any non-residential buildings must front onto key commercial arterials such as Georgia Street; must be easily accessible to rapid transit; and their location must be otherwise satisfactory to the General Manager of Planning and Development Services;
- V. the proposed rezoning must meet all applicable City policies and guidelines, including View Protection Guidelines and increased measures for noise mitigation for residential development in the stadium and entertainment district as per the Noise Control By-Law; and
- VI. prior to referral of the rezoning application for the Central Steam Site to a Public Hearing, the applicant will have executed and delivered to the City all legal agreements with respect to the conversion of the Central Steam plant as described in the "Legal" section of this report, which legal agreements will be satisfactory to the City Manager and the Director of Legal Services.

FURTHER THAT, the passage of the above resolution will in no way fetter Council's discretion in considering any rezoning application for the Central Steam Site, and does not create any legal rights for any person or obligation on the part of the City; any expenditures of funds or incurring of costs is at the risk of the person making the expenditure or incurring the cost.

REPORT SUMMARY

The Central Steam plant supplies heating services through a district energy system for a large portion of the Downtown of Vancouver, serving over 210 buildings with steam. The system currently supplies these energy services through burning natural gas and, as a result, is the largest emitter of greenhouse gases (GHGs) in Vancouver with approximately 100,000 tonnes emitted per year. The rezoning of this site presents an opportunity to secure a substantial public benefit for current and future citizens of Vancouver through a fuel switch of this important district energy system to a low-carbon energy system (the "fuel switch") that could be expanded to meet future growth in the Downtown. Without this fuel switch, it is unlikely that the Vancouver can achieve our Greenest City Action Plan 2020 carbon GHG target.

As the site is located in the commercially-zoned Central Business District and the proposal includes residential use, Council policy requires that Council indicate support in principle for the consideration of rezoning prior to the submission of a rezoning application by the applicant ("Creative Energy"). Council approval of this report in no way indicates approval of the rezoning application, which will be subject to City staff review, public consultation and Council deliberation at a future Public Hearing.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

1975 (revised many times and last amended in March 2015): Council adopts the Downtown Official Development Plan (DODP). The current DODP permits up to 7.0 FSR of commercial use on the Central Steam Site in recognition of its location in the Central Business District.

1991: Central Area Plan to focus employment areas and office developments adjacent to transit.

2008: Rezoning Policy for Sustainable Large Developments applies to rezonings that involve 45,000 m² of new development floor area and/or site size of 8,000 m². The policy requires that new projects adhere to more sustainable building design.

2009: The Metro Core Jobs and Economy Study concludes with zoning and policy changes to ensure that Vancouver can meet our long-term needs for job space in the Downtown. The *Rezoning Policy for the Central Business District (CBD) and CBD Shoulder Rezoning Policy* is adopted, which sets out conditions under which rezoning applications including non-residential uses may be considered in the CBD.

2011: The Greenest City Action Plan is adopted by Council, which sets the target of 33% reduction in GHGs by 2020 from the 2007 levels. The plan also sets the long-term goal to eliminate dependence on fossil fuels, which will be supported through the fuel switch.

2012: Transportation 2040 Plan seeks to have two-thirds of all trips on foot, bike and transit. The Plan also seeks to locate jobs near rapid transit.

2012: Council approved the Vancouver Neighbourhood Energy Strategy and Energy Centre Guidelines, to address the Greenest City 2020 Action Plan objective of reducing 120,000 tonnes carbon dioxide per year, which prioritizes the deployment of sustainable energy systems for the downtown core and the conversion of the Central Steam plant to a low carbon energy supply.

March 25th, 2015: Council approved a motion to support the use of 100% renewable energy in Vancouver, with direction to staff to develop a plan by Fall 2015. The motion re-commits the City to eliminating its dependence on fossil fuels as stated in the Greenest City Action Plan, with an expectation that this will be complete by 2050.

April 28, 2015: Council approved a bylaw to compel new developments to connect to a Neighbourhood Energy System in Northeast False Creek and Chinatown. Creative Energy, the owner of this system, has committed to source its renewable energy supply from either a fuel switch at the Central Steam plant, or a stand-alone energy centre located in Northeast False Creek.

