



POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: August 16, 2018
Contact: Anita Molaro
Contact No.: 604.871.6489
RTS No.: 12299
VanRIMS No.: 08-2000-20
Meeting Date: September 5, 2018

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design, and Sustainability in
consultation with the Director of Legal Services

SUBJECT: Heritage Designation – 2040 Columbia Street (Lougheed Residence)

RECOMMENDATION

- A. THAT Council add the existing building at 2040 Columbia Street (PID: 007-201-028; Lot G (see 467 389 L), Block 21, District Lot 200A, Plan 197 (the “site”)), known as the Lougheed Residence (the “heritage building”) to the Vancouver Heritage Register in the ‘C’ evaluation category.
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment, pursuant to Sections 593 and 594 of the *Vancouver Charter*, a by-law to designate the exterior of the heritage building as protected heritage property.
- C. THAT Recommendations A to B be adopted on the following conditions:
 - i. 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 in relation thereto is at the risk of the person making the expenditure or incurring the cost; and
 - ii. THAT the City and all its officials shall not in any way be limited or restricted in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

The purpose of this report is to seek Council approval to add the Lougheed Residence at 2040 Columbia Street to the Vancouver Heritage Register in the ‘C’ evaluation category, and to designate the heritage building’s exterior as protected heritage property. Under the current I-1 zoning applicable to the site, the existing building could be demolished and the site redeveloped with a density of up to 3.00 floor space ratio (FSR) without Council approval. As incentive and compensation to the owner for the heritage designation, rehabilitation, and

conservation of the heritage building, a 10% increase in permitted density, as well as other zoning, parking, and loading relaxations, are proposed to permit the development as set forth in Development Permit Application Number DP-2017-00542 (the “DP Application”) and as described in this report. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the development permit for the project (the “DP”) should Council approve the recommendations of this report.

COUNCIL AUTHORITY

Pursuant to Section 582 of the *Vancouver Charter*, Council, by resolution, may establish a heritage register identifying real property that Council considers to be heritage property and, by resolution, to add such properties to the register from time to time.

Pursuant to Sections 593 and 594 of the *Vancouver Charter*, Council, by by-law, may designate real property, in whole or in part, within the City of Vancouver as protected heritage property.

Pursuant to Section 595 of the *Vancouver Charter*, if sought, Council is required to compensate an owner of property being designated as a protected heritage property for any reduction in the market value of the property caused by the designation. Often this, along with additional compensation to offset rehabilitation costs incurred, is achieved by way of by-law variations so as to permit an otherwise impermissible development.

The proposed heritage designation for the heritage building requires Council approval at public hearing and by-law enactment pursuant to Sections 593 and 594 of the *Vancouver Charter*.

The following Council policies are applicable to the project:

- *Heritage Policies and Guidelines (April, 1991)*
- *Mount Pleasant Guidelines (January, 1998)*

The *Heritage Action Plan*, which was approved in December 2013, responds to citizen and Council desire to encourage and support heritage conservation in the City. A number of actions were approved including maximizing the use of available tools to conserve the City’s heritage resources.

GENERAL MANAGER'S COMMENTS

The General Manager of Planning, Urban Design, and Sustainability RECOMMENDS approval of A, B, and C.

STRATEGIC ANALYSIS

Site and Context

The site is located in the Mount Pleasant neighbourhood in an area zoned I-1 (see Figure 1). The *I-1 District Schedule* of the *Zoning and Development By-law* permits industrial, manufacturing, and wholesale uses, with some provisions for general office use. The total area of the site is 274.25 square metres (2,952 square feet) and it is located on the north-east corner of Columbia Street and West 5th Avenue without lane access.

