

## POLICY REPORT DEVELOPMENT AND BUILDING

Report Date:September 6, 2016Contact:Kent MunroContact No.:604.873.7135RTS No.:11632VanRIMS No.:08-2000-20Meeting Date:September 20, 2016

TO:	Vancouver City Council
FROM:	Acting General Manager of Planning, Urban Design and Sustainability
SUBJECT:	CD-1 Rezoning: 1672 West 1st Avenue

## RECOMMENDATION

- A. THAT the application by Arno Matis Architecture Inc., on behalf of West First Holdings Ltd., to rezone 1672 West 1st Avenue [*PID: 014-875-659, Lot E, Block 219, District Lot 526, Plan 22463*] from IC-1 (Industrial) district to CD-1 (Comprehensive Development) District, to increase the floor space ratio (FSR) from 1.36 to 1.87 to permit the expansion of the second floor and mezzanine area, and convert the existing wholesale use on the ground floor to office use, be referred to a public hearing, together with:
  - (i) plans prepared by Arno Matis Architecture Inc., received December 24, 2015;
  - (ii) draft CD-1 By-law provisions, generally as presented in Appendix A; and
  - (iii) the recommendation of the Acting General Manager of Planning, Urban Design and Sustainability to approve the application, subject to conditions contained in Appendix B.

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary CD-1 By-law generally in accordance with Appendix A for consideration at the public hearing.

B. THAT, if the application is referred to a public hearing, the application to amend Schedule E of the Sign By-law to establish regulations for this CD-1 in accordance with Schedule B of the Sign-By-law [assigning Schedule B (IC-1)], generally as set out in Appendix C, be referred to the same public hearing;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-law, generally as set out in Appendix C, for consideration at the public hearing.

C. THAT, subject to enactment of the amending By-law, the Parking By-law be amended to include the CD-1 By-law and to provide parking regulations generally as set out in Appendix C;

FURTHER THAT the Director of Legal Services be instructed to bring forward the amendment to the Parking By-law at the time of enactment of the amending by-law.

- D. THAT Recommendations A to C be adopted on the following conditions:
  - THAT the passage of the above resolutions creates no legal rights for the applicant or any other person, or obligation on the part of the City and any expenditure of funds or incurring of costs is at risk of the person making the expenditure or incurring the cost;
  - (ii) THAT any approval that may be granted following the public hearing shall not obligate the City to enact a by-law rezoning the property, and any costs incurred in fulfilling requirements imposed as a condition of rezoning are at the risk of the property owner; and
  - (iii) THAT the City and all its officials, including the Approving Officer, shall not in any way be limited or directed in exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

## REPORT SUMMARY

This report evaluates an application to rezone 1672 West 1st Avenue from IC-1 (Industrial) District to CD-1 (Comprehensive Development) District to increase the floor area by 285 m<sup>2</sup> (3,067.2 sq. ft.) for a total floor area of 1,032.1 m<sup>2</sup> (11,109.2 sq. ft.) and to increase the floor space ratio (FSR) from 1.36 to 1.87. The increase would allow for a minor rear addition consisting of the expansion of the second floor and development of a third floor by extending the mezzanine area, bringing the building to the lane. The application also proposes to convert the existing wholesale use on the ground floor to general office use. The increase in floor area and change in use is supported by the *Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines* which seeks to preserve the area's downtown support service role by increasing job density through additional office uses. Staff recommend that the application be referred to public hearing with the recommendation of the Acting General Manager of Planning, Urban Design and Sustainability to approve it, subject to the public hearing, along with the conditions of approval outlined in Appendix B.

#### COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines (2007, amended 2010)
- Metro Core Jobs and Economy Land Use Plan (2007)

#### REPORT

#### Background/Context

#### 1. Site and Context

This site has an area of  $551 \text{ m}^2$  (5,931 sq. ft.) and is located on the south side of 1st Avenue between Fir Street and Pine Street. The site is zoned IC-1 and is currently developed with a two-storey wholesale/commercial building with a mezzanine. The ground floor consists of a parkade accessed from the lane at the rear of the site and wholesale use fronting 1st Avenue. The second level contains two office spaces; the area facing the street is a single-level height, whereas the area facing the lane is a double-level height with a mezzanine.

