

# RR-2(a)



## ADMINISTRATIVE REPORT

Report Date: June 10, 2018  
Contact: Kevin McNaney  
Contact No.: 604.871.6851  
RTS No.: 12338  
VanRIMS No.: 08-2000-20  
Meeting Date: June 19, 2018

TO: Vancouver City Council

FROM: General Manager of Engineering Services, General Manager of Planning, Urban Design and Sustainability and Chief Financial Officer

SUBJECT: Northeast False Creek – Update Report and NEFC Infrastructure Project Implementation and Financial Strategy Guidelines

### **RECOMMENDATION**

- A. THAT Council approve in principle the *NEFC Infrastructure Project Implementation & Financial Strategy Guidelines*, generally as presented in Appendix A, as the framework for delivering these critical infrastructure works to support the proposed densities within the NEFC Plan and to enable delivery of the Public Benefit Strategy envisioned for NEFC over time.
- B. THAT Council approve an increase to the multi-year capital project budget for the Northeast False Creek (NEFC) Project Office of \$15.6 million for the 17 month work program (August 2018 to December 2019, as outlined in Appendix A) to complete the final project design and other work necessary to support the implementation of the NEFC Plan; interim sources of funding to be as follows which will be replenished from future development revenues generated from NEFC:
  - i. \$14.9 million from the Plant & Equipment Reserve, to be added to the 2015-2018 Capital Plan;
  - ii. \$0.7 million to be reallocated from the Capital Budget for NEFC Park Development.

Expenditures for 2018 to be managed within the current overall Annual Capital Expenditure Budget; expenditures for subsequent years will be brought forward as part of the annual capital budget process.

- C. THAT Council direct staff to explore strategic partnerships with senior levels of government and community and development partners to optimize affordability across NEFC and the six remaining affordable housing sites in False Creek North, and report back to Council in September 2018.

## **REPORT SUMMARY**

In February 2018 Council voted to approve the Northeast False Creek (NEFC) Plan and support the estimated costs required to deliver the “NEFC Infrastructure Project” to enable development of the future Northeast False Creek neighbourhood, subject to a viable implementation and financial strategy to be reported back to Council. This report provides Council with an update on plan implementation since the February report, an overview of the 20 year implementation strategy to implement the NEFC Plan, the financial strategy guidelines for the NEFC Infrastructure Project, and the immediate work plan and funding request for the dedicated NEFC Project Office from August 2018 to December 2019. This report also outlines the objectives that apply to help achieve the affordable housing targets contemplated in the NEFC Plan.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

- False Creek North Official Development Plan (1990)
- Northeast False Creek: Directions for the Future: Part 1 (June 2009)
- Northeast False Creek: Directions for the Future: Part 2 (October 2009)
- Northeast False Creek: Issues Report (2011)
- Park Board Strategic Framework (2012)
- City of Reconciliation Framework (2014)
- Northeast False Creek Conceptual Plan (2015)
- Park Board Biodiversity Strategy (2016)
- Housing Vancouver Strategy (2017)
- Northeast False Creek Plan (2018)

## **REPORT**

### ***Background/Context***

#### **NEFC – Update Since February 2018**

Since February 2018 the NEFC Project Office has continued key work plan items in preparation for the implementation phase, including:

#### **1) Engagement**

Staff have continued to engage with First Nations and key stakeholder groups since the February 2018 report and a summary of this includes:

- First Nations: Further discussions with the Musqueam, Squamish and Tsleil-Waututh Nations and Urban Indigenous Peoples’ Advisory Committee relating to the design strategies for the parks and open spaces. Parallel discussions are progressing by the Joint City of Vancouver-Musqueam, Squamish and Tsleil-Waututh Naming Committee for an indigenous name for the NEFC neighbourhood;

- **Chinatown:** A project update was presented to the Vancouver Chinatown Revitalization Committee (VCRC) in May. There are upcoming small group meetings about the ‘Heart of Chinatown’ themes being scheduled for this spring and summer, 2018;
- **Hogan’s Alley:** Work is advancing toward a letter of understanding of roles and process;
- **Council/Park Board Appointed NEFC Groups:** Continued meetings with the Council-appointed NEFC Stewardship Group and Park Board-appointed Park Design Advisory Group;
- **Events Community:** A meeting was held in March with members of the Vancouver Event Collective to discuss future opportunities for major events in the downtown. Following this meeting, a representative from the Event Collective is being considered for the NEFC Park Design Advisory Group.
- **Park stakeholders:** There are also a number of upcoming small group meetings with residents, sports and events communities as well as other interest groups to discuss draft park design principles.

## 2) Rezoning Applications

As part of the planning process, rezoning proposals for each of the development sites were considered while the NEFC Plan was being developed. At this time, staff have completed their reviews of rezoning applications of Sub-areas 10C (PavCo/BC Place) and 6B (Plaza of Nations). These applications are expected to be brought forward for Council consideration in June 2018.

Sub-areas 6C (Concord Pacific and City lands), 6D (City Main Street lands) and 9 (Future Creekside Park Extension) are currently encumbered by portions of the Georgia and Dunsmuir viaducts. Replacement critical infrastructure (street network and utilities) and removal of the viaducts from these sites are required to enable development.