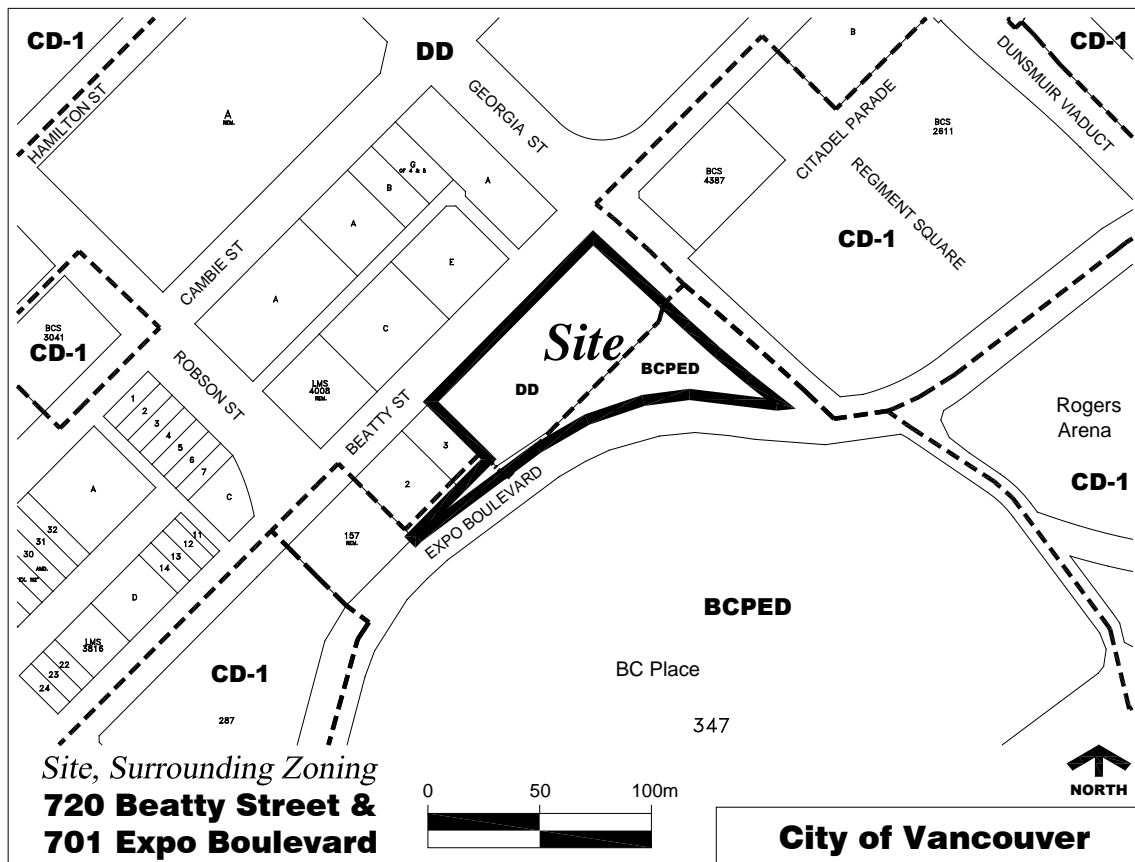
CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services recommends APPROVAL of the foregoing.

REPORT

Background/Context

The Central Steam plant is located adjacent to BC Place Stadium, at the intersection of Beatty Street and West Georgia. The site extends down a slope to Expo Boulevard and consists of two properties. The largest portion of the site is located in Downtown Official Development Plan subarea C1, which is zoned for up to 7 FSR of commercial use for the expansion of the Central Business District. A smaller parcel is located on Expo Boulevard and is zoned as BC Place Expo District under the False Creek North Official Development Plan. This parcel currently has no density allocated to it under the FCNODP. Neither of the existing sites allows for residential use, however, as per the *Rezoning Policy for the Central Business District (CBD) and CBD Shoulder* (see Appendix A), a mixed-use development with residential can be considered in limited circumstances, where there is a significant public benefit. This policy is further outlined below in the Strategic Analysis section.



Map 1 : Location and zoning of the Central Steam plant Site.

Staff has received a ‘letter of inquiry’ from Creative Energy requesting the City’s consideration of a rezoning to include a mixture of commercial and residential uses on the Central Steam Site. It proposes:

- On the Beatty Street frontage Creative Energy proposes a 300,000 - 350,000 sq.ft. of office/commercial building and a 300,000 - 400,000 sq.ft. residential building (currently proposed to be secured market rental housing).
- On the lower side of the site on Expo Boulevard they propose a plaza with 25,000 sq.ft. of retail.
- Overall non-residential density is proposed to exceed the 7.0 FSR minimum commercial requirement.
- The existing Steam Plant (70,000 sq.ft.) will either be re-engineered and integrated into the development as a back-up function, or relocated off-site. In addition, a new, low carbon heating plant will be built off-site. The applicant is currently working to secure a location in the False Creek Flats that will be linked to the distribution network.
- As part of the rezoning process, City staff will work with the applicant to determine how the fuel switch can be secured as a long-term public benefit for the city.