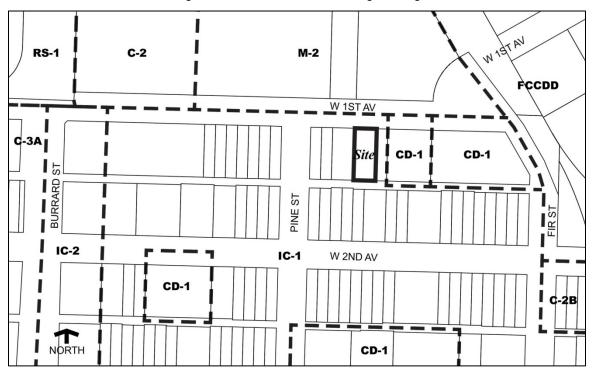


Figure 1: Site and Surrounding Zoning

#### 2. Policy Context

Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines – In November 2007 (amended 2010), Council approved the revised *Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines*, which encouraged job producing land uses in the Burrard Slopes IC area by increasing the density limits for office and service uses. The objectives of the *Burrard Slopes IC Districts Interim Rezoning Policies* are to preserve the area's downtown "support service" role and its existing small scale and architecturally varied character.

Metro Core Jobs and Economy Land Use Plan — The *Metro Core Jobs and Economy Plan* was initiated in 2005 to review the need for development and transportation capacity to accommodate future job growth in the Metro Core. Policy directions were proposed to affirm and enhance the Metro Core's role as the region's "downtown" by ensuring there is adequate

job space for future economic growth and vitality in the Metro Core. The overall policy direction for production, distribution and repair (PDR) areas, which includes the Burrard Slopes Industrial area, is to encourage the development of services and appropriate office use to intensify employment without displacing PDR functions.

## Strategic Analysis

## 1. Proposal

The application proposes to rezone the site located at 1672 West 1st Avenue from IC-1 (Industrial) District to CD-1 (Comprehensive Development) District to expand the second floor and mezzanine area to the rear of the property, increasing the floor area by 285 m<sup>2</sup> (3,067.2 sq. ft.) for a total floor area of 1,032.1 m<sup>2</sup> (11,109.2 sq. ft.). The FSR is proposed to increase from 1.36 to 1.87. The existing wholesale use on the ground floor is also proposed to be converted to general office use.

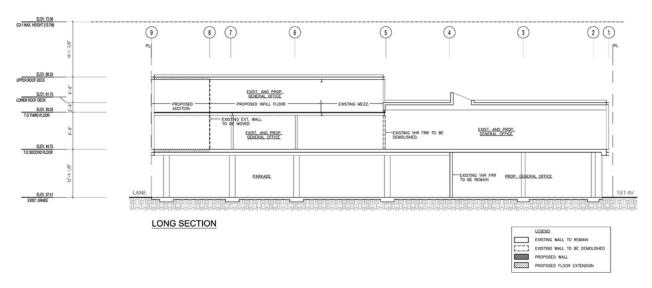


Figure 2: Section-Elevation (Looking West)

# 2. Density and Form of Development (refer to drawings in Appendix D)

The IC-1 District Schedule permits an overall FSR of 3.00 but restricts non-industrial uses, such as office use, to a maximum FSR of 1.00. The *Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines* however, allows for an increase in these non-industrial uses to a total density of 2.50 FSR. The application seeks to increase the allowable FSR for office use beyond the existing 1.00 FSR to 1.87 FSR, to allow for the conversion of the existing wholesale use to office use (0.36 FSR) and to permit additional floor area of office use (an additional 0.51 FSR).

With the exception of the rear addition, the proposal would not result in a substantive change to the form of development as the mezzanine extension is largely contained within the existing building. The existing building form and the rear addition fit within the permitted height, setbacks and overall density for an IC-1 site; as outlined above, the rezoning seeks to increase the permitted amount of office floor area only.

Under the *Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines*, staff may seek a larger rear setback of 4.0 m for lane improvements, including trees, specialty paving and lighting. The immediate context for this site consists primarily of parking uses at grade at the lane. Noting the small lot size and modest scope of the proposal, staff is not seeking additional setbacks in this case as it would preclude the ability to provide a rear addition. It is also noted that the rear addition facilitates retention and continued use of an existing building.

Staff supports the proposal as it is in accordance with the current policies for Burrard Slopes and it meets the intent to encourage job space in the area.