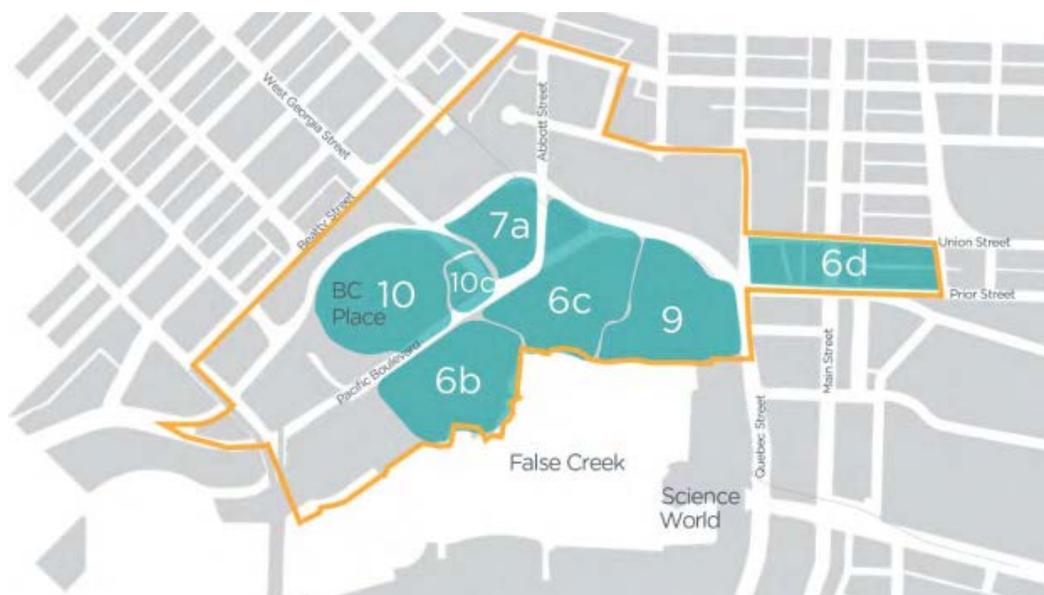


Figure 1: Sub-areas within NEFC

### **3) Park Design**

The NEFC Plan envisions a 25-acre destination park composed of the existing Creekside Park, Creekside Park Extension, Andy Livingstone Park and the Downtown Skateboard Plaza. The conceptual design for the park is being undertaken by Park Board staff with the support of a multi-disciplinary consultant team led by James Corner Field Operations. The design and engagement work started in October of 2016 and progressed to a draft concept plan which was presented to the public in June 2017. The draft concept design generated a high level of interest from a wide group of stakeholders with over 5,000 people engaged to date. Feedback on the draft park concept design included interests in:

- A bigger waterfront park;
- A park design that is bolder, more unique and authentic design rooted in Vancouver;
- Meaningful engagement with the local First Nations;
- Recognizing the rich cultural heritage of the area (including Chinatown);
- Supporting nature, wildlife and habitat;
- Large events in the park; and
- Defining the big moves and being aware of fragmented spaces.

Building on this feedback and as part of the City of Reconciliation, staff decided to extend the consultation stage in July 2017 to allow for more in-depth engagement with the Musqueam, Squamish and Tsleil-Waututh Nations, and Urban Indigenous Peoples. Following the lead of Indigenous staff, the park team carried out an engagement process which included several meetings with representatives from the local First Nations, and in-depth discussions on what it meant to design a contemporary park in the spirit of reconciliation.

Through this journey, staff understood the remarkable opportunity presented by the park to physically manifest the values and principles of the Musqueam, Squamish, and Tsleil-Waututh Nations in the park design, especially along the waterfront. Strengthening of relationships and input from local First Nations and the Urban Indigenous Peoples Advisory Committee will be needed through the coming months to design a landscape that supports indigenous cultural practices and is a welcoming place for all.

Staff is now exploring design strategies for existing Creekside Park and Creekside Park Extension, building on the feedback received through the City-wide engagement process. Staff is also proceeding with further engagement with park stakeholders, including the Chinatown community, event producers and nearby residents on the revised park design principles, as a foundation for revising the concept design for Andy Livingstone Park.

### **4) Infrastructure Design**

Infrastructure designs have been refined and progressed to a 90% design stage. The design supports delivery of a new resilient network of complete streets that can accommodate 100% of existing and future traffic and offers better performance for all modes when evaluating the planned changes in land use and density for NEFC. This includes ensuring sidewalks and gathering spaces along the street are appropriate for pedestrian movement, gathering and interaction; and that protected cycling infrastructure is provided for people of all ages and abilities (AAA). In total, this includes designing approximately 8km of new and modified streets, 40 traffic signals (permanent, temporary and retrofitted), and coordinating a complex program of 18 different utility networks.

The new street network provides a post-disaster response route through the downtown neck to the future St Paul's Hospital site consisting of an extension of Georgia Street with a lifeline structure and resilient roadway design of Pacific Boulevard. Infrastructure designs also incorporate resiliency for critical sub-surface utilities, including a new sanitary force-main, upsized storm sewers to respond to climate change, and restrained water main pipe joints to minimize the risk of failure and maintain fire protection following a major seismic event.

Recent work includes refinement of timelines and packaging of infrastructure construction to support anticipated timing for rezoning enactments, updates to cost estimates and a refined procurement strategy for the viaducts replacement infrastructure project, which enables delivery of the public benefits envisioned in the NEFC Plan.

## **5) False Creek North Affordable Housing**

### **1. Option Sites**

Council directed staff to seek opportunities to deliver long-term sustainable affordability of all future social and affordable housing units in NEFC and the False Creek North Official Development Plan (ODP) areas, including the six remaining undeveloped affordable housing option sites. It is anticipated, including as provided in the NEFC ODP, that these six sites will deliver approximately 600 affordable housing units. However, the sites are subject to existing Option Agreements. Exercising the City's option and building on the sites requires reaching an agreement with BC Housing and the land owner, Concord Pacific.

