



POLICY REPORT

Report Date: September 5, 2018
Contact: Anita Molaro
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RTS No.: 12643
VanRIMS No.: 08-2000-20
Meeting Date: September 18, 2018

TO: Vancouver City Council

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

SUBJECT: Heritage Designation – 349 West Georgia Street – Former Main Post Office

RECOMMENDATION

- A. 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 as protected heritage property the exterior, and selected interior elements, of the existing building at 349 West Georgia Street (Block 46, District Lot 541, Plan VAP210 (the “site”)), known as the Former Main Post Office (the “heritage building”), which is listed on the Vancouver Heritage Register in the ‘A’ evaluation category.
- B. THAT Recommendation A be adopted on the following conditions:
 - i. THAT the passage of the above resolution 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 designate the exterior, and certain interior elements, of the Former Main Post Office at 349 West Georgia Street, which is listed in the ‘A’ evaluation category on the Vancouver Heritage Register, as protected heritage property.

As incentive and compensation to the owner for the heritage designation and conservation of the heritage building's exterior and interior, certain discretionary zoning relaxations are proposed to permit the development as set forth in the Development Permit Application Number DP-2018-00380 (the "DP Application") and as described in this report. One of the conditions of approval of the DP Application by the Development Permit Board is heritage designation. In order to fulfill this condition, Council is requested to 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, as protected heritage property. Interior elements may also be designated but, unlike the exterior, they are typically itemized in the by-law.

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 zoning or other relaxations so as to permit an otherwise impermissible development.

The proposed heritage designation for the exterior, and interior elements, of 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 (May 1986, last amended September 2002)

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

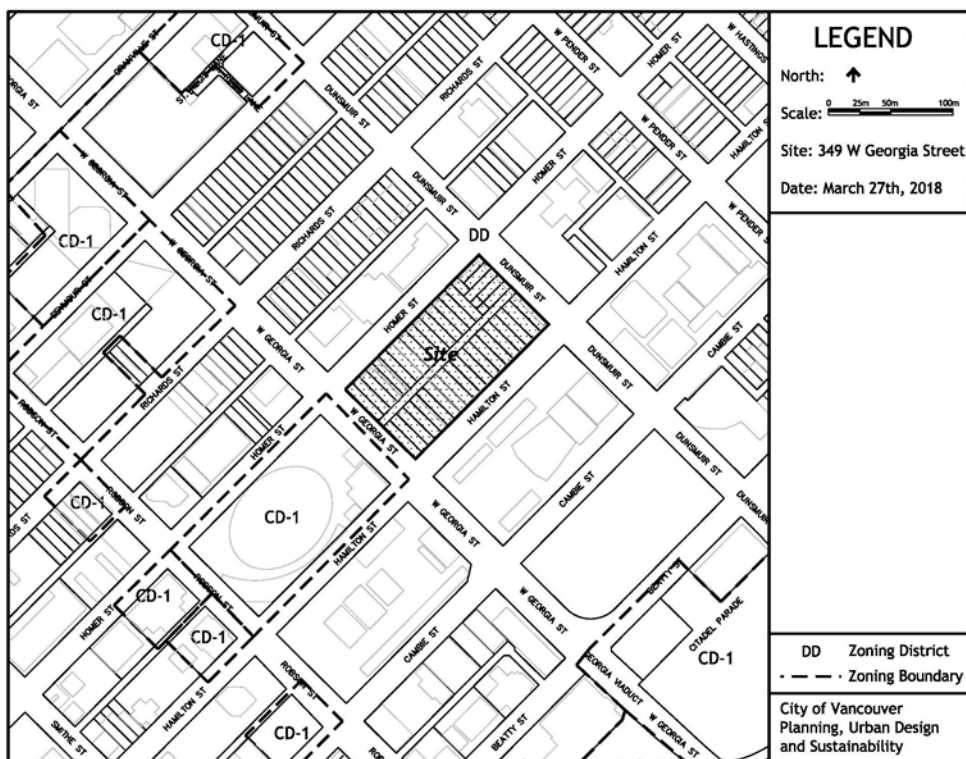
The General Manager of Planning, Urban Design, and Sustainability RECOMMENDS approval of A and B.

STRATEGIC ANALYSIS

Site and Context

The site consists of a large parcel located Downtown in an area zoned DD (see Figure 1), addressed as 349 West Georgia Street. The *DD District Schedule of the Zoning and Development By-law* permits commercial and office uses. The total area of the subject site is 12,086 square metres (130,092 square feet), and the building occupies the entire block, with the exception of a setback from West Georgia Street to accommodate a parking area.

Figure 1: Site and Surrounding Zoning



Heritage Value

Built between 1953 and 1958, the former Main Post Office, on the Vancouver Heritage Register as an A-listing, is valued as a very good example of the International Style of Modernism (Appendix A). It exemplifies the optimism of post-war development in the downtown core of Vancouver that included new civic and institutional facilities including the Central Library (1957), the Queen Elizabeth Theatre (1959), and later the CBC Building (1975) and a new Central Library (1995). Its heritage value extends to its associations: designed by the prolific Vancouver architectural firm of McCarter Nairne & Partners and overseen by the Federal Department of Public Works. The building was originally connected to the waterfront via tunnels and conveyors; this system quickly became obsolete as mail service moved from rail to truck and air transport in the 1960s. However, the massive structure encompassing nearly 64,000 m² (688,913 sq.ft.) – at the time the largest building in Vancouver and the largest welded steel frame structure in the world – continued to perform a significant role in the regional and provincial economy, where efficient mail sorting and delivery was a critical service for businesses and residents alike. Its large open volume floors accommodated industrial processing and allowed entry and circulation of trucks on multiple levels (Appendix B); each of these illustrate its technological, social and cultural values.