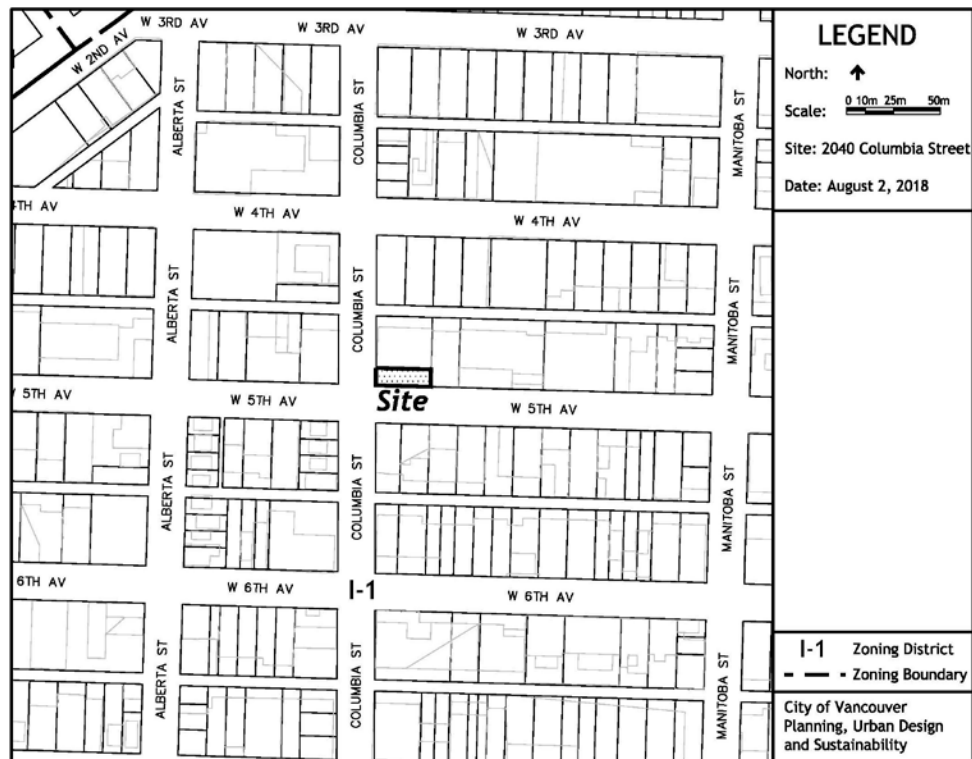


Figure 1: The site and the surrounding zoning

Heritage Value

The Lougheed Residence at 2040 Columbia Street was built in 1909 and is one of the dwindling number of houses built in the early twentieth century to have survived in the Mount Pleasant industrial area, which was rapidly transformed from a residential neighbourhood into an industrial area starting in the 1940s and 1950s (see Appendix A). The Lougheed House was once part of a set of four end-of-block houses. The other three to the north were demolished in the 1960s and 1970s (see Appendix B).

The area once featured a large Japanese Canadian community associated with the mills and factories along False Creek, which lasted until the deportation orders issued in 1943 (see Map 3 in Appendix B). The Lougheed House was owned by a Japanese family from 1938 until 1943.

It is proposed to add the heritage building to the Vancouver Heritage Register in the 'C' evaluation category.

Development Application and Proposed Incentives

If approved, the incentives and compensation to be provided to the owner for the heritage designation and the rehabilitation and conservation of the heritage building will be in the form of variances to the *Zoning and Development By-law*, including a density variance, as set forth in the DP Application and as described below. The zoning applicable to the site is I-1. The DP Application proposes to retain and restore the heritage building and to construct a new seven storey building, as well as a basement level, on the site (see Appendix C). The maximum density for the site is 3.0 FSR under the current I-1 zoning. The application proposes a density of 3.3 FSR which is 10% over the permitted density (see Table 1 and Appendix D). In order to

accommodate the floor area proposed, a one storey height relaxation is proposed. The proposed height for the new building portion is 24.0 metres (78.8 feet) which is 5.7 metres (18.8 feet) over the permitted height of 18.3 metres (60 feet). Staff have required the height to be reduced to 75.3 feet as a condition of the DP approval (the drawings in Appendix C do not reflect this condition). The proposed use for the site is Jewellery Manufacturing, which is permitted in the zoning.

Table 1: Use and Density Summary

Item	Existing	Permitted or Required	Proposed
Use	Jewelry Manufacturing	Industrial and Manufacturing uses including Jewellery Manufacturing	Jewellery Manufacturing
Floor Space Ratio (FSR)	0.65	3.0	3.3 (10% Bonus)
Floor Area	178 m ² 1,911 sq. ft.	824 m ² 8,871 sq. ft.	907 m ² 9,758 sq. ft.

Due to the extremely small area of the site (274.25 square metres) and its corner location, providing eight off-street parking spaces and a Class B loading space is not viable with the retention of the heritage building (see Appendix D). A loading space and 30 bicycle stalls (29 more than required) are proposed instead (see Appendix D for details).

Staff have considered the potential impact of the proposed development with the variances as proposed, the results of notification (see the Results of Neighbourhood Notification section), the conservation approach, and the compatibility of the development with the zoning (see the discussion below), and conclude that the DP Application is supportable. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP subject to Council approval of the recommendations of this report.

Compatibility with Existing Zoning and Land Use Regulations and Community Plans

The Intent of the *I-1 District Schedule* is to:

“... permit light industrial uses that are generally compatible with one another and with adjoining residential or commercial districts. It is also the intent to permit advanced technology industry, and industry with a significant amount of research and development activity. Commercial uses, including office and retail uses, which are compatible with or complementary to light industrial uses, are also permitted, subject to the limitations in this schedule.”

The application is consistent with the intent of the *I-1 District Schedule*. The uses proposed are permitted in the zoning and compatible with light industrial uses and surrounding uses including residential. The Mount Pleasant Guidelines and the Mount Pleasant Community Plan strongly encourage the retention of heritage resources. The proposal is consistent with community plans for the area.