The proposed development would also include a significant re-configuration of the existing plant or the relocation of the plant entirely. If the plant is integrated into the development, it will include improvements to its aesthetics and mitigation against seismic risk through significant structural upgrades.

Neighbourhood Energy Systems and Greenest City Carbon Reduction Goals

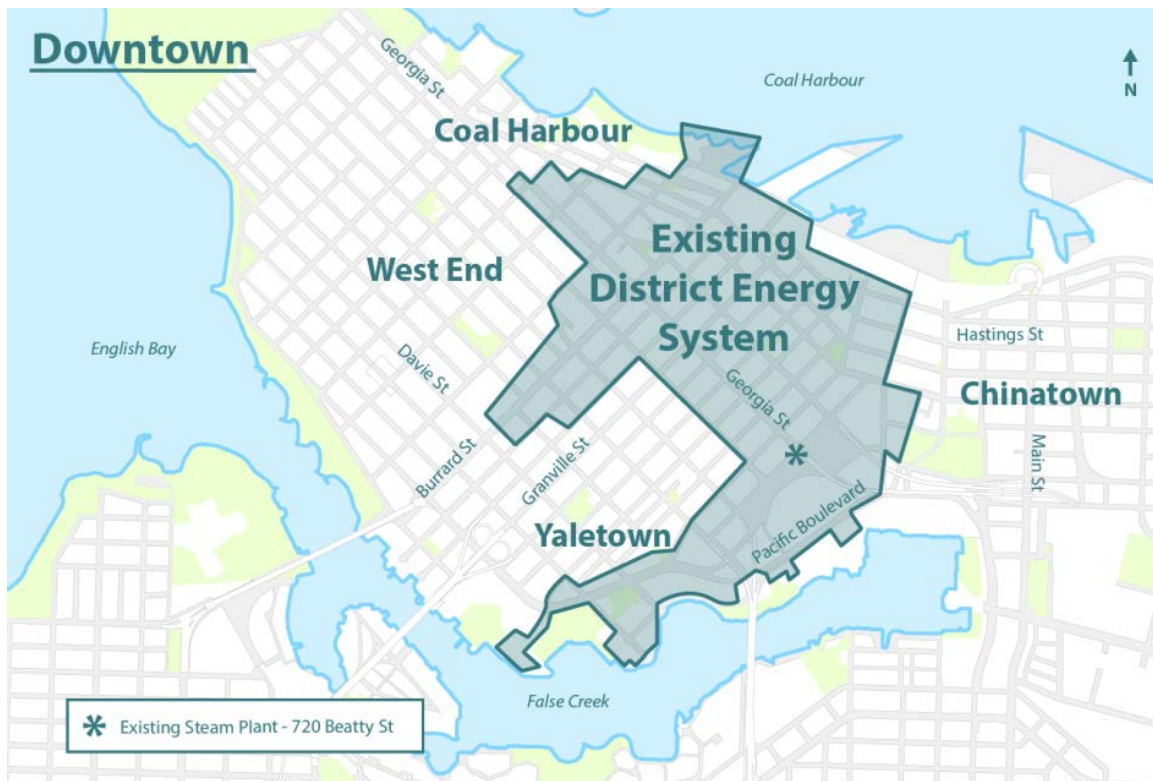
Neighbourhood Energy Systems (“NES”) are shared infrastructure platforms which provide heating and/or cooling infrastructure for multiple buildings, and are most suitable in dense urban areas. Neighbourhood Energy Systems provide the utility business model and economy of scale necessary to make use of a variety of renewable energy resources that are often not available or affordable to implement in individual buildings. These district-wide systems are also capable of serving both new development and existing gas-heated buildings. Worldwide, NES are undergoing a renaissance in urban development as a result of growing concerns about climate protection, energy security and economic resiliency.