The building is also valued for a number of intact interior features including murals and various inscriptions.

Development Application and Proposed Incentives

The incentives and compensation to be provided to the owner for the heritage designation of the exterior, and select interior elements, of the heritage building together with the rehabilitation, and conservation of the heritage building will be in the form of relaxation of requirements in the *Zoning and Development By-law* as set forth in the DP Application which are within the discretion of the Development Permit Board and are further described below.

The zoning applicable to the site is DD (Downtown District). The proposal by the owner of the heritage building is for a conditional Development Permit Application which includes retention, restoration and conservation of the heritage building. The heritage building will undergo an addition, comprising two office towers spanning the full width, as proposed in the DP Application (Appendix C). In addition the Vancouver Heritage Action Plan identifies that heritage buildings are highly valued by Vancouver residents. The conditions of the DP Application, as set by the Development Permit Board on its review on September 4, 2018, therefore include heritage designation approved by Council. To contribute to the conservation of a designated heritage building, the applicant is seeking relaxations to help achieve these objectives (Appendix D).

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 the benefit to the City in securing the preservation of a significant heritage asset, and conclude that the DP Application is supportable.

Compatibility with Existing Zoning and Land Use Regulations and Official Development Plans

The Intent of the *Downtown Official Development Plan* (ODP) is:

- (1) to improve the general environment of the Downtown District as an attractive place in which to live, work, shop and visit;*
- (2) to ensure that all buildings and developments in the Downtown District meet the highest standards of design and amenity for the benefit of all users of the Downtown;*
- (3) to provide for flexibility and creativity in the preparation of development proposals;*
- (4) to encourage more people to live within the Downtown District;*
- (5) to support the objectives of the Greater Vancouver Regional District as referred to in "The Livable Region 1976/1986" as issued March 1975, to decentralize some office employment to other parts of Greater Vancouver by discouraging office developments considered inappropriate in the Downtown District;*
- (6) to improve transportation downtown by encouraging greater transit usage, discouraging automobile usage for journeys to work, and by maintaining automobile access for non-work trips including shopping, business and entertainment;*
- (7) to create a distinctive public realm and a unique and pleasing streetscape in the Downtown District.*

The *Official Development Plan By-law* provides the general framework for the preparation of development plans for all individual buildings or complexes of buildings. The proposed heritage retention, restoration and development of the site is consistent with the intent of the ODP. Under the ODP, the Development Permit Board may permit an increase in floor space ratio for a development which includes the restoration of an existing building, if that building is listed in the Vancouver Heritage Register.

Condition of the Heritage Building and Conservation Approach

The heritage building is in very good condition overall. The heritage consultant has provided a detailed Conservation Plan which is consistent with the approach specified in the Standards and Guidelines for the Conservation of Historic Places in Canada. The original architectural drawings of the building have been included in this plan for reference purposes, highlighting the degree of proposed retention (Appendix C).

The conservation includes preservation and rehabilitation of windows, preservation of original canopies, rehabilitation of the front plaza along West Georgia Street, rehabilitation of the interior, including significant structural retention and insertion of new floors, and preservation and protection of the main podium including the carved granite postman bas-relief at ground level and two cast-aluminum Arms of Canada, and protection of interior elements including a painted mural, a tiled mural, and a building dedication inscription.

Results of Neighbourhood Notification

In June, 2018, notification was sent to 869 surrounding property owners. No responses were received.

Comments of the Vancouver Heritage Commission

On May 14, 2018, the Vancouver Heritage Commission reviewed the DP Application and supported it with comments (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 City-wide DCL rate under the category of “Commercial and Other” of \$149.73/m² (\$13.91/sq. ft.) is applicable to the project. On this basis, a DCL of approximately \$10,204,998 is anticipated

In addition to the City-wide DCL, a new City-wide Utilities DCL was approved by Council on July 11, 2018 to address the need for upgraded water, sewer, and drainage infrastructure as the City continues to grow. The rate under this DCL for commercial development is \$54.25/m² (\$5.04 per sq. ft.) and it takes effect on September 30, 2018. Should this new Utilities DCL apply to this project, the additional DCL would be \$3,697,463; however, the in-stream rate protection available to the project might enable the new DCL to not apply, depending on the timing of development and building permits. The Utilities DCL is subject to the same rate protection and annual adjustment parameters as the City-wide DCL, as explained below.

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 exterior, and select interior elements, as protected heritage property, which is a highly valued community feature. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$94.5 million.

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 Former Main Post Office Building valued at \$94.5 million.

The site is within the City-wide DCL District and it is anticipated that the applicant will pay approximately \$10,204,998 in DCLs should the DP Application be approved and the project proceed. Should the new Utilities DCL apply to this project, the additional DCL would be \$3,697,463.

Density Bonus for Heritage Conservation

The Development Permit Board may allow an increase in floor space ratio in order to permit a development that includes the conservation of a building on the Vancouver Heritage Register, provided that it has regard to the cost of the heritage-related conservation, the value of the increased floor area, the impact upon livability and environmental quality of the neighbourhood and the appropriateness of requiring heritage designation as a condition of approval.