Condition of the Heritage Building and Conservation Approach

The Lougheed Residence is in good condition. While conversion to a manufacturing use of a former residential building presents a number of challenges, in this case, staff support the rehabilitation scheme proposed for the heritage building. The exterior will be retained and repaired. The interior will be structurally retained in general, but will be modified to allow for the viable operation and use of the jewellery manufacturing business. Staff support the rehabilitation scheme which was also supported by the Vancouver Heritage Commission (see Appendix E).

Results of Neighbourhood Notification

Seventy-four surrounding property owners were notified of the application and two site signs were installed (one on each street). One response was received which supported the retention of the heritage building but expressed concerns about the new building as follows:

- The new building's height will create shadowing impacts;
- There is not enough greenery in the project; and
- The project does not provide enough off-street parking,

The new building will generally only shadow industrial buildings, parking lots, and loading areas, noting that the outright permitted height in zoning is 60 feet (see Appendix D). The height is being reduced to 75.3 feet from the 78.8 feet proposed (see Development Application and Proposed Incentives). Staff are satisfied that the landscaping for the project is appropriate given the requirements in the zoning and with respect to the industrial use proposed. The parking relaxation may cause some localized impacts on parking but the Director of Planning notes that it is practice to consider relaxations in return for heritage conservation, and also notes that 30 bike spaces are proposed, which is 29 more than the requirement.

Staff considered the results of neighbourhood notification and concluded that the DP Application is supportable.

Comments from the Urban Design Panel and the Vancouver Heritage Commission

On September 6, the DP Application was reviewed by the Urban Design Panel and supported. The minutes of the meeting can be found at the following link:

<http://vancouver.ca/files/cov/minutes-urban-design-panel-2017-09-06.pdf>

On September 11, 2017, the DP Application was reviewed by the Vancouver Heritage Commission and unanimously supported (see Appendix E).

Public Benefits

Development Cost Levies (DCLs): 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 subject site is in the City-wide DCL District of \$59.74/m² (\$5.55/sf) for industrial areas. On this basis, a DCL of approximately \$43,550 is anticipated.

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 DCL bylaw 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.

Heritage: The owner has offered to conserve and rehabilitate the heritage building and to accept the designation of the heritage building's exterior as protected heritage property, which is a highly valued community feature. If approved, the designation will be effected by enactment of a Heritage Designation By-law and the owner will enter into an agreement which will, among other things, secure the conservation and rehabilitation of the heritage building. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$300,000.

See Appendix F for a summary of the public benefits that would be achieved should this application be approved.

Financial Implications

As noted in the section on Public Benefits, the applicant has offered the on-site conservation and rehabilitation of the heritage building's exterior, which is valued at \$300,000.

The site is within the City-wide DCL District. It is anticipated that the applicant will pay approximately \$43,550 in DCLs should the application be approved and the project proceed.

Proforma Evaluation

The *Heritage Proforma Review – Interim Policy Planning By-law Administration Bulletin* allows for an exemption of a financial proforma review for projects which propose no more than 10% bonus density beyond the maximum permitted density in the zoning applicable to a site. The proposal complies with the provisions of the bulletin and a proforma review is not required.

Environmental

The City's *Green Buildings Policy for Rezoning*s does not apply to the application as a Heritage Revitalization Agreement is not required. However, the project will comply with the *Vancouver Building By-law* with respect to energy and environmental provisions contained therein.

Legal

The discretionary relaxations of the *Zoning and Development By-law* proposed will provide an improved development potential on the site. The owner's proposal to rehabilitate and conserve the heritage building's exterior in exchange for obtaining the relaxations needed to get that improved development potential will be appropriately secured as legal obligations in an agreement to be registered on title to the site so as to enable the City to enforce those obligations and ensure that they will be fulfilled at the owner's expense. City staff and the owner have negotiated an agreement, which includes rehabilitation and conservation obligations on the part of the owner and enforcement provisions for the City.

Section 595 of the *Vancouver Charter* requires that, if sought, Council must compensate an owner for any reduction in the market value of property caused by a heritage designation. The owner has signed the agreement noted above and in doing so has explicitly accepted the discretionary zoning relaxations to be provided, and the resulting development advantages to be gained thereby, as full compensation for the heritage designation of the heritage building's exterior and the obligations to rehabilitate and conserve the heritage building. The agreement will be executed by the City and registered on title to the site before a development permit for the project may be issued.

CONCLUSION

The approval of the addition to the Vancouver Heritage Register of the Lougheed Residence at 2040 Columbia Street and the heritage designation of its exterior will ensure that the heritage building is rehabilitated, conserved, and protected from demolition and from exterior alterations which might affect its heritage value. The owner has agreed to accept the proposed zoning and parking relaxations as compensation for the designation of the heritage building's exterior as protected heritage property and for the heritage building's rehabilitation and conservation. The project also provides for much needed manufacturing and industrial space in the City and allows a local manufacturing business to remain in the area. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP for the project should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the addition of the Lougheed Residence at 2040 Columbia Street to the Vancouver Heritage Register in the 'C' evaluation category, and the proposed heritage designation.