Energy used by buildings generates 55% of Vancouver’s total greenhouse gas emissions. A high priority strategy of the Greenest City 2020 Action Plan is to pursue low-carbon NES for high-density mixed-use neighbourhoods. With a target to achieve a 120,000 tonne/year CO₂ reduction by 2020, the Vancouver Neighbourhood Energy Strategy focuses on high density areas of the City including the Downtown, Cambie Corridor and Central Broadway areas.

The Central Steam system currently provides energy services to over 210 buildings representing approximately 45 million sq.ft. of floor space (see Map 2). The conversion of these 210 buildings to a low carbon energy supply is the largest single GHG emission reduction opportunity in the City. Beyond the established customer base, this system is also positioned to be expanded to supply cost-effective low carbon energy to Northeast False Creek, South Downtown, the West End and other potential areas of Downtown. For the Downtown area, the key Neighbourhood Energy Strategy actions are to:

- convert the natural gas fuelled Central Steam heat system to a low carbon energy source (the “fuel switch”) resulting in a potential reduction of 70,000 tonnes CO₂ per year, making it the single largest carbon emission reduction opportunity in the city; and

- expand neighbourhood energy to new developments and existing gas-heated buildings in high density areas in the Downtown.



Map 2: Areas served by the existing Central Steam Facility.

Focus on Economic Development in the CBD

With over 80,000 jobs the Central Business District is the premier business district in the Province of British Columbia. City Council's adoption in 2007 of the Metro Core Jobs and Economy Plan confirmed that the CBD, which represents about 20% of the downtown area, is now intended primarily for job space. Subsequently, Council's approval of CBD zoning changes in 2009 brought clarity and certainty to the office market, which has resulted in a substantial growth period for new office and job space in the CBD. The continued growth of jobs in the Downtown is contingent on maintaining this clarity that the focus of land use in the CBD is on economic development, except in very limited cases where residential can be considered for heritage rehabilitation, SRO hotel rehabilitation, or another substantial public benefit that Council deems to be in the public interest.

Strategic Analysis

The Central Steam plant site is located in the Central Business District, which is an area where the land use focus is on job space and economic development. As per the *Rezoning Policy for the Central Business District (CBD) and CBD Shoulder* (see Appendix A), a mixed-use development with residential can be considered in this commercial-only area in very limited circumstances including:

- Where residential use can contribute to the rehabilitation of an onsite heritage resource (Policy 5.1).
- Where residential use can contribute to the rehabilitation and/or replacement of an onsite Single Room Occupancy (SRO) hotel (Policy 5.1).
- In very unique cases, where the site size is large enough (generally greater than 50,000 sq.ft.) to accommodate the commercial density anticipated in the Downtown Official Development Plan and urban design analysis supports additional density as residential use, if the Director of Planning determines that the application may be in the public interest (Policy 5.2).

Of the three conditions above, the proposal by Creative Energy is only being considered under the third bullet being the *Large, Multi-Use Development Site (Policy 5.2)* of the rezoning policy. Staff recommend that Council accept a rezoning application under this policy as the proposal will result in a significant public benefit and meets the criteria of the policy, as outlined below:

- The General Manager of Planning and Development Services advises that the Creative Energy proposal could be considered in the public interest to allow rezoning including market residential to achieve substantial public objective (significant reduction in the city's GHG emissions) while providing significant job space.
- The Central Steam Plant site is 73,958 sq.ft. and meets the minimum site size criteria (>50,000 sq.ft.).
- The applicant proposes to provide the minimum 7.0 FSR of commercial use in conjunction with residential use on the site.
- Staff are confident upon initial review that the proposed form of development can meet the development related parameters of the policy, as well as other City policy relating to urban design, noise mitigation and view protection.

All of these conditions would need to be met in the rezoning application through the approval of the Recommendations of this report.

Carbon Reduction as a Public Benefit

Climate change is the most significant environmental challenge of our time. Unmitigated, increasing concentrations of greenhouse gas in the atmosphere are expected to warm the planet, catastrophically impacting human life. In Vancouver, expected impacts include increased coastal and overland flooding, extreme heat events, and reduced availability of drinking water. Countries and cities across the globe have signed international protocols committing to reduce greenhouse gas emissions. To date, greenhouse gas emissions across the City of Vancouver have been reduced by 6%. Significant additional work is needed to reach these Council approved targets.