## 3. Transportation and Parking

The building currently has a total of 11 parking spaces, 16 bicycle spaces and one loading space. The application proposes to remove the loading space and increase parking spaces to a total of 13 spaces.

Parking and loading for the proposed development is based on recommendations of the applicant's transportation consultant, R.F. Binnie & Associates Ltd., contained in a memorandum submitted as part of the rezoning application. The study provided an analysis of the parking demand associated with the existing business, stating that the current supply for vehicle parking far exceeds demand for current employees. In addition, the site is located on a bike route and within a five-minute walk of several bus routes.

The Parking By-law requires 18 parking spaces and two loading spaces (one Class A and one Class B). The application seeks a relaxation of one Class B loading space, which staff supports as the applicant has indicated that the frequency for delivery vehicles accessing the property and the use of the loading bay will substantially decrease as the use is converted to office use only. In lieu of provision of five parking spaces, staff propose that a minimum of 20 Class A bicycle spaces be provided. An amendment to the Parking By-law to this effect is proposed in Appendix C.

Engineering Services has reviewed the rezoning application and have no objections to the proposal provided the applicant satisfies the rezoning conditions included in Appendix B.

## 4. Environmental Sustainability

The *Green Buildings Policy for Rezonings* (amended by Council in June 2014) requires that rezoning applications involving new construction and major renovations participate in the LEED® program and achieve a minimum of LEED® Gold. The applicant's sustainability consultant determined that the proposal does not fall within the definition of "major renovation" and therefore, is not subject to the *Green Buildings Policy for Rezonings* requirement.

## PUBLIC INPUT

**Public Notification** — The City of Vancouver Rezoning Centre webpage included notification and application information as well as an online comment form. A rezoning information sign was installed on the site on March 17, 2016 and a total of 101 notifications were distributed within the neighbouring area on or about March 9, 2016. One comment was received regarding this application, expressing concern over the potential construction noise on the neighbouring property, which operates as a recording studio.

#### **PUBLIC BENEFITS**

In response to City policies concerning changes in land use and density, this application addresses public benefits as follows:

#### Public Benefits – Required By By-law or Policy

**Development Cost Levies (DCLs)** – Development Cost Levies (DCLs) collected from development help pay for facilities made necessary by growth, including parks, childcare facilities, replacement housing (social/non-profit housing) and various engineering infrastructure. The site is subject to the City-wide DCL rate, which as of September 30, 2016, will be \$149.73 per m<sup>2</sup> (\$13.91 per sq. ft.) for new residential or commercial floor space. On this basis, DCLs would be paid on the additional commercial floor space of 285 m<sup>2</sup> (3,067.2 sq. ft.), estimated at \$42,665.

DCLs are payable at building permit issuance and are subject to an annual inflationary adjustment which takes place on September 30 of each year. When a DCL By-law with higher rates is introduced, a number of rezoning, development permit and building permit applications may be at various stages of the approval process. An application may qualify as an in-stream application and therefore may be exempt from DCL rate increases for a period of 12 months from the date of the DCL By-law rate amendment, provided that it has been submitted prior to the adoption of annual DCL By-law rate adjustments. If a related building permit application is not issued within the 12-month period, the rate protection expires and the new DCL rate will apply. See the City's DCL Bulletin for details on DCL rate protection.

**Public Art Program** – The *Public Art Policy for Rezoned Developments* requires rezonings having a floor area of 9,290 m<sup>2</sup> (100,000 sq. ft.) or greater to contribute public art or provide 80 per cent cash in lieu as a condition of rezoning. Public art budgets are based on a formula (2015) of \$19.48 per m<sup>2</sup> (\$1.81 per sq. ft.) for all areas contributing to the total FSR calculation. As the proposed floor area is below the minimum threshold, no public art contribution will arise from this application.

#### Public Benefits – Offered by the Applicant

**Community Amenity Contribution (CAC)** - Within the context of the City's *Financing Growth Policy*, an offer of a Community Amenity Contribution (CAC) to address the impacts of rezoning can be anticipated from the owner of a rezoning site. CAC offers typically include either the provision of on-site amenities or a cash contribution towards other public benefits and they take into consideration community needs, area deficiencies and the impact of the proposed development on City services.

Real Estate Services staff have reviewed the applicant's development pro forma and have concluded that after factoring in the costs associated with the minor addition to the existing building, no further contribution towards public benefits is anticipated in this instance.