* * * * *

**Appendix A
PHOTOGRAPHS**



Photographs 1 and 2: Lougheed Residence at 2040 Columbia Street

**If You Pay \$25 Per Month Rent
You Might as Well Own Your
Own Home--Read This**

We have two NEW six-roomed houses, facing west, in a beautiful location, Mt. Pleasant.

These houses are modern in every way, furnace, fire place, bath, separate toilet, etc.

PRICE: Corner, \$3650; Inside, \$3350

\$300 Cash and the Balance \$25 Per Month

The lots are 30x100 feet

This is an exceptional opportunity for some one who wants a HOME.

Jas. Lougheed & Co.

Phone 4672 2454 Westminster Ave.

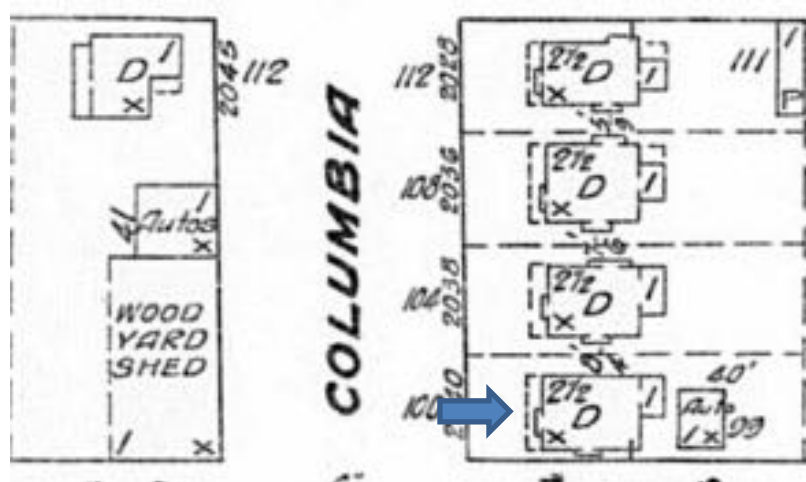
Image 1: 1909 Ad

The 1909 ad above refers to the Lougheed Residence at 2040 Columbia Street and the now demolished house at 2038 Columbia Street, also built by Jas. Lougheed & Company.