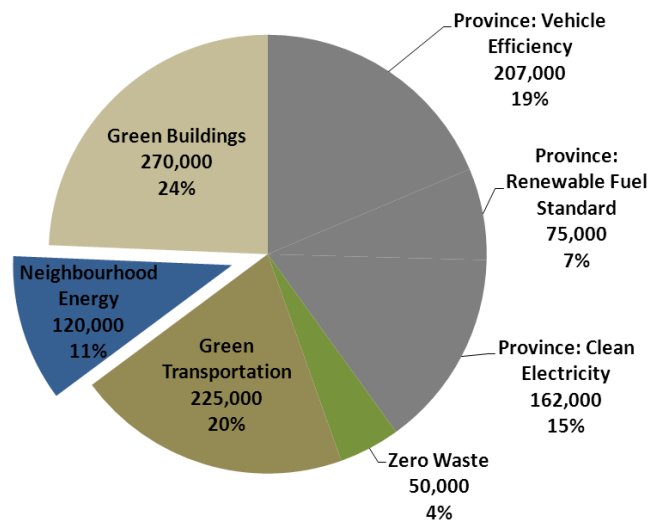
Since the Kyoto Protocol was signed in 1997 nations have been taking action to reduce their greenhouse gas emissions. With the United Nations 'Conference of the Parties' meeting in

Paris this Fall, and the recent declaration by the G7 (of which Canada is a member) that fossil fuel use must be phased out, it is widely expected that new national commitments to reduce greenhouse gas emissions will come into effect. There is growing recognition that sub-national and particularly local/municipal leadership is needed to meet emissions reduction commitments.

The City of Vancouver has been taking action to reduce greenhouse gas emissions since the Clouds of Change Report in 1990; in 2008 City Council passed a motion to reduce emissions by 80% over 2007 levels by 2050, and in the same year Vancouver signed the Climate Action Charter. That Charter, signed by 180 of BC's 188 local governments, committed the City to reducing GHG emissions. The Province's 2008 'Green Communities' legislation required the City to develop an emissions reduction plan that precipitated the pathway laid out in the Greenest City Action plan (2011) that will see the city's emissions reductions of 33% over 2007 levels by 2020. Similar targets have been legally committed to by the Province of BC through the *Greenhouse Gas Reduction Targets Act*, which also includes the requirement to cut greenhouse gas emissions by 80% over 2007 levels by 2050. As a member of Metro Vancouver, which has statutory authority over air quality in the region, the City is also mandated and committed to take action to reduce air pollutant emissions.

World-leading cities are taking action to reduce their greenhouse gas emissions. Vancouver is a member of the C40 Climate Leaders initiative, the world's largest and foremost effort to unite and guide cities in their decarbonization. Vancouver is also a founding member of the Carbon Neutral Cities Alliance (CNCA), an organization that brings together the world's 17 foremost cities delivering transformative action to eliminate carbon emissions.

The City is actively pursuing its commitments, per the Climate Action Charter, and those associated with membership in C40 and the CNCA. These commitments range from taking action to reduce emissions from its own operations through its Green Operations initiative to taking policy actions to reduce carbon emissions in the broader city. The City has implemented policy changes to tackle emissions from the city's largest source of GHG, buildings, which accounted for 57% of city emissions in 2014. These actions include improvements to the Vancouver Building By-Law, the development of District Energy Guidelines, with district energy connectivity standards, and sustainability requirements for large site rezonings.

FIGURE 1. GREENEST CITY ACTION PLAN 2020 GHG REDUCTION TARGETS (TONNES/YEAR)

In 2012, as part of the Vancouver Neighbourhood Energy Strategy, Council approved in principle the use of Enabling Tools to facilitate low carbon conversions of existing natural gas fuelled systems and the establishment and expansion of new Neighbourhood Energy Systems. These Enabling Tools include regulatory and contractual tools, rezoning policy, and cost competitiveness measures. The proposed rezoning of the Central Steam site provides an opportunity to secure the conversion of the Central Steam system to low carbon through the use of land use regulatory tools. The rezoning may also generate additional value that would enhance the financial viability of the fuel switch.

The conversion of Central Steam to a low carbon energy supply is essential, given that it makes up 60% of the Neighbourhood Energy GCAP 2020 CO₂ reduction target of 120,000 tonnes per year. This conversion would be achieved through establishment of a new energy centre similar to recent facilities established at UBC and downtown Seattle. The Energy Centre Guidelines, approved by Council in 2012, provide the necessary policy framework to support the City's review of projects like this.