Density Bonus Assessment

Real Estate Services reviewed the heritage rehabilitation and conservation costs for the project and have concluded that the proposed (density bonus) increase in floor area is sufficient compensation. The Director of Real Estate Services advises that the by-law variances proposed will offset the costs of the rehabilitation and conservation of the heritage building and will not result in any undue profit.

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, and selected interior elements, 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 select interior elements, 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

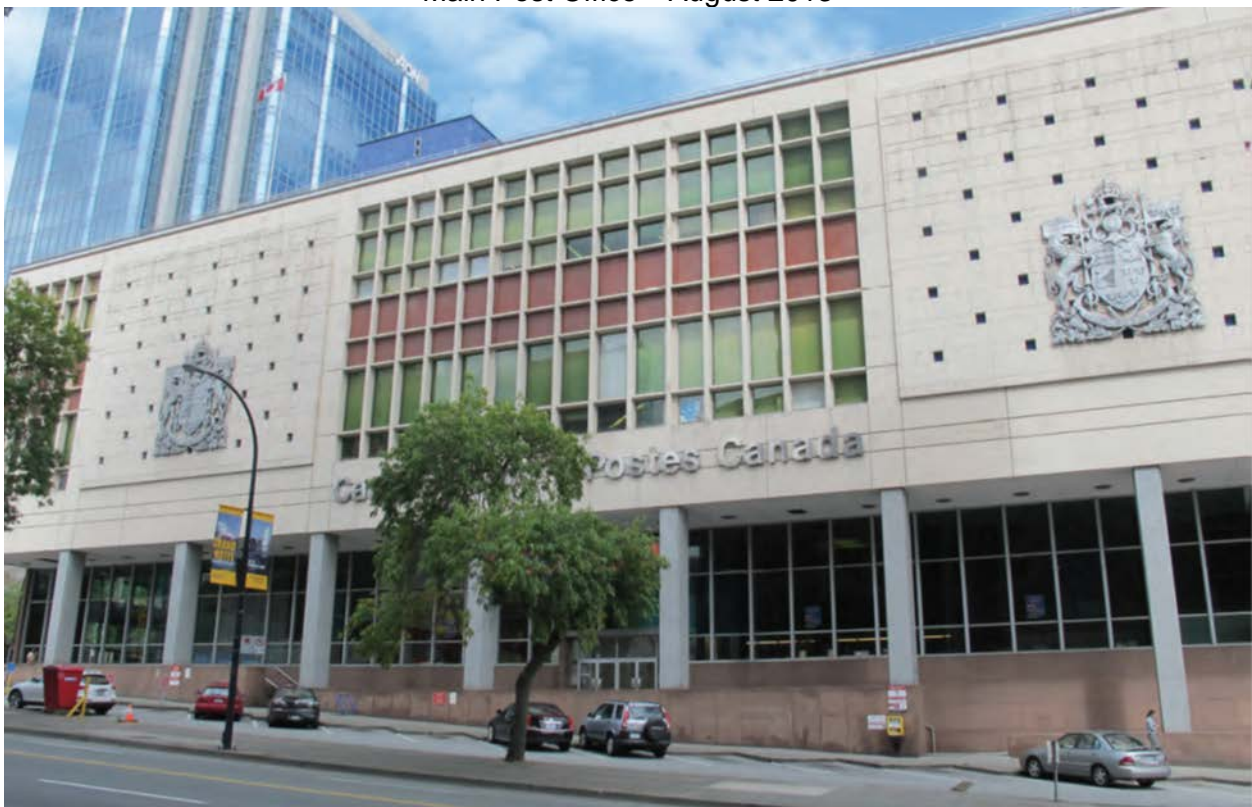
The former Main Post Office at 349 West Georgia Street, an A-listing on the Vancouver Heritage Register based on its architectural, historical, social and cultural values, is proposed to be protected by heritage designation, consisting of the main podium of the heritage building, and selected interior elements. This will secure the building from demolition and alterations which affect its heritage value. The owner has agreed to the proposed variances as compensation for the proposed Heritage Designation By-law and the encumbrance on market value created by that by-law, and for the heritage building's rehabilitation and conservation. A condition of approval of the DP Application by the Development Permit Board is heritage designation. Therefore, it is recommended that Council approve the recommendations of this report.

* * * * *

349 WEST GEORGIA STREET - EXTERIOR TO BE PROTECTED



Main Post Office – August 2013



Georgia Street Elevation



Hamilton Street Elevation – Multiple Truck Entries



Homer Street Elevation



Pre-cast Concrete Panel with Cast Aluminum Arms of Canada and Blue Terra Cotta Insets,
Georgia Street Elevation



Carved Granite Postman Bas-Relief by Paul Huba, Homer Street Elevation

349 WEST GEORGIA STREET - INTERIOR FEATURES TO BE PROTECTED



Large Painted Mural by Orville Fisher – Depicting Early Methods of Transportation