Appendix B
MAPS

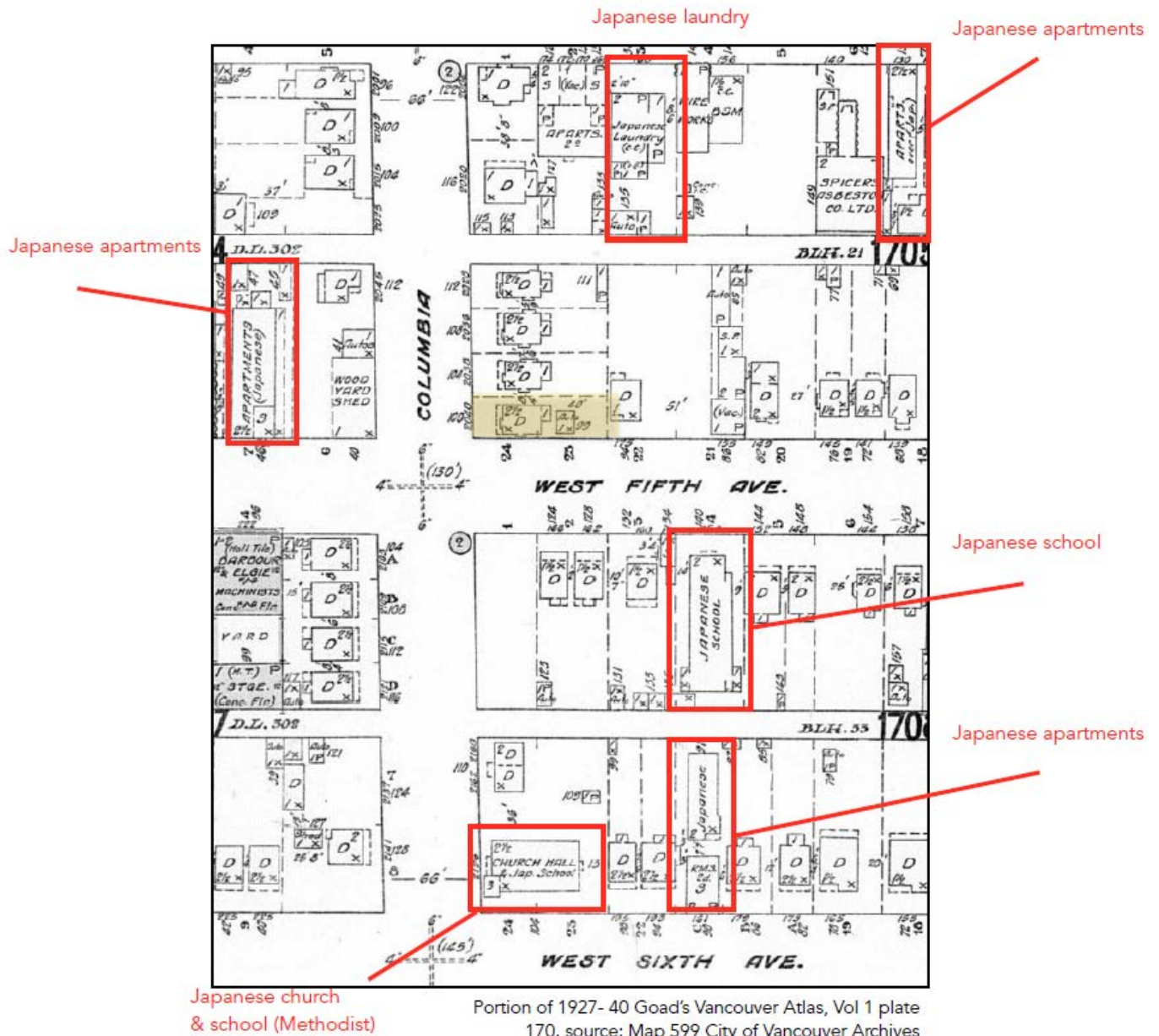


Map 1: Fire Insurance Map 1912



Map 2: Fire Insurance Map 1927

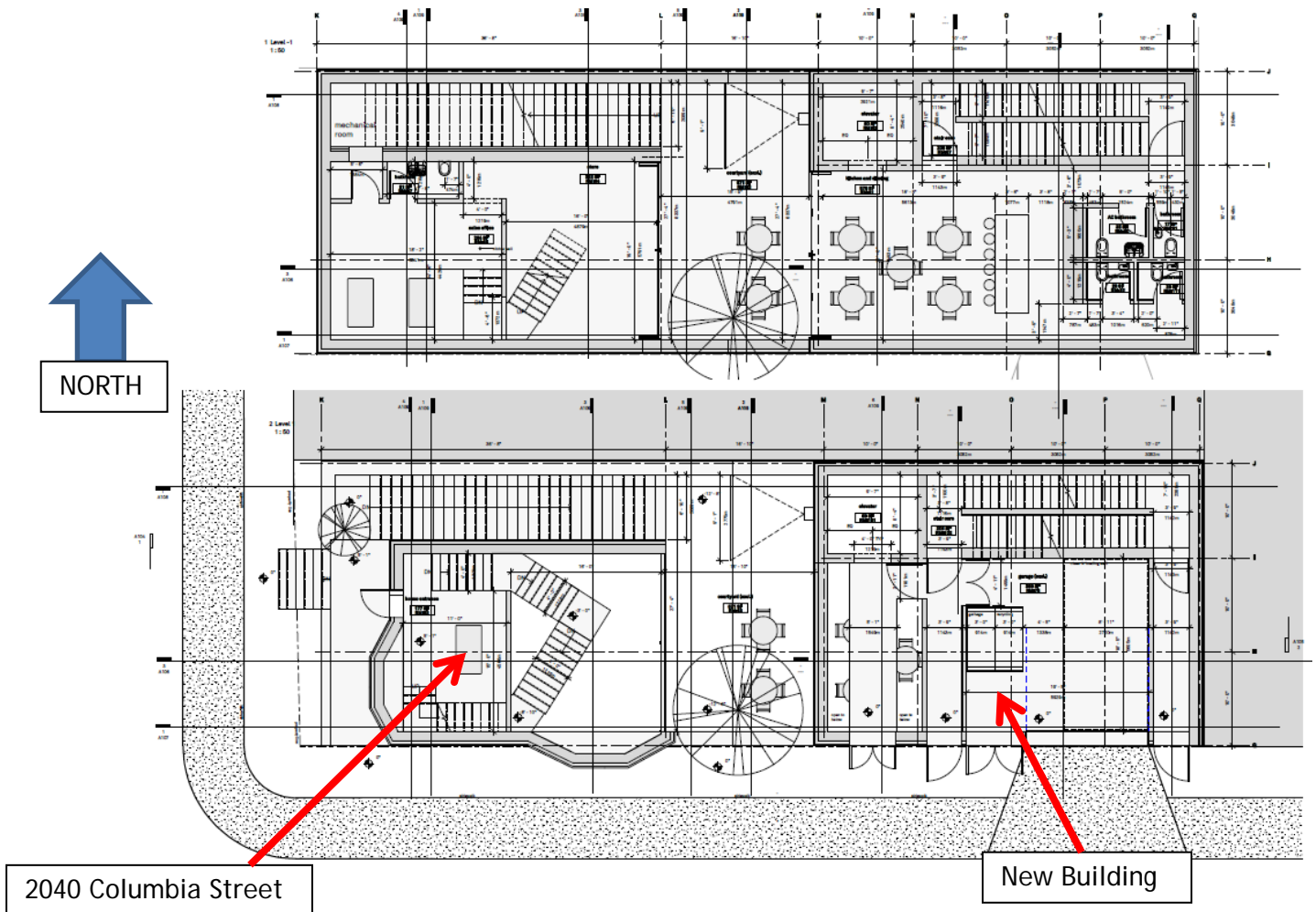
The small arrows show the Lougheed Residence at 2040 Columbia Street as well as the other three houses built to the north circa 1909 (now all demolished). Originally the four houses were built on one parcel as seen in the 1912 map above but by 1927 the parcel had been subdivided into four individual house parcels. Few of these types of houses from the Edwardian period survive in the I-1 neighbourhood.