The landowner, Concord Pacific, has expressed a willingness to participate in creative solutions to deliver the affordable housing allocated to these six sites as set out in the existing Non-Market Housing Agreements. Staff believe there is potential for a mutually beneficial outcome with regards to advancing negotiations between the City, BC Housing and Concord Pacific to develop these sites. In order to achieve the affordable housing units allocated to these six sites, staff are collaborating with the landowner and BC Housing to develop a strategy to optimize the use of these lands. The strategy will most likely include future rezonings to maximize the affordable housing units allocated to these sites in the most cost effective manner – and may include a mix of uses.

### **2. Main Street blocks (Sub-area 6D)**

Through the planning of NEFC, it became apparent through community engagement, that there was a strong desire for City-owned lands to include a deeper level of affordability. As such, Recommendation C of this report directs staff to explore opportunities to deepen the level of affordability across NEFC, including on Sub-area 6D and report back with a strategy as part of a future rezoning process for these lands.

## Strategic Analysis

### 1. Implementation Strategy Overview

The existing utility systems and transportation network in the NEFC area only have capacity to accommodate a portion of the final development densities proposed as part of the NEFC Plan.

Removal of the viaducts and reconfiguration of the new street network is critical to both provide the necessary capacity for anticipated local growth in trips generated from new density in the area, and also to reconfigure land parcel boundaries and remove obstructions to development (as shown in Figures 2 and 3) which in turn unlocks the potential for provision of the significant public benefits described in the Plan.

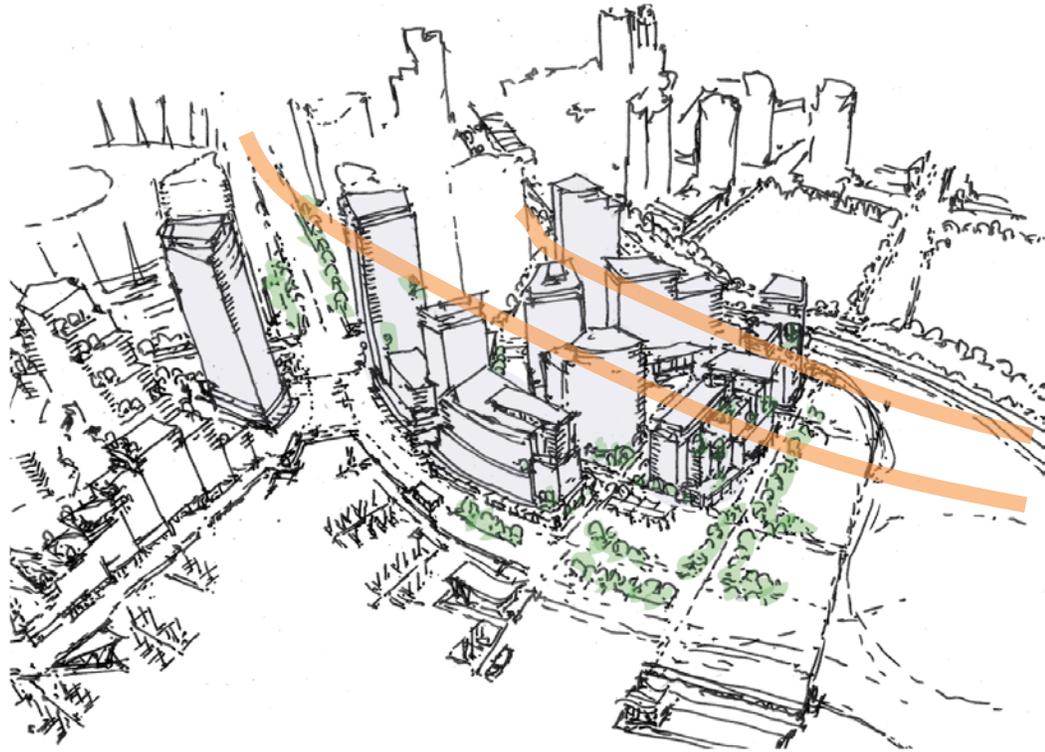


Figure 2: Viaduct Alignment through Sub-areas 6C (Concord Pacific) and 9 (Creekside Park Extension). The orange lines indicate the existing viaduct alignments.



Figure 3: Viaduct Alignment through Sub-area 6D (Main Street Blocks). The orange lines indicate the existing viaduct alignments.

As per Council direction in 2015, staff are continuing to pursue a self-funding implementation strategy, through on-going public benefits negotiations with NEFC landowners, land transactions, development contributions, and senior government and community partners. It is anticipated that the four sub areas (10C, 6B, 6C and 6D) will collectively provide the necessary land dedications, rights of way, on-site infrastructure works and funding for off-site precinct-wide improvements to allow the delivery of the City serving infrastructure and public amenities envisioned in the Plan.

Funding sources include:

- Community Amenity Contributions;
- Proceeds from land transactions;
- Secured development obligations;
- New rezoning and development conditions; and
- Strategic partnerships with senior governments and community partners.