Implications/Related Issues/Risk (if applicable)

Financial

The conversion of the Central Steam plant (Vancouver's single largest emitter of GHG) from natural gas to a low-carbon energy system would result in substantial public benefits. Any future expansions of the system across Downtown would provide further benefits for generations to come.

Subject to Council direction, staff will report back as part of the rezoning referral report on applicable development contributions; proposals for securing the fuel switch by 2020 and/or other public benefits as appropriate.

Unlike other public amenities and infrastructure, quantifying the value of carbon reduction is more complicated and challenging. Staff will continue to research and refine the methodology and lay out the specifics as part of the rezoning referral report. The two most commonly used international benchmarks for valuing carbon reduction are:

- The market value of carbon offsets
- The social costs of carbon emissions

Market Value of Carbon Offsets - This is based on the price established by a carbon market, a market much like those for stocks and shares that is governed by the dynamic interactions of policy, offset credit supply and demand. In British Columbia the carbon market price has a fixed offset credit purchase price of \$25 per tonne of CO₂e (tCO₂e) with the sale price of an offset credit determined by the particulars of the project generating the offset credit, ranging from \$10 to \$15 per tonne.

Carbon markets are not without uncertainty and are intended to reduce emissions and support new environmentally conscious projects. With a target annual reduction of 70,000 tCO₂e through a switch to low carbon for the Creative Energy system, the estimated value of the switch using this methodology would be in the range of \$21 million to \$52.5 million over a 30-year period. The valuation of carbon reduction by offsetting methodology, however, does not account for the other negative impacts of carbon emissions, particularly the full social costs (including health impacts).

Social Costs of Carbon Emissions - A more comprehensive approach is to consider the social costs of the negative impacts associated with carbon emissions. This cost includes the economic damages that arise from, amongst other things, impacts on the public health care system, damages resulting from extreme weather and just weather alterations related to climate change, rising sea level and so on. As reduction of carbon emissions will abate these economic damages to the society as a whole, it constitutes a significant public benefit that warrants all levels of government working collaboratively to achieve.

The social costs of carbon approach is outlined in the internationally recognized *Stern Review on the Economics of Climate Change*¹ from the United Kingdom in its consideration of the economic impacts of climate change. Work from Chris Hope at the University of Cambridge in 2013 modeled the abatement cost to be \$106 USD per tonne² while work from the *Canadian National Roundtable on the Environment and Economy*³ estimates the cost at \$100 CAD per tonne in 2006. The *US Government's Interagency Working Group on Social Cost of Carbon* 2013 report provided an estimate of social costs of carbon emissions in 2020 that ranges from \$12 USD per tonne to \$128 USD per tonne in 2007. With a target annual reduction of 70,000 tCO₂e, the equivalent social cost is estimated to be in the range of \$50 million to \$450 million over a 30-year period through 2050. It is, however, important to note that the *Intergovernmental Panel on Climate Change Fourth Assessment Report*⁴ states it is "very

[1]

http://mudancasclimaticas.cptec.inpe.br/~rmclima/pdfs/destaques/sternreview_report_complete.pdf

[2] <http://link.springer.com/article/10.1007%2Fs10584-012-0633-z>

[3] <http://neia.org/wp-content/uploads/2013/04/carbon-pricing-advisory-note-eng.pdf>

[4]

www.ipcc.ch/publications_and_data/publications_ipcc_fourth_assessment_report_synthesis_report.htm

likely that [the social cost of carbon] underestimates” damages, which suggests the lower end of this range is very conservative.

In summary, the public benefit from a low carbon switch is actually quantifiable using benchmark science in the field of economics.

Legal

Legal Agreements relating to Conversion of Steam Plant

Prior to the rezoning application being referred to a Public Hearing, one or more legal agreements will have to be entered into containing, among other things, the following general requirements (to be specified in more detail in the legal agreements):

- an obligation by Creative Energy to finance, construct and operate a new low-carbon energy centre that will replace the current heat source for the existing steam-heat plant, serve existing and future customers, and is compliant with the City of Vancouver Energy Centre Guidelines;
- a detailed timeline by which Creative Energy will have the new low-carbon heat generation plant ready to supply heat by 2020; and
- appropriate security and other obligations to secure Creative Energy’s commitment to carry out the above.