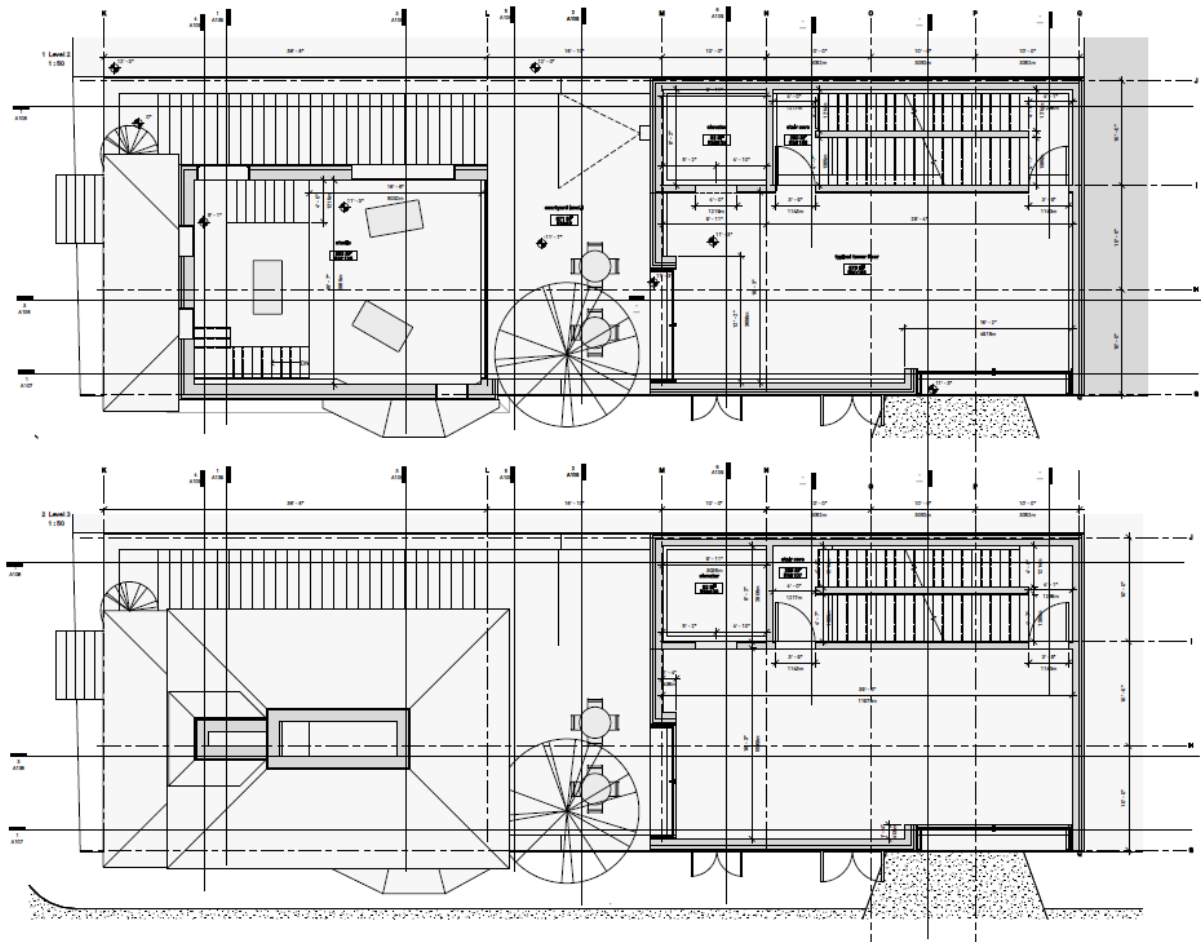
Map 3: Japanese owned buildings in the area circa 1927 to 1940

Up until 1943 the area around 2040 Columbia Street (shaded) featured a large Japanese Canadian community. The Lougheed Residence was owned by a Japanese family from 1938 to 1943.