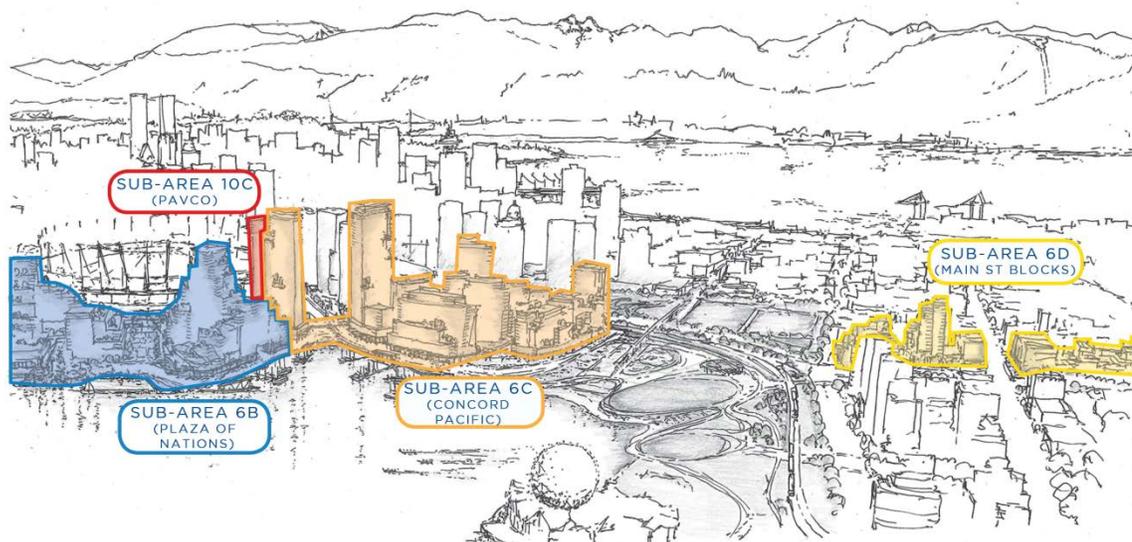


Figure 4: Sub-areas within Northeast False Creek

It is unlikely that all four sub-areas will submit applications and proceed through public hearing, zoning enactment and build-out concurrently. Hence, infrastructure modifications will have to be carefully phased to align with development to ensure that the transportation and utility systems can support new density as it is approved by Council and built by the developer, and that short-term cash flow challenges arising from critical infrastructure work are minimized.

A key principle of staff review of any rezoning or development application will be to ensure that appropriate conditions are placed, such that development can only proceed when the necessary upgraded critical infrastructure to support the development under consideration is secured with occupation allowed only when the upgraded systems are operational. These conditions will include the necessary land dedications required to accommodate the replacement street network.

As outlined in the recommended financial strategy guidelines (refer to Appendix A), when each rezoning application is considered, subject to Council’s open and unfettered consideration of each rezoning application at Public Hearing, the strategic direction is that funding and delivery of amenities will generally be prioritized as follows:

1. Critical infrastructure works (viaducts removal and road network reconfiguration, and resilient utility infrastructure) that support the future NEFC neighbourhood and proposed densities;
2. Affordable housing land;
3. Onsite amenities (e.g. turnkey social housing, Creekside Park Extension); and
4. Offsite amenities.

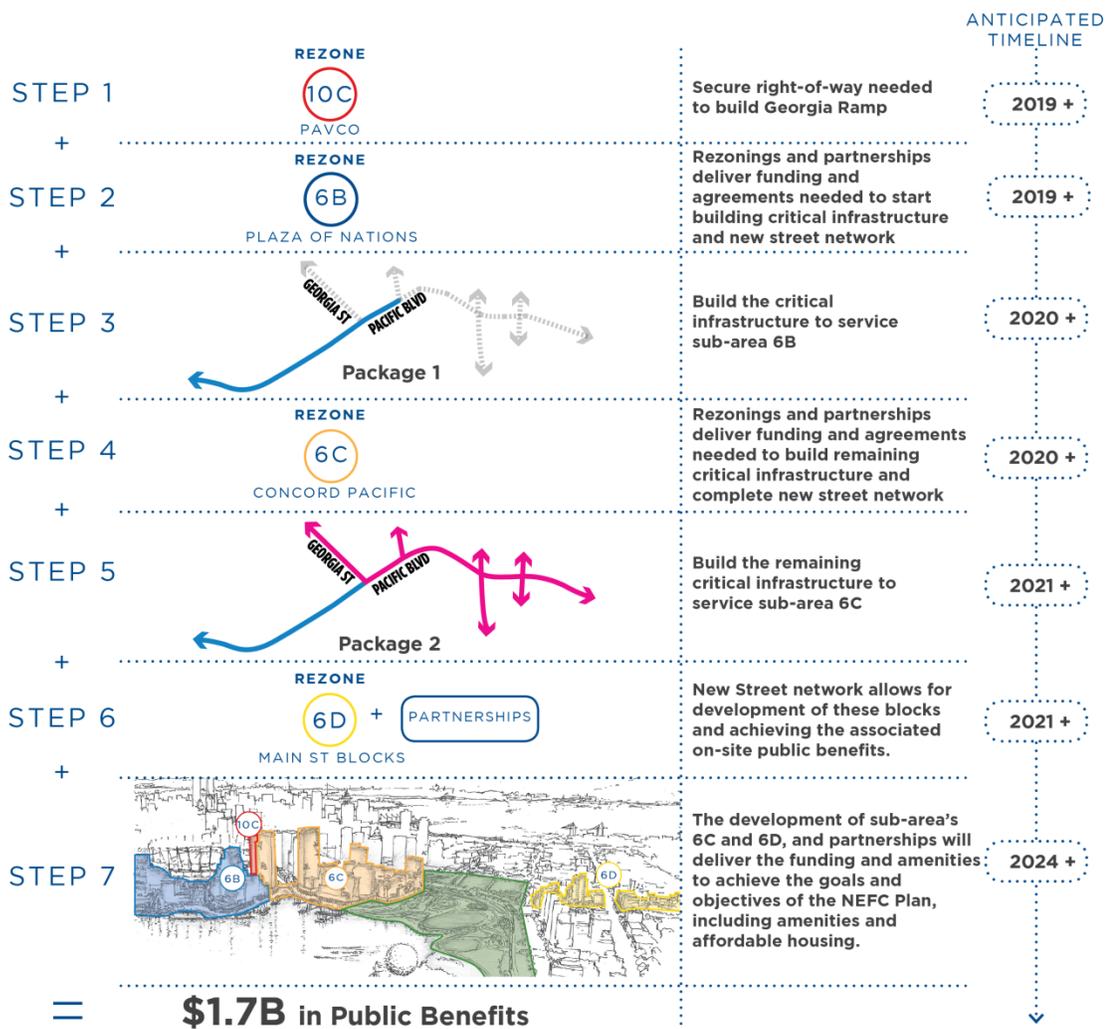


Figure 5: Steps involved to achieve the goals and objectives of the NEFC Plan, including the amenities and affordable housing.