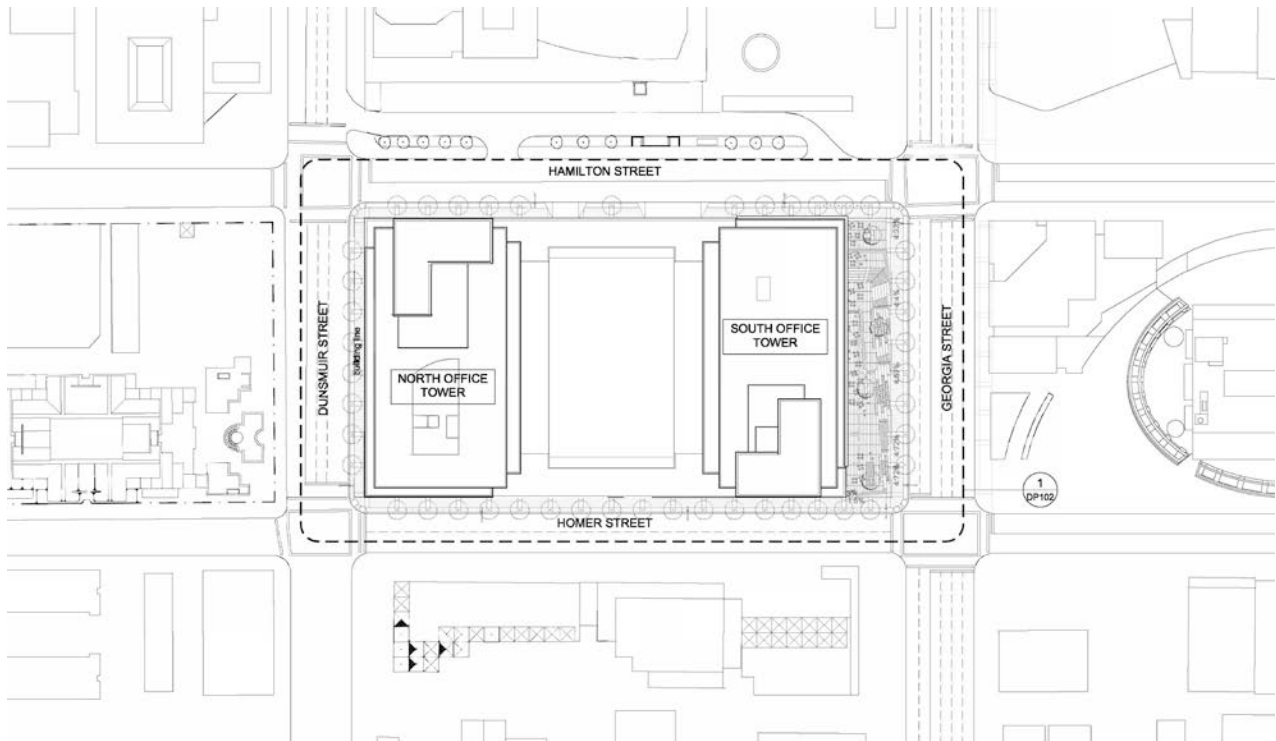


Tile Mural of a Woman and Child by Paul Huba

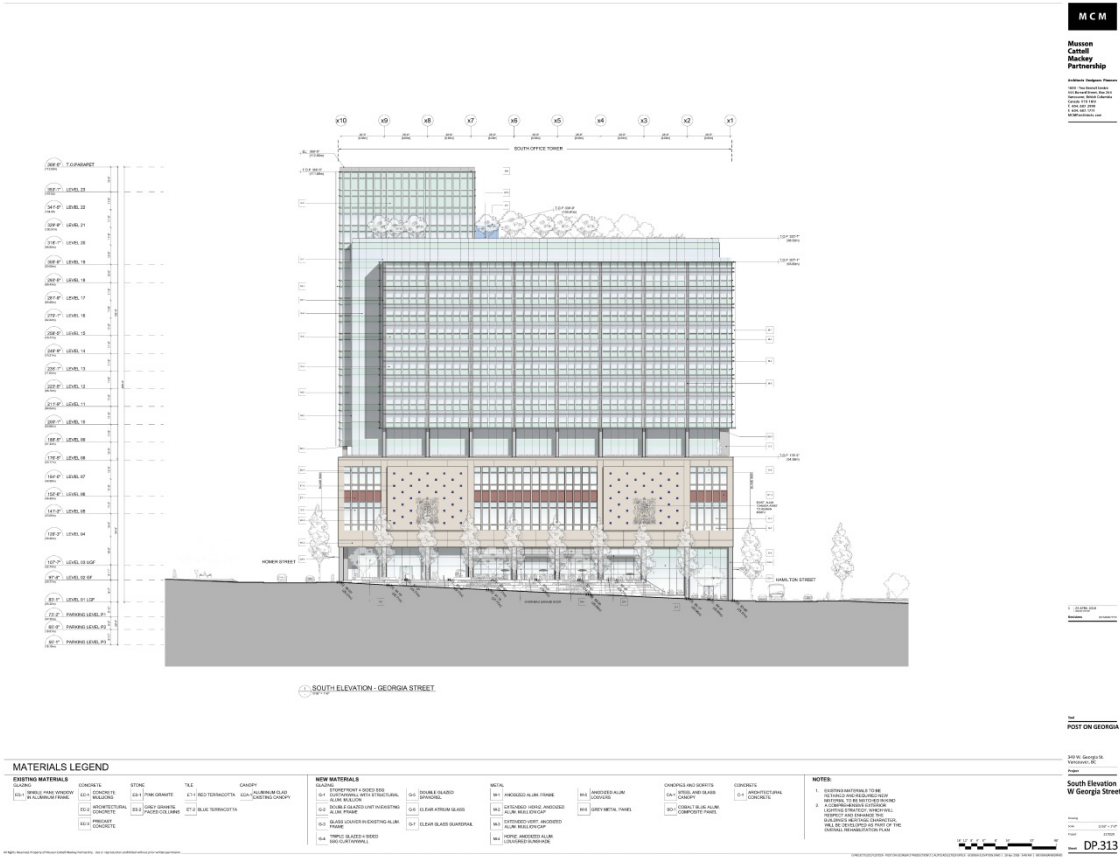