#### FINANCIAL IMPLICATIONS

As noted in the Public Benefits section, there are no CAC or public art contributions associated with this rezoning. The site is subject to the City-wide DCL and it is anticipated that the additional floor area will generate approximately \$42,665 in DCLs.

#### CONCLUSION

Staff have reviewed the application to rezone the site at 1672 West 1st Avenue from IC-1 to CD-1 to increase the allowable density for office use, to permit the conversion of the existing wholesale use on the ground floor and to allow for a minor expansion of additional office floor area, and conclude that the application is consistent with the *Burrard Slopes IC Districts Interim Rezoning Policies and Guidelines*. If approved, this application would contribute to job producing land uses in the Burrard Slopes IC area and preserve the area's downtown "support service" role and its existing small scale and architecturally varied character.

The Acting General Manager of Planning, Urban Design and Sustainability recommends that the rezoning application be referred to a public hearing, together with the draft CD-1 by-law generally as set out in Appendix A, and that, subject to the public hearing, the application, including the form of development as shown in Appendix D, be approved in principle, subject to the applicant fulfilling the conditions of approval in Appendix B.

## 1672 West 1st Avenue DRAFT CD-1 BY-LAW PROVISIONS

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

## Zoning district plan amendment

1 This By-law amends the Zoning District Plan attached as Schedule D to By-law No. 3575, and amends or substitutes the boundaries and districts shown on it, according to the amendments, substitutions, explanatory legends, notations, and references shown on the plan marginally numbered Z-() attached as Schedule A to this By-law, and incorporates Schedule A into Schedule D, to By-law No. 3575.

[Note: Schedule A, not attached to this appendix, is a map that amends the City of Vancouver zoning map. Should the rezoning application be referred to public hearing, Schedule A will be included with the draft by-law that is prepared for posting.]

#### Uses

- 2.1 The description of the area shown within the heavy black outline on Schedule A is CD-1 ().
- 2.2 Subject to Council approval of the form of development, to all conditions, guidelines and policies adopted by Council, and to the conditions set out in this By-law or in a development permit, the only uses permitted within CD-1 (), and the only uses for which the Director of Planning or Development Permit Board will issue development permits are:
  - (a) Cultural and Recreational, limited to Artist Studio Class A, Arts and Culture Indoor Event, and Fitness Centre;
  - (b) Manufacturing, limited to Clothing Manufacturing, Jewellery Manufacturing, Leather Products Manufacturing, and Printing or Publishing;
  - (c) Office, limited to General Office;
  - (d) Retail, limited to Furniture or Appliance Store and Retail Store;
  - (e) Service, limited to Catering Establishment, Photofinishing or Photography Laboratory, Photofinishing or Photography Studio, Print Shop, Production or Rehearsal Studio, Restaurant - Class 1, Sign Painting Shop, and Work Shop;
  - (f) Wholesale, limited to Wholesaling Class A and Wholesaling Class B; and
  - (g) Accessory Uses customarily ancillary to the uses listed in this Section 2.2.

## Floor area and density

- 3.1 Computation of floor space ratio must assume that the site consists of 551 m<sup>2</sup>, being the site size at the time of the application for the rezoning evidenced by this By-law, prior to any dedications.
- 3.2 The floor space ratio for all uses must not exceed 1.87, except that:
  - (a) the maximum floor area for Restaurant Class 1 must not exceed 65 m<sup>2</sup>; and
  - (b) the maximum floor area in retail uses, including accessory retail, must not exceed 1,000 m<sup>2</sup>.
- 3.3 Computation of the floor area must include all floors, including earthen floor, above and below ground level, having a minimum ceiling height of 1.2 m, measured to the extreme outer limits of the building.
- 3.4 Computation of floor area must exclude where floors are used for off-street parking and loading, the taking on or discharging of passengers, bicycle storage, heating and mechanical equipment, or uses which in the opinion of the Director of Planning are similar to the foregoing, those floors or portions thereof so used that are at or below base surface, except that the exclusion for a parking space must not exceed 7.3 m in length; and
- 3.5 The use of floor area excluded under Section 3.4 must not include any purpose other than that which justified the exclusion.