The requirement for the City to secure a number of third party agreements, such as approval from the Province and the BC Supreme Court to modify the Andy Livingstone Park Restrictive Covenant, adds additional complexity and dependencies to the City’s overall plan to complete infrastructure improvements to support development within a

particular sub-area and to deliver the full replacement street network for the NEFC Plan area. Further information related to required third-party approvals or agreements is provided in subsequent sections of this report.

## 2. Anticipated Construction timing and phasing with development

The rezoning applications, public hearings, zoning enactment, permitting and construction of sub-areas within NEFC has proceeded slower than anticipated since the February 2018 report to Council. The February 2018 report anticipated that the critical infrastructure works would commence in Q1 2019 based on the assumption that the public hearings for all proposed NEFC landowner rezonings, specifically sub-areas 6B (Plaza of Nations), 6C (Concord Pacific) and 10C (PavCo), would be completed by summer 2018.

Staff currently anticipate that Sub-areas 6B (Plaza of Nations) and 10C (PavCo) will be considered by Council for referral to public hearing in summer 2018, with enactment in late 2019 at the earliest. Sub-area 6C (Concord Pacific) has not yet submitted a rezoning application and therefore public hearing and zoning enactment are anticipated to be at the earliest, summer 2019 and late 2020, respectively. Timing for the rezoning of Sub-area 6D (Main Street Blocks) is contingent upon greater clarity about the level of affordability and strategic partnerships with senior governments and community partners to deliver the objectives set out in the NEFC Plan for these lands. At this time, Sub-area 6D is also physically constrained by the viaduct structures making redevelopment of the site contingent upon the removal of these structures. The revised timeline is illustrated in Figure 5.

The result of the above changes means that the NEFC Infrastructure Project will not commence in Q1 2019 as presented in the February 2018 Council Report.

Staff are proposing two construction packages to deliver the NEFC Infrastructure Project to better align the delivery of critical infrastructure with the anticipated pace of development in NEFC. This approach also helps reduce the cash flow pressures arising from timing of development revenues and not procuring for the works until the funds are fully secured and available.

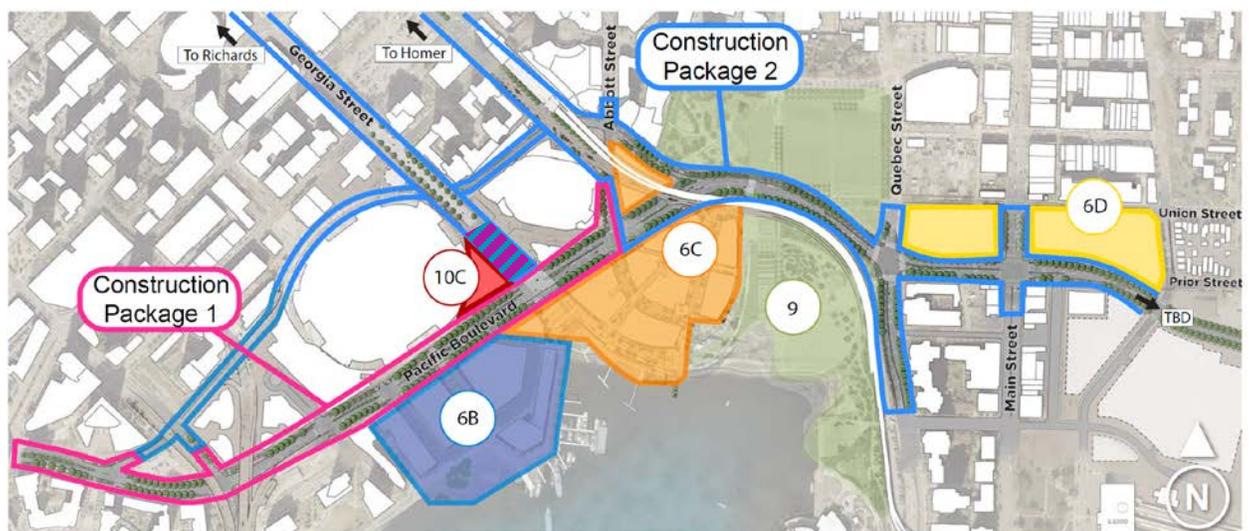


Figure 6: Anticipated construction packaging for integration with development (pink highlights Package 1, blue highlights Package 2, 10C Parkade hatched in pink/blue to be coordinated as Early Works to Package 2)

Package 1 involves the reconstruction of Pacific Boulevard from Cambie Street at the west to Pat Quinn Way at the east for two-way operation and associated sub-surface utility upgrades.

Package 2 generally involves reconstruction of Pacific Boulevard from Pat Quinn Way at the west to Quebec Street at the east, reconstruction of the 100 to 300 blocks of Prior Street, the removal of the Georgia and Dunsmuir viaducts, extend Georgia Street from Beatty Street to Pacific Boulevard through a new ramp structure, modification of Georgia Street from Richards Street to Beatty Street, reconfiguration of Dunsmuir Street from Homer Street to Beatty Street for two-way operation, construction of the new Dunsmuir Connection (a new active bridge), street driven modifications to Andy Livingstone Park and associated sub-surface utility upgrades.