Building Dedication Inscription Across Four Slabs of Marble

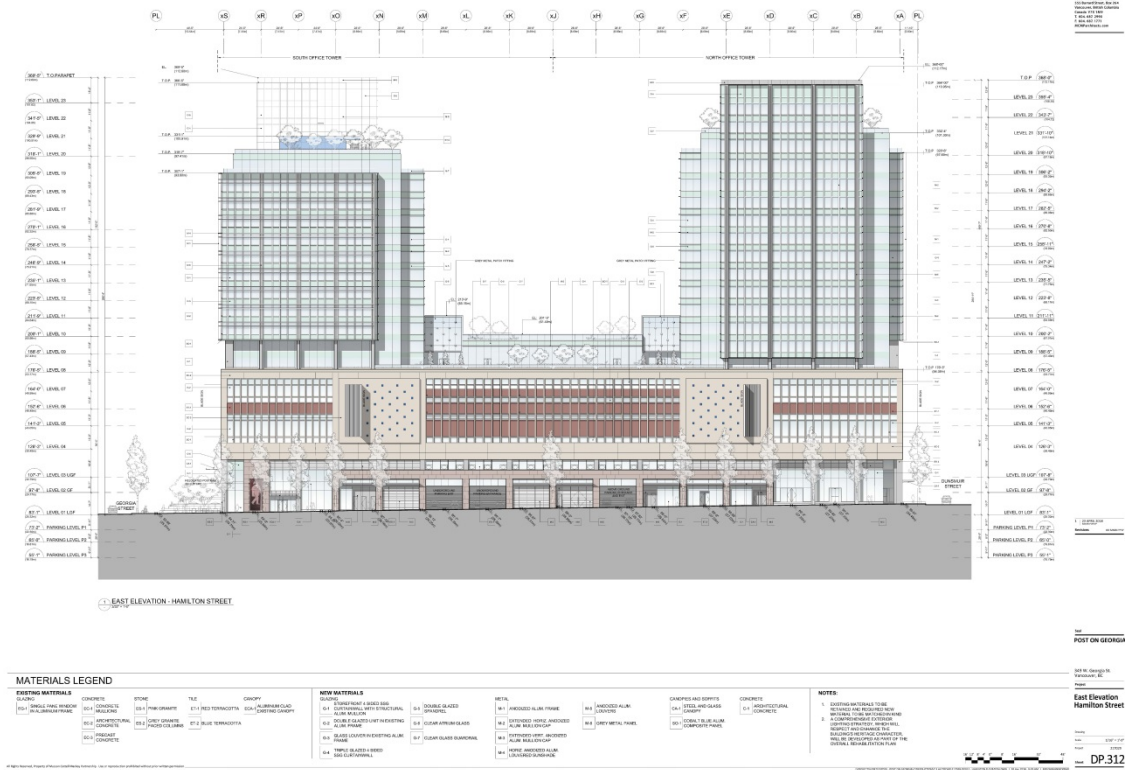
**349 WEST GEORGIA STREET
SITE PLAN AND ELEVATIONS**



