



POLICY REPORT

Report Date: September 5, 2018
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VanRIMS No.: 08-2000-20
Meeting Date: September 18, 2018

TO: Vancouver City Council

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

SUBJECT: 1170 Barclay Street – (the Florida) – Heritage Designation and Heritage
Revitalization Agreement

RECOMMENDATION

- A. THAT Council add the existing building at 1170 Barclay Street (PID: 004-753-143, Lot 8, Block 21, District Lot 185, Plan 92 (the “site”)) known as the Florida (the “heritage building”) to the Vancouver Heritage Register in the ‘B’ 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 and the structure of the heritage building as protected heritage property.
- C. THAT Council instruct the Director of Legal Services to bring forward for enactment under Section 592 of the Vancouver Charter a by-law for the City to enter into a Heritage Revitalization Agreement (HRA) to:
 - (i) secure the rehabilitation and long-term preservation of the heritage building;
 - (ii) vary the Zoning and Development By-law as necessary to permit an addition to the building as detailed in Development Permit Application Number DE418401 (the “DP Application”) and as more particularly described in this report.

- D. THAT the Heritage Revitalization Agreement shall be completed, noted, registered, and given priority on title to the site to the satisfaction of the Director of Legal Services.
- E. THAT Recommendations A through D 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 heritage building at 1170 Barclay Street to the Vancouver Heritage Register in the 'B' evaluation category and to designate its exterior as protected heritage property, and to approve a Heritage Revitalization Agreement ("HRA") for the site which would secure the conservation of the heritage building and enable the owner to construct an addition to the building and an increase in the number of Dwelling Units from 16 to 28, which are all to be secured rental accommodation. Under the current RM-5B zoning applicable to the site, the existing building could be demolished and the site redeveloped with a density of up to 1.50 floor space ratio (FSR) without Council approval, or up to 2.75 FSR if the site were to be consolidated into a larger site. As incentive and compensation to the owner for the heritage designation and conservation of the heritage building, the HRA would allow an increase in permitted density, and other variances and relaxations, to allow for the development as set forth in 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 section 592 of the *Vancouver Charter*, Council, by by-law, may enter into an HRA with the owners of heritage properties which may vary or supplement certain kinds of by-laws and permits, including the Zoning & Development By-law.

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 and the HRA require Council approval at a 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, 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 through E.

STRATEGIC ANALYSIS

Site and Context

The site is located in the West End neighbourhood in an area zoned RM-5B (see Figure 1). The *RM-5 District Schedule* of the *Zoning and Development By-law* permits multiple Dwelling Unit buildings and infill development on some sites. The total area of the site is 803 m² (8,646 sq. ft.). A paved lane exists at the rear of the site.

The DP Application preceded the approval of the *West End Community Plan* which contains specific provisions for the retention of heritage and character buildings as well as related policy with respect to rezoning applications and Heritage Revitalization Agreements. The DP Application was put on hold by the owner when an adjoining site came up for redevelopment which provided an opportunity for a larger consolidated project, but this option was not realized, and the owner now wishes to proceed with the original application which had been held at the owner's request. Staff conclude that the DP Application can now continue to be processed as originally submitted.