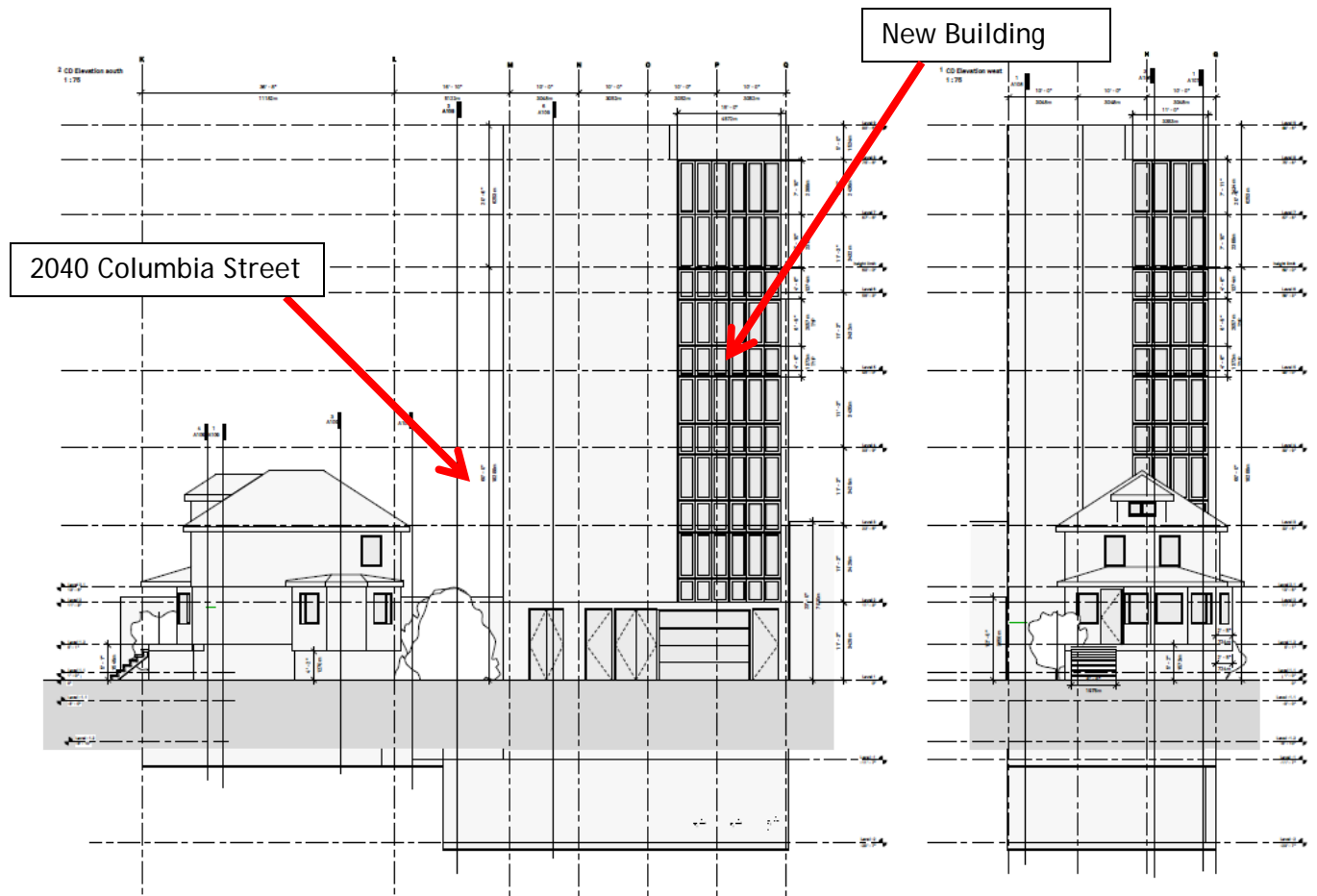
2040 Columbia Street
DRAWINGS



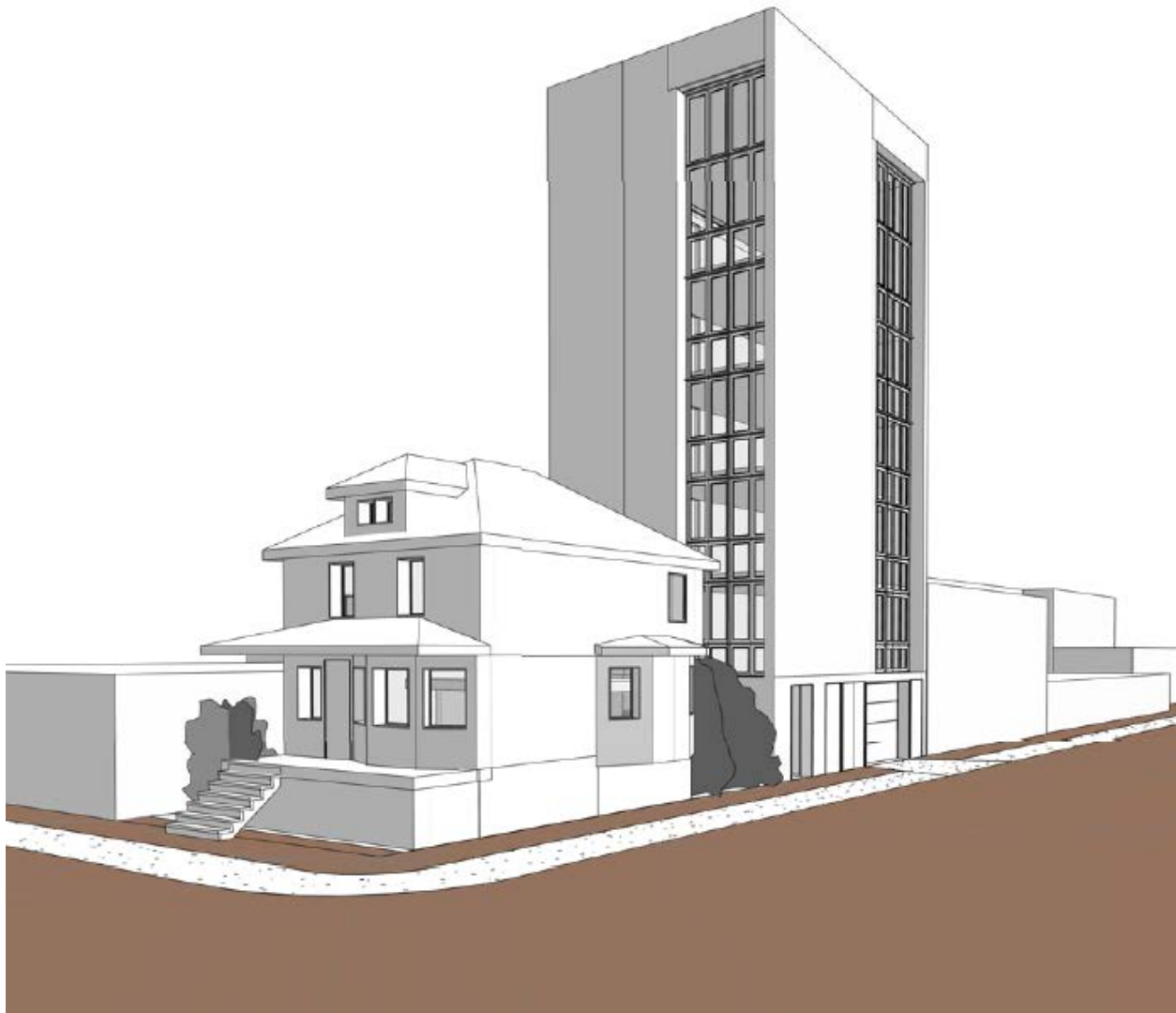
Basement Plan (Top) and Main Floor Plan (Bottom)



Upper Floor Plan of the Heritage Building (Top) and Typical New Floor Plate Plan (Bottom)



South Elevation (Left) and West Elevation (Right)



Rendering – Looking North-East From Columbia Street And Fifth Avenue

**2040 Columbia Street
TECHNICAL SUMMARY**

Table A: Zoning, Parking, and Loading Summary

Item	Existing	Permitted or Required	Proposed
Use	Jewelry Manufacturing	Industrial uses including Jewelry Manufacturing	Jewelry Manufacturing
Floor Space Ratio (FSR)	0.65	3.0	3.3 (10% Bonus)
Floor Area	178 m ² (1,911 sq. ft.)	824 m ² (8,871 sq. ft.)	907 m ² (9,758 sq. ft.)
Height	3.0 metres 32 feet	60 feet maximum	75.3 feet (new portion)
Parking/ Loading	2 off-street parking spaces	1 Class B loading + 8 off-street parking + 1 bicycle stall	1 Class A loading and 30 bicycle stalls

**2040 Columbia Street
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION**

On September 11, 2017, the Vancouver Heritage Commission reviewed the proposal for 2040 Columbia Street and resolved the following:

THAT the Vancouver Heritage Commission supports the application to rehabilitate the Lougheed House at 2040 Columbia Street and add a new 30' x40' infill jewelry manufacturing building on the small 30.5' x 97' lot with no lane, noting the following:

- The new infill has a sympathetic and simple unique elegant design that fits in well on the site.

FURTHER THAT the Vancouver Heritage Commission supports the conservation plan.

CARRIED UNANIMOUSLY

2040 Columbia Street PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building and construction of a new seven storey industrial building.

Public Benefit Summary:

The project would result in the conservation and long-term protection of a heritage building.

	Current Zoning	Proposed
Zoning District	I-1	I-1
FSR (Site Area = 274 m ² (2,948 sq. ft.))	3.0	3.3
Buildable Floor Area	824 m ² (8,871 sq. ft.)	907 m ² (9,758 sq. ft.)
Land Use	Industrial	Industrial

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed HRA (\$)
Offered (Community Amenity Contribution)	DCL (City-wide) (See Note 1) Industrial Floors	49,230	43,550
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		300,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$49,230	\$343,550

Other Benefits: None

Note: DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification. For the City-wide DCL, revenues are allocated into the following public benefit categories: Parks (41%); Replacement Housing (32%); Transportation (22%); and Childcare (5%). Revenue allocations differ among Area Specific DCL Districts.

Note 1: DCLs do not apply to existing floor area which is 178 square metres.