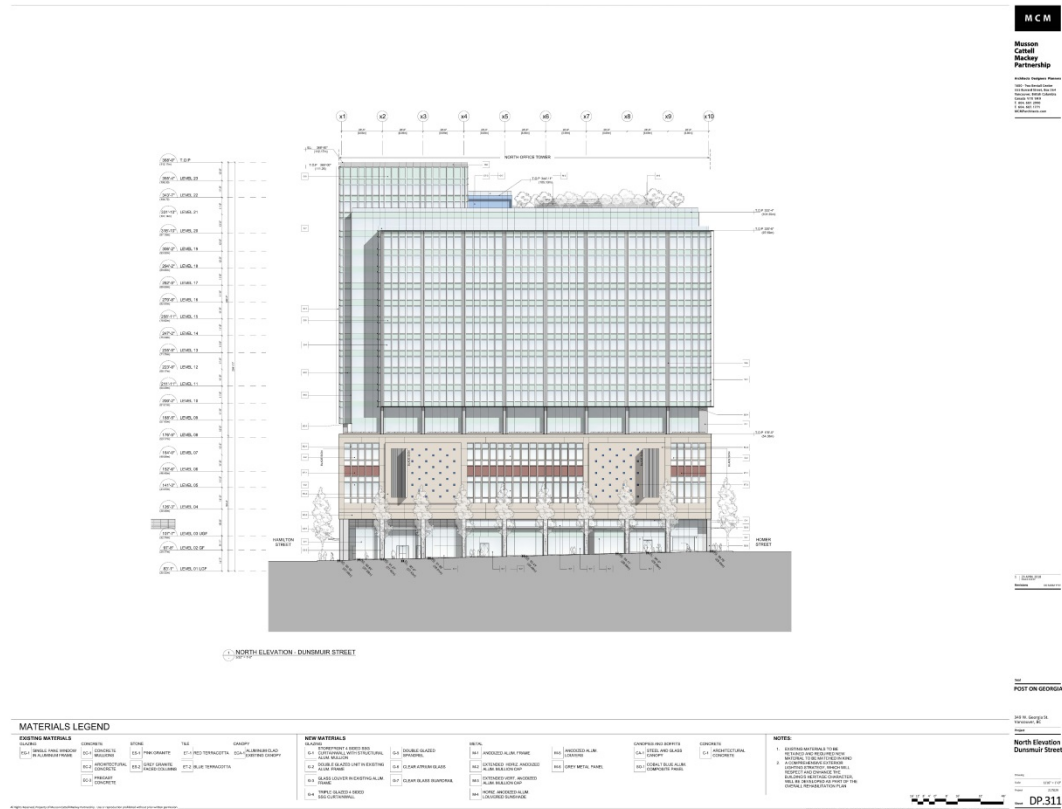
SITE PLAN – LOCATION OF PROPOSED OFFICE TOWER ADDITIONS



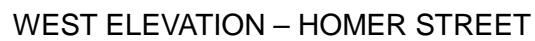
SOUTH ELEVATION – GEORGIA STREET



EAST ELEVATION – HAMILTON STREET

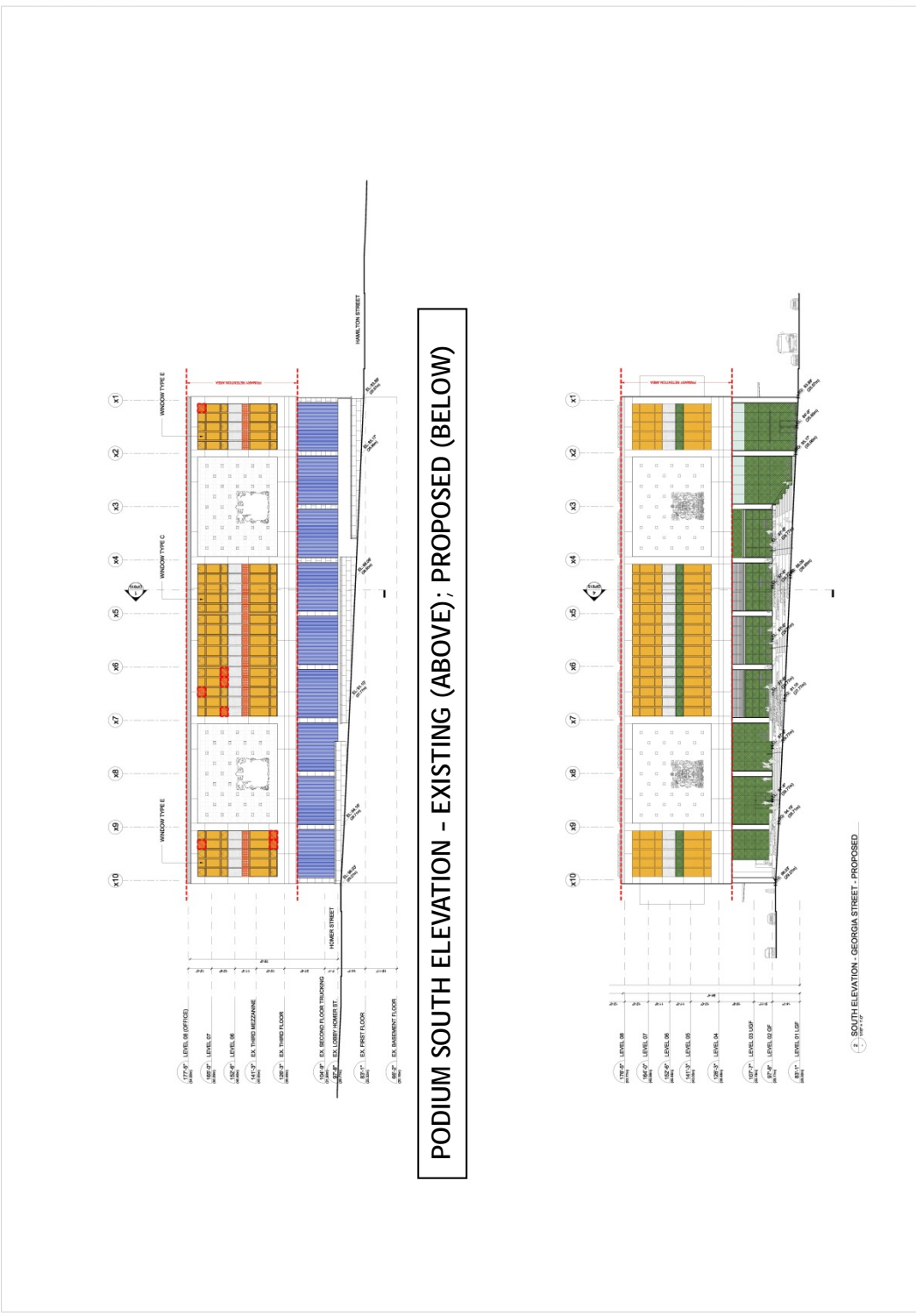


NORTH ELEVATION – DUNSMUIR STREET



MCM
Mason
Castell
Massey
Partnership