Next Steps

Should City Council approve the recommendations of this report, City Staff engage on the following next steps:

- Negotiations with Creative Energy to secure the legal agreements outlined in the Legal section of this Council Report.
- Consultation with the public, relevant Council Advisory Committees, and affected stakeholder groups both on the rezoning application received from Creative Energy, as well as on the development of low-carbon Neighbourhood Energy across the Downtown.

CONCLUSION

The rezoning of the Central Steam site provides an opportunity to transform a quasi-industrial site into a well-designed development in keeping with its important location in the Central Business District. In addition, the ability to switch the fuel source of the Central Steam plant to a low-carbon energy system presents an important opportunity to achieve a substantial public objective related to our city’s carbon reduction goals, and would represent a great leap toward Vancouver’s goal of being the Greenest City in the World by 2020. As such, staff recommend that City Council indicate its willingness to consider a rezoning application from Creative Energy for the Central Steam site for consideration at a future Public Hearing subject to the Recommendations in this Report.

* * * * *

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

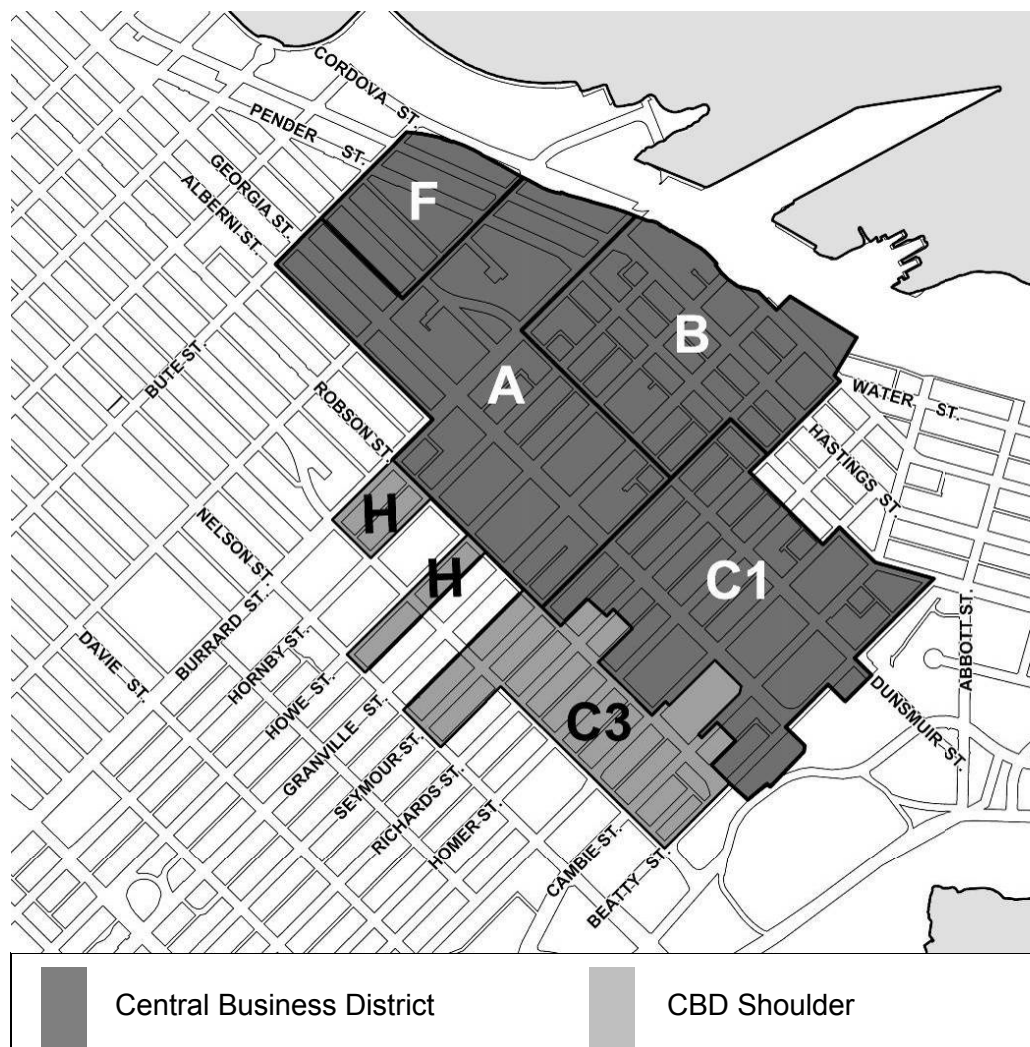
1 Application and Intent

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