## Building height

4 Building height, measured from base surface, must not exceed 9.4 m.

#### 1672 West 1st Avenue DRAFT CONDITIONS OF APPROVAL

Note: Recommended approval conditions will be prepared generally in accordance with the draft conditions listed below, subject to change and refinement prior to finalization of the agenda for Public Hearing.

## CONDITIONS OF APPROVAL OF THE FORM OF DEVELOPMENT

- (a) That the proposed form of development be approved by Council in principle, generally as prepared by Arno Matis Architecture, Inc. and stamped "Received Planning and Development Services, December 24, 2015", provided that the General Manager of Planning, Urban Design and Sustainability may allow minor alterations to this form of development when approving the detailed scheme of development as outlined in (b) below.
- (b) That, prior to approval by Council of the form of development, the applicant shall obtain approval of a development application by the General Manager of Planning, Urban Design and Sustainability.

## CONDITIONS OF BY-LAW ENACTMENT

(c) That, prior to enactment of the CD-1 By-law, the registered owner shall on terms and conditions satisfactory to the Director of Legal Services, the General Manager of Planning, Urban Design and Sustainability, the General Manager of Engineering Services, and the Approving Officer, as necessary, and at the sole cost and expense of the owner/developer, make arrangements for the following:

## Engineering

1. Release of Easement & Indemnity Agreement 502728M (commercial crossing) prior to building occupancy.

Note to applicant: Arrangements are to be secured prior to zoning enactment, with release to occur prior to issuance of an occupancy permit for the site. Provision of a letter of commitment will satisfactorily address this condition.

2. Provision of adequate water service to meet the fire flow demands of the project.

Note to applicant: The current application lacks the details to determine if water main upgrading is required. Please supply project details including projected fire flow demands, sprinkler demand, hydrant load, and domestic water demands to determine if water main upgrading is required. Should upgrading be necessary then arrangements to the satisfaction of the General Manager of Engineering Services and the Director of Legal Services will be required to secure payment for the upgrading. The developer is responsible for 100% of any water system upgrading that may be required.

3. Provision of all new utility services to be underground from the closest existing suitable service point.

Note to applicant: All electrical services to the site must be primary with all electrical plant, which include but are not limited to, junction boxes, switchgear, pad mounted transformers and kiosks (including non BC Hydro Kiosks) are to be located on private property with no reliance on public property for placement of these features. There will be no reliance on secondary voltage from the existing overhead electrical network on the street right-of-way. Any alterations to the existing overhead/underground utility network to accommodate this development will require approval by the Utilities Management Branch. The applicant may be required to show details of how the site will be provided with all services being underground.

## Soils

- 4. If applicable:
  - (i) Submit a site profile to the Environmental Planning, Real Estate and Facilities Management (Environmental Contamination Team).
  - (ii) As required by the Manager of Environmental Planning and the Director of Legal Services in their discretion, do all things and/or enter into such agreements deemed necessary to fulfill the requirements of Section 571(B) of the Vancouver Charter.
  - (iii) If required by the Manager of Environmental Planning and the Director of Legal Services in their discretion, enter into a remediation agreement for the remediation of the site and any contaminants which have migrated from the site on terms and conditions satisfactory to the Manager of Environmental Protection, the General Manager of Engineering Services and Director of Legal Services, including a Section 219 Covenant that there will be no occupancy of any buildings or improvements on the site constructed pursuant to this rezoning until a Certificate of Compliance satisfactory to the City for the on-site and off-site contamination, issued by the Ministry of Environment, has been provided to the City.

Note to Applicant: Where the Director of Legal Services deems appropriate, the preceding agreements are to be drawn, not only as personal covenants of the property owners, but also as covenants pursuant to Section 219 of the Land Title Act.

The preceding agreements are to be registered in the appropriate Land Title Office, with priority over such other liens, charges and encumbrances affecting the subject site as are considered advisable by the Director of Legal Services, and otherwise to the satisfaction of the Director of Legal Services prior to enactment of the by-law.

The preceding agreements shall provide security to the City including indemnities, warranties, equitable charges, and letters of credit, and provide for the withholding of permits, as deemed appropriate by, and in the form and content satisfactory to, the Director of Legal Services.