1000 Peachtree Street, Suite 1000
Atlanta, Georgia 30309
404.525.1000
www.mcmfirm.com



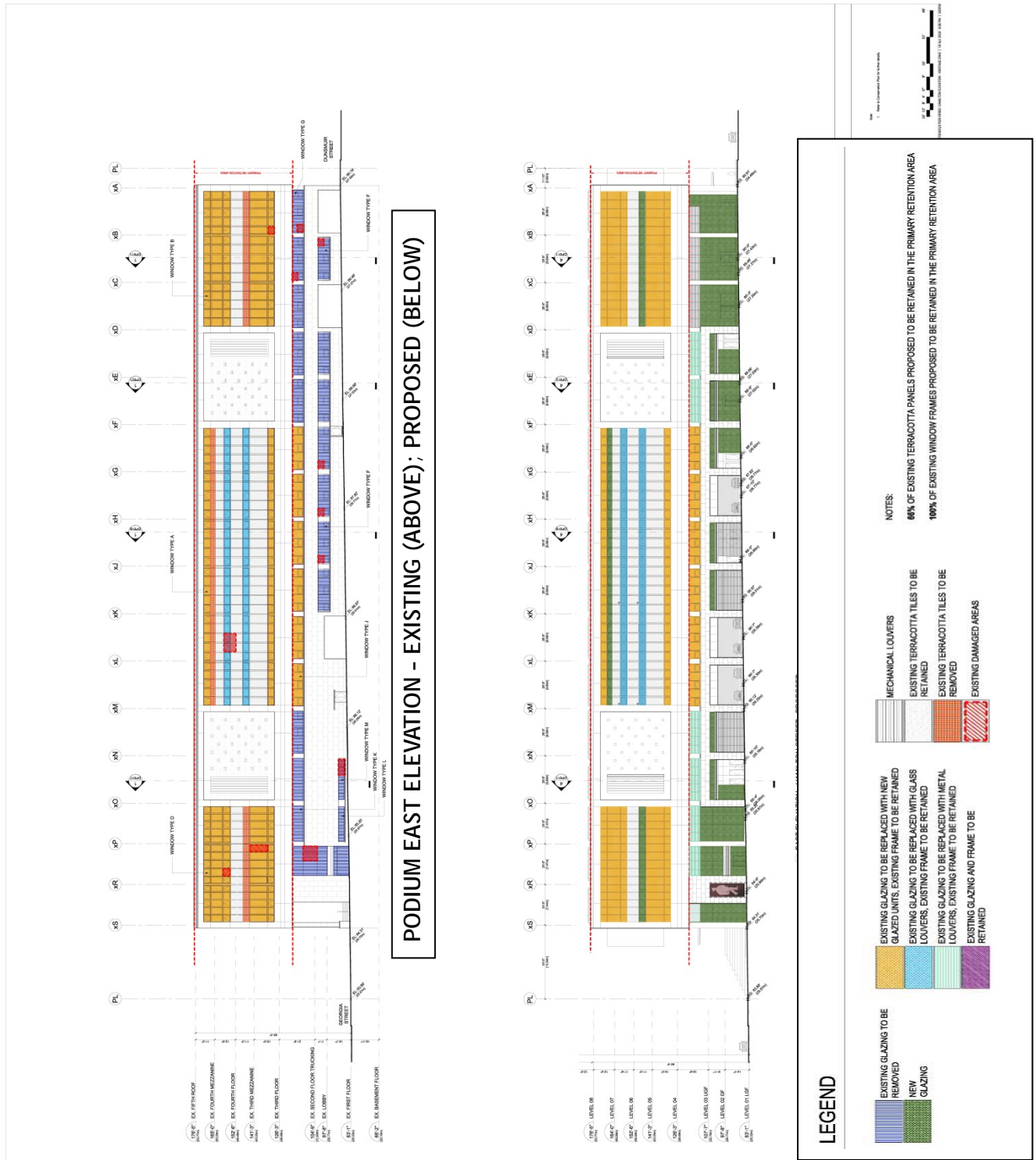
1. EXISTING
2. PROPOSED

POST ON GEORGIA

1000 Peachtree Street, Suite 1000
Atlanta, Georgia 30309
404.525.1000
www.mcmfirm.com

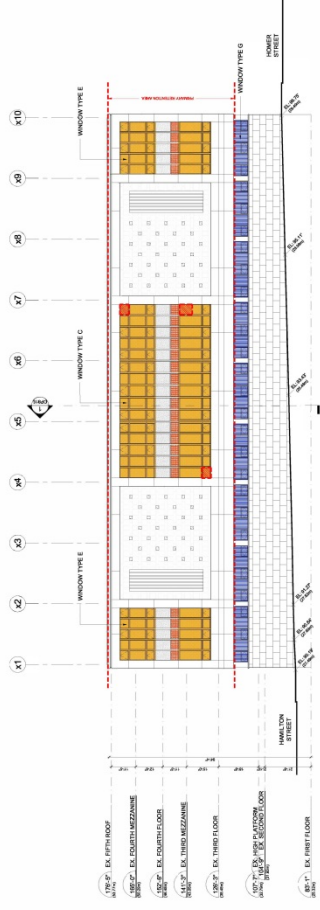
1. North Arrow
2. Scale: 1" = 10'-0"