Construction of Sub-areas 10C (PavCo) and 6B (Plaza of Nations) can commence in advance of the City initiating construction of Package 1. However, the existing street and utility infrastructure cannot accommodate the anticipated maximum rezoned densities of Sub-area 6B (Plaza of Nations), until a portion of the street and utility upgrades for the NEFC Infrastructure Project are implemented. A key principle of staff review of the rezoning application or any subsequent development applications on Sub-area 6B (Plaza of Nations) will be to apply conditions such that the development can only proceed when the necessary upgraded critical infrastructure to support the development is secured.

Realization of the full densities, including on-site amenities, proposed for Sub-areas 6C (Concord Pacific) and 6D (Main Street Blocks) will require both Package 1 and Package 2 to be constructed in advance, as the Georgia and Dunsmuir Viaducts currently encumber these development sites. Additionally, the Creekside Park Extension is also encumbered by the viaducts structures and its delivery is coordinated with the development of Sub-area 6C (Concord Pacific).

***Note that this Council Report does not seek Council authorization to commence construction of the NEFC Infrastructure Project – this Council approval only includes the costs associated with finalising infrastructure designs and undertaking the procurement process to coordinate with the anticipated/revised rezoning enactment timelines. Council authorization will be sought in a future request to progress the project into construction (and subject to sufficient funding being secured for Package 1 or the full project scope).***

### **3. Anticipated Viaducts Replacement Infrastructure Costs**

The revised rezoning enactment timelines, and the updated construction timelines, combined with splitting the Project into two packages has resulted in an increase in the NEFC Infrastructure Project cost estimate from \$360M as reported in the February 2018 Council report to \$438M (including contingency and other allowances). Implications from any tariff increases for construction materials (eg. steel, aluminum) have not been included in this estimate. Table 1 provides a summary of the comparison between the February 2018 Council report cost breakdown and the revised costs as of June 2018.

Further delays to the construction timeline, modifications to Project packaging or Project scope as a result of changes to anticipated sub-area development timelines, densities or building configuration in response to the development review and approval process may further impact these estimates.

Table 1: June 2018 Update of NEFC Project Cost Estimate

	January 2018	June 2018
Construction	\$340M	\$413M
Pre-construction design	\$20M	\$25M <sup>1</sup>
<b>NEFC infrastructure, subtotal <sup>2</sup></b>	<b>\$360M</b>	<b>\$438M</b>
NEFC area plan	\$11M	\$16M <sup>1</sup>
<b>Overall NEFC Project costs <sup>2</sup></b>	<b>\$371M</b>	<b>\$454M</b>

Notes:

1. The \$26M in previously approved funding and the \$15M of funding requested in this report will fund the total pre-construction design & area plan work estimates
2. Estimates do not include costs associated with any land required for the infrastructure project including road dedications, rights of way or other means of land acquisition.

The \$73M increase in the infrastructure cost estimate between January 2018 and June 2018 can be attributed generally to the following:

- Project escalation, contingency and extended pre-construction phase associated with the revised project timeline;
- Allowances for additional scope due to contract splitting/repackaging;
- Additional technical information available and identified design optimizations; and
- Additional coordination opportunities with other City objectives (in terms of improved seismic and climate resiliency at a system level).

The \$5M increases in both pre-construction design and NEFC area plan cost estimates can be attributed to project timeline delays and expanded consultation and design work.

#### 4. Third Party Approvals and Agreements Required

In addition to the dedications, rights of way, servicing agreements and funding for precinct-wide infrastructure improvements that the City will need to secure from NEFC landowners through the rezoning application and approval process, there are a number of additional agreements and approvals required to enable the full NEFC Infrastructure Project to proceed, including (but not limited to):

- Prior to Commencement of Package 1:
  - Agreements with third-party utility providers, related to the design and construction of third-party utility infrastructure within City streets (e.g. BC Hydro, Creative Energy, Fortis, Telus, Shaw etc., including seeking reimbursement to the City of all costs incurred in relation to this utility work)
  - Agreements with the Province and landowners related to contamination remediation and management in NEFC
  - All land dedications and rights of way to accommodate the infrastructure works, including the upgraded street network, delivered in Package 1
- Prior to Commencement of Package 2:
  - Province and BC Supreme Court approvals to modify the Andy Livingstone Park Restrictive Covenant and associated land transfer
  - Approvals from Translink related to modification to the Major Road Network and construction adjacent to the SkyTrain guideway
  - All land dedications and rights of way to accommodate the infrastructure works, including the upgraded street network, delivered in Package 2

- Resolution of environmental responsibilities for all areas covered by Package 2, including with the Province, landowners and 3<sup>rd</sup> party responsible parties.

## **5. Contaminated Soils and Groundwater within NEFC**

NEFC contains high levels of sub-surface contamination as a result of historic industrial uses. Recent testing in 2017 on certain portions of the roads has indicated that contamination levels in these areas may not be as high as once contemplated – but there are areas that are heavily contaminated.

Responsibilities for remediation of certain portions of the contaminated materials are documented in existing legal agreements dating back to 1988 between the City, Concord Pacific, and the Province.

While there are some exceptions and nuances, generally speaking the following principles apply:

- The Province retains responsibility for contamination on any lands in NEFC originally owned by the Province and sold to Concord, including any lands subsequently dedicated to the City, until such time as a Confirmation of Compliance is obtained except in respect of which contaminants were left in the lands and are being managed with remedial works.
- Landowners are responsible for managing all contamination encountered when the City is installing infrastructure to service their development, whether on-site or off-site. Landowners may be able transfer this responsibility to the Province, under existing agreements for certain roads.