## 1672 West 1st Avenue DRAFT CONSEQUENTIAL AMENDMENTS

Note: By-laws will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

## SIGN BY-LAW NO. 6510

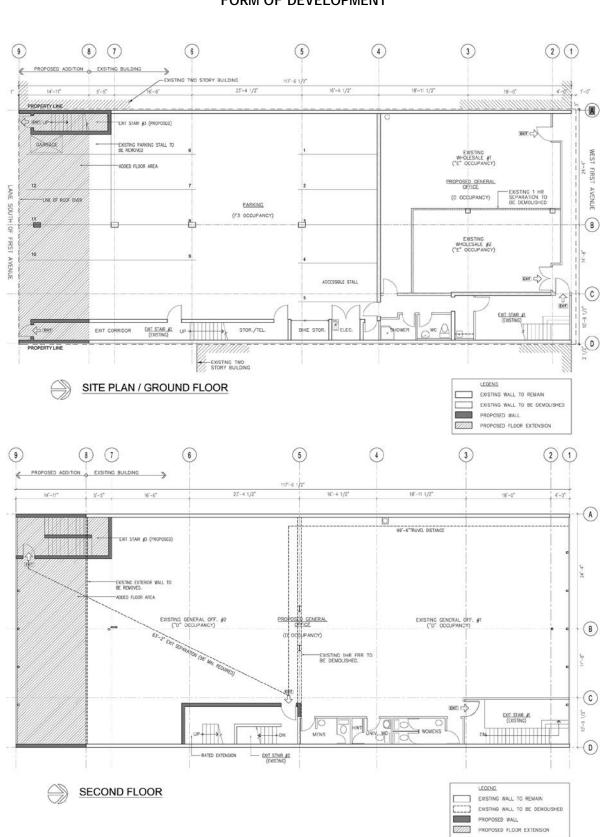
Amend Schedule E (Comprehensive Development Areas) by adding the following:

"1672 West 1st Avenue [CD-1 (#)] [By-law #] B (IC-1)"

## PARKING BY-LAW NO. 6059

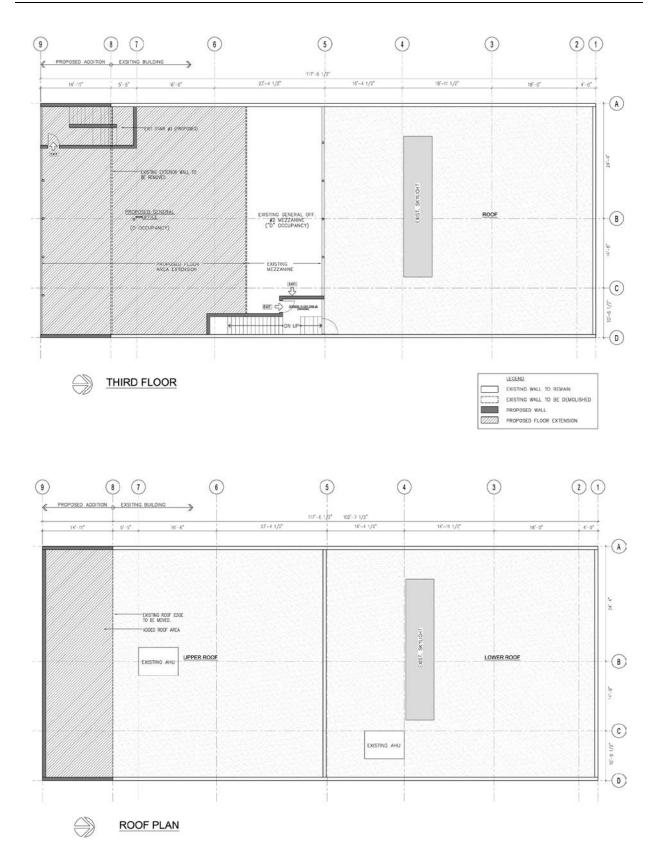
In Schedule C, add:

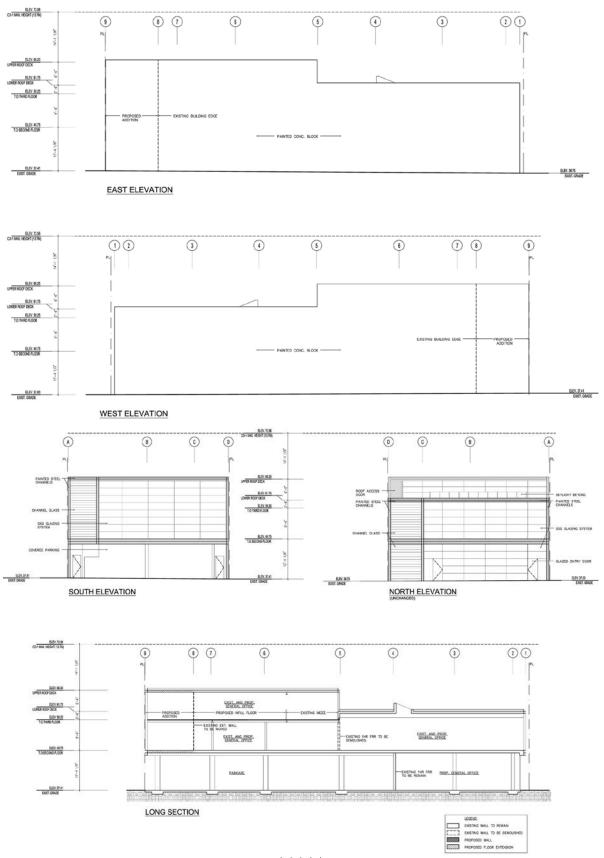
Address	By-law No.	CD-1 No.	Parking Requirements
1672 West 1st Avenue			Parking, loading and bicycle spaces to be in accordance with by-law requirements, except that there must be:
			(a) A minimum of 12 parking spaces;
			<ul> <li>(b) A minimum of 1 Class A loading space; and</li> </ul>
			(c) A minimum of 20 Class A bicycle spaces.



1672 West 1st Avenue FORM OF DEVELOPMENT

APPENDIX D PAGE 2 OF 3





#### 1672 West 1st Avenue PUBLIC BENEFITS SUMMARY

#### Project Summary:

Increase in allowable density for office use, to permit the conversion of the existing wholesale use on the ground floor to office use and to allow for a minor expansion of additional office floor area.

#### Public Benefit Summary:

DCLs applied to 285 m<sup>2</sup> (3,067.2 sq. ft.) of additional office floor area.

	Current Zoning	Proposed Zoning
Zoning District	IC-1	CD-1
FSR (site area = 551 m <sup>2</sup> / 5,931 sq. ft.)	3.00	1.87
Floor Area (sq. ft.)	17,793.0	11,109.2
Land Use	Wholesale/Office	Office

	Public Benefit Statistics	Value if built under Current Zoning (\$)	Value if built under Proposed Zoning (\$)
*b≘	DCL (City-wide)		\$42,665
Required*	Public Art		
Rec	20% Social Housing		
У	Childcare Facilities		
Amenity )	Cultural Facilities		
) Am	Green Transportation/Public Realm		
nity tion	Heritage (transfer of density receiver site)		
Ibu	Affordable Housing		
(Community Contribution)	Parks and Public Spaces		
	Social/Community Facilities		
Offered	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS			\$42,665

Other Benefits (non-quantified components):

For the City-Wide DCL, revenues are allocated into the following public benefit categories: Engineering (22%); Replacement Housing (32%); Parks (41%); and Childcare (5%).

<sup>\*</sup> DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification.

## 1672 West 1st Avenue APPLICANT AND PROPERTY INFORMATION

# **Property Information**

Address 1672 West 1st Avenue	
Property Identifier (PID)	014-875-659
Legal Description	Lot E, Block 219, District Lot 526, Plan 22463

# Applicant Information

Applicant/Architect	Arno Matis Architecture Inc.
Developer/Property Owner	West First Holdings Ltd.

# **Development Statistics**

	Permitted Under Existing Zoning	Proposed
Zoning	IC-1	CD-1
Site Area	551 m² (5,931 sq. ft.)	551 m <sup>2</sup> (5,931 sq. ft.)
Land Use	Wholesale & Office	Office
Maximum FSR	3.00	1.87
Maximum Height	18.3 m (60 ft.)	9.4 m (30.86 ft.)
Floor Area	1,653.0 m² (17,793.0 sq. ft.)	1,032.1 m <sup>2</sup> (11,109.2 sq. ft.)
Parking, Loading and Bicycle Spaces	As per Parking By-law	As per Parking By-law, except that there must be a minimum of 12 parking spaces, a minimum of 1 Class A loading space, and a minimum of 20 Class A bicycle spaces provided.