DP803

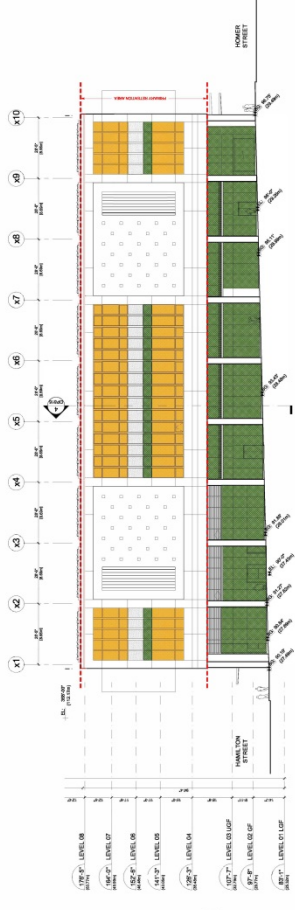


LEGEND

1. North Dunsmuir Street Heritage Glazing Strategy

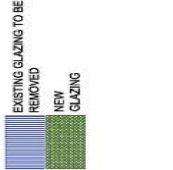


PODIUM NORTH ELEVATION - EXISTING (ABOVE); PROPOSED (BELOW)



2. NORTH ELEVATION - DUNSMUIR STREET - PROPOSED

LEGEND



NOTES:

- 80% OF EXISTING TERRACOTTA PANELS PROPOSED TO BE RETAINED IN THE PRIMARY RETENTION AREA
- 100% OF EXISTING WINDOW FRAMES PROPOSED TO BE RETAINED IN THE PRIMARY RETENTION AREA

**349 WEST GEORGIA STREET
TECHNICAL ZONING AND PARKING SUMMARY**

Variances of the DD Zoning District Schedule of the *Zoning and Development By-law*:

Table 1: DD Zoning District Schedule Summary
Site Area: 349 West Georgia Street – 12,085.9 m² (130,092 sq.ft.)

District Schedule	Existing	Required or Permitted	Proposed
Density and Floor Area	5.3 FSR 64,002 m ² (688,913 sq.ft.)	7.0 FSR 84,601 m ² (910,641 sq.ft.)	10.9 FSR 132,158 m ² (1,422,534 sq.ft.)

Table 2 – Parking Summary

Parking By-law	Existing	Required or Permitted	Proposed
Total Parking	N/A *	913 spaces minimum	819 spaces
Loading	N/A *	37	32

* Building is currently not in use, but in its former role as the Main Post Office, loading was limited to mail trucks as part of the building's internal circulation, and customer parking was limited to 20 stalls in the front of the building along West Georgia Street.

349 WEST GEORGIA STREET
RESOLUTION OF THE VANCOUVER HERITAGE COMMISSION AND STAFF COMMENTS

On May 14, 2018, the Vancouver Heritage Commission reviewed the Development Permit Application and resolved the following:

THAT the Vancouver Heritage Commission enthusiastically supports the application for rehabilitation of the former Main Post Office building at 349 West Georgia Street including the preservation and rehabilitation of the building podium, the increase in porosity of the Homer, Dunsmuir and Hamilton facades, the design treatment of the Georgia Street side, and the addition of the office component atop the existing structure, as presented to the Commission at its meeting on May 14, 2018.

THAT the Commission supports in general the Conservation Plan, noting with approval the strategy to retain and rehabilitate the maximum amount of original fabric, including but not limited to windows, doors and wall elements.

THAT the Commission supports the preservation of the two aluminum Arms of Canada on the primary historic façade facing Georgia Street.

THAT the Commission understands the intention of the applicant to relocate postal elements salvaged from the building, probably in the retail concourse, and supports the relocation and restoration of the Orville Fisher and Paul Huba murals and dedicatory panel although the Commission is unable to comment on their proposed new locations.

THAT the Commission supports the relocation of the “Robert Winter” inscription and the Paul Huba postman bas relief to the southeast corner of the building.

FURTHER THAT the Commission commends the architects, developer and heritage consultants for their detailed and thoughtful treatment of this landmark building. The Commission supports the designation of the building as part of this development permit process.

CARRIED UNANIMOUSLY

349 WEST GEORGIA STREET
PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a heritage building incorporated into new commercial building consisting of office and retail uses.

Public Benefit Summary:

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

	Current Zoning	Proposed
Zoning District	DD	DD
FSR (site area = 12,085.9 m ² (130,092 sq.ft.))	7.0	10.9
Buildable Floor Area	84,601 m ² (910,641 sq.ft.)	132,158 m ² (1,422,534 sq.ft.)
Land Use	Commercial (Office and Retail)	Commercial (Office and Retail)

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed DE (\$)
Required*	DCL (City-wide) (See Note 1)	\$3,084,288	\$10,204,998
	DCL Utilities (City-wide)	\$1,117,496	\$3,697,463
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		94,500,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$4,201,784	\$108,402,461

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: Replacement Housing (36%); Transportation (25%); Parks (18%); Childcare (13%); and Utilities (8%). Revenue allocations differ among Area Specific DCL Districts. DCL rate based on "Commercial and Other" @ \$149.73/sq.m.

A new City-wide Utilities DCL was approved by Council on July 11, 2018 to address the need for upgraded water, sewer, and drainage infrastructure. DCL rate based on "Commercial and Other" @ \$54.25/sq.m.

Note 1: DCLs do not apply to existing floor area. The value for the 'Current Zoning' column does not include the existing floor area of the Former Main Post Office: 64,002 m² (688,913 sq.ft.).