The City, the Province and private landowners all share the common objective of minimizing the overall cost of contamination to all parties. Existing agreements allow the Province to avoid costly excavation and disposal of contaminated soils, and instead risk manage certain areas of contamination on-site, for which they have responsibility:

- E.g. contaminated materials beneath a liner on Andy Livingstone Park;
- E.g. contaminated materials from Sub-area 6C under future Creekside Park extension; and
- E.g. groundwater collection and treatment system.

The City and the Province are investigating opportunities to extend the limits of applicability of these agreements and entering into supplementary agreements as necessary, to include roadways not within the Province's responsibility as means to manage the contamination in a responsible and cost-effective manner.

## **6. Implementation Planning Phase Work Plan**

Staff propose to extend the NEFC project office and undertake a work plan from August 1<sup>st</sup>, 2018 to December 1<sup>st</sup>, 2019. This generally relates to:

- Progressing infrastructure and park designs;
- Coordinating the rezoning process, and seek to negotiate and settle agreements related to the rezoning enactment conditions;
- Continuing negotiations with landowners and project partners; and
- Continuing important First Nations and community engagement.

Additional details regarding the proposed work plan is included in Appendix B.

Staff will report back to Council prior to the end of 2019 with an update of these key work activities and the next steps of the NEFC implementation phase.

### ***Implications/Related Issues/Risk***

#### ***Financial***

#### **NEFC Public Benefits & Infrastructure – Financial Strategy Update**

As per Council direction, the NEFC Public Benefits Strategy (~\$1.7B), including the NEFC Infrastructure Project (~\$438M), is to be funded through development revenues (rezoning/development conditions, CACs, etc.), proceeds from land transactions, senior government contributions, and other strategic partnerships:

- Prioritize development revenues towards critical infrastructure work (viaducts replacement and utilities).
- Align critical infrastructure work with the pace of development to ensure the transportation and utility networks have sufficient capacity to support growth and to minimize short to mid-term financing requirements as development revenues become available over time.
- Maximize strategic partnerships and 3<sup>rd</sup> party funding contributions, and ensure timely cost-recovery of specific work components from i) 3<sup>rd</sup> party utility providers (BC Hydro, FortisBC, Telus, Creative Energy, etc.) and ii) the Province through their involvement in environmental remediation.
- Pursue federal and provincial infrastructure programs and other opportunities to help deliver the public benefits and infrastructure strategy.

The NEFC PBS is an aspirational strategy that reflects the needs and desires of the community through the NEFC Plan. It is intended to provide strategic direction to guide the City in making investment decisions on the necessary infrastructure and public amenities in NEFC over the next 20 years. The City's fiscal capacity, timing of rezonings and development contributions, emerging opportunities from senior governments, private and community partners, and evolving needs in this community and across the city will determine the specific infrastructure and amenities that will be delivered incrementally over the long-term.

#### **NEFC Infrastructure Project Cost & Preliminary Financial Strategy**

The NEFC Infrastructure Project is estimated at ~\$438 million, including contingency. Included in the project are infrastructure works associated with the replacement of the viaducts, which include all structural, utility and street-related work required to achieve the proposed transportation network, new streets and utilities to serve the new development, and associated soil remediation work. The estimated cost has been vetted by a costing consultant and reviewed by an independent advisory team that is highly experienced in civil construction.

Viaducts replacement is to align with pace of development to ensure that transportation and utility networks have sufficient capacity to support growth. Critical infrastructure (transportation & utilities) is to be delivered as funding becomes available:

- Growth-triggered work – rezoning conditions
- Non-growth-triggered work – cash CAC and/or land transactions

Where funding is fully secured (e.g. rezoning/development conditions, CAC commitment through enactment) but not yet available (e.g. phased cash CAC payments), interim funding sources must be identified and secured prior to contract award as stipulated by the *Vancouver Charter*.

Estimate (as of June 1 <sup>st</sup> , 2018)	Pre-Construction	Package 1	PavCo	Package 2	Total
<b>Total</b>	\$25M	\$102M	\$28M**	\$283M	\$438M

\*\*10C Parkade to be coordinated as early works with Package 2\*\*

Potential funding sources for Package 1:

- Development Conditions – including secured to date and proposed to be secured from landowners
- Third Parties – progress payments (ideally every 6 months) to be secured from 3<sup>rd</sup> party utility companies
- Cash CAC from CMP – \$20M upon enactment & remainder within 5 years (subject to Council approval of rezoning)

Subject to Council approval of the PavCo (10C) and CMP (6C) rezonings, staff will finalize the financial and procurement strategy for Work Package 1, which will include agreements with landowners on rezoning and/or development conditions, and agreements with the Province and various 3<sup>rd</sup> party utility companies on cost-recovery arrangements.

Staff Work Plan Costs (Aug 2018 – Dec 2019)

The proposed staff work (Appendix A) at an estimated cost of \$15.6 million is required to continue to support implementation of the NEFC Plan; \$0.7 million to be reallocated from the previous approved capital budget for NEFC Park Redevelopment, and \$14.9 million to be funded from the Plant and Equipment Reserve on an interim basis to be replenished from future development revenues generated from NEFC.

Table 2 – Estimated Work Plan Costs (Aug 2018 – Dec 2019)

Category	Cost (incl. contingency)
NEFC Project Office and Staff	\$3,476,000
Community Engagement	\$270,000
Infrastructure Design – NEFC Infrastructure Project	\$7,692,500
Parks & Recreation – Planning and Design	\$925,000
Other technical support (project advisory, legal)	\$3,234,500
<b>Total</b>	<b>\$15,598,000</b>

**Other**

With the anticipated revised timeline for the rezoning application and enactments for the NEFC sub-areas, and construction of the NEFC Infrastructure Project, there is an extension in the required useful life of the Georgia and Dunsmuir viaducts. To date, some maintenance works on these structures have been deferred with the anticipation of upcoming replacement. The revised project timeline means that the increased cost and any inherent seismic risk associated with the existing structures is extended and increases

the likelihood that funds will need to be expended to monitor and potentially repair the viaducts to ensure continued operation.

## ***CONCLUSION***

This report seeks Council's approval of the NEFC Infrastructure Project Implementation and Financial Strategy, direction for staff to explore strategic partnerships to optimize affordability across NEFC, and approval for the 17-month work program for the NEFC Project Office from August 2018 to December 2019. These recommendations support the implementation of the NEFC Plan (approved by Council in February 2018) which is a transformative project that will result in one of Vancouver's most significant city-building opportunities in a generation.

\* \* \* \* \*

---

## Appendix A: Northeast False Creek Infrastructure Implementation and Financial Strategy Guidelines

The following guidelines are intended to provide general directions on how development revenues, senior government funding and strategic partnerships will be deployed to implement critical infrastructure work and other public benefits in the Northeast False Creek (NEFC) area as envisioned in the Council-approved NEFC Public Benefits Strategy.

As per Council direction, the NEFC PBS, including the NEFC Infrastructure Project, is to be funded through development revenues (rezoning/development conditions, CACs, etc.), proceeds from land transactions, senior government contributions, and other strategic partnerships:

- Prioritize development revenues towards critical infrastructure work (viaducts replacement and utilities).
- Align viaducts replacement and other critical infrastructure work with pace of development to ensure the transportation and utility networks have sufficient capacity to support growth and to minimize short to mid-term financing requirements as development revenues become available over time.
  - Growth-triggered work – rezoning conditions
  - Non-growth-triggered work – cash CAC and/or land transactions

Where funding is fully secured (e.g. rezoning/development conditions, CAC commitment through enactment) but not yet available (e.g. phased cash CAC payments), interim funding sources must be identified and secured prior to contract award as stipulated by the *Vancouver Charter*. Individual capital projects and budgets will be presented to Council for consideration and approval as part of regular budget processes.

- Maximize strategic partnerships and 3<sup>rd</sup> party funding contributions, and ensure timely cost-recovery of specific work components from i) 3<sup>rd</sup> party utility providers (BC Hydro, FortisBC, Telus, Creative Energy, etc.) and ii) the Province through their involvement in environmental remediation.
- Pursue federal and provincial infrastructure programs and other opportunities to help deliver the public benefits and infrastructure strategy.

The NEFC PBS is an aspirational strategy that reflects the needs and desires of the community through the NEFC Plan. It is intended to provide strategic direction to guide the City in making investment decisions on the necessary infrastructure and public amenities in NEFC over the next 20 years. The City's fiscal capacity, timing of rezonings and development contributions, emerging opportunities from senior governments, private and community partners, and evolving needs in this community and across the city will determine the specific infrastructure and amenities that will be delivered incrementally over the long-term.

## Appendix B – Work Plan and Funding Request (Aug 2018 – Dec 2019)

Key work plan tasks between August 2018 and December 2019 include:

- Oversee and support the referral, public hearing and rezoning enactment process for all landowners within NEFC, as and when applications proceed;
- Continue engagement with First Nations, the Chinatown community, Hogan’s Alley Stakeholders and other community groups relating to park design, Chinatown Cultural District and Main Street blocks;
- Continue engagement with project partners and prepare any construction-phase related agreements for the NEFC Infrastructure Project;
- Complete detailed infrastructure designs for the full Viaducts Replacement Project, including packaging as required to coordinate with development timelines;
- Finalise the concept design for the new and renewed Creekside Park, the renewed Andy Livingstone Park and Downtown Skateboard Plaza;
- Progress and execute all infrastructure agreements with third party utilities required to progress the NEFC Infrastructure Project into the construction phase;
- Define and have Council approve the housing leasehold strategy for the Main Street blocks;
- Prepare for the Court application to modify the Andy Livingstone Park restrictive covenant;
- Prepare a park and recreation assets operating model and stewardship study to sustain the vision of a well-maintained, safe and lively destination park;
- Undertake the concept design and engagement for an interim skateboard plaza;
- Further define functional program and operating model for the proposed community centre, ice rink, public plaza, and music presentation centre within Sub-area 6B (Plaza of Nations); and
- Undertake the proposed procurement strategy for Package 1 of the NEFC Infrastructure Project, up to but not including contract award, subject to Council approval.

The estimated costs for staffing and external consultant support from August 2018 to December 2019 are provided in Table 3.

Table 3: Funding Request Breakdown

	Cost
1. Engineering / Project Management	\$1,575,500
2. Planning	\$193,000
3. Parks & Recreation	\$547,000
4. Arts, Culture and Community Services	\$211,000
5. REFM	\$96,500
6. Legal Services	\$385,000
7. Finance	\$165,000
8. Supply Chain Management	\$83,000
9. Project Office Costs	\$220,000
<i>Sub-total Staff</i>	<i>\$3,476,000</i>
10. Technical Consultants:	
Engineering / Procurement / Legal Services	\$9,689,000
Parks & Recreation	\$925,000
Real Estate	\$1,238,000
11. Community Engagement	\$270,000
<i>Sub-total Consultants</i>	<i>\$12,122,000</i>
<b>Total</b>	<b>\$15,598,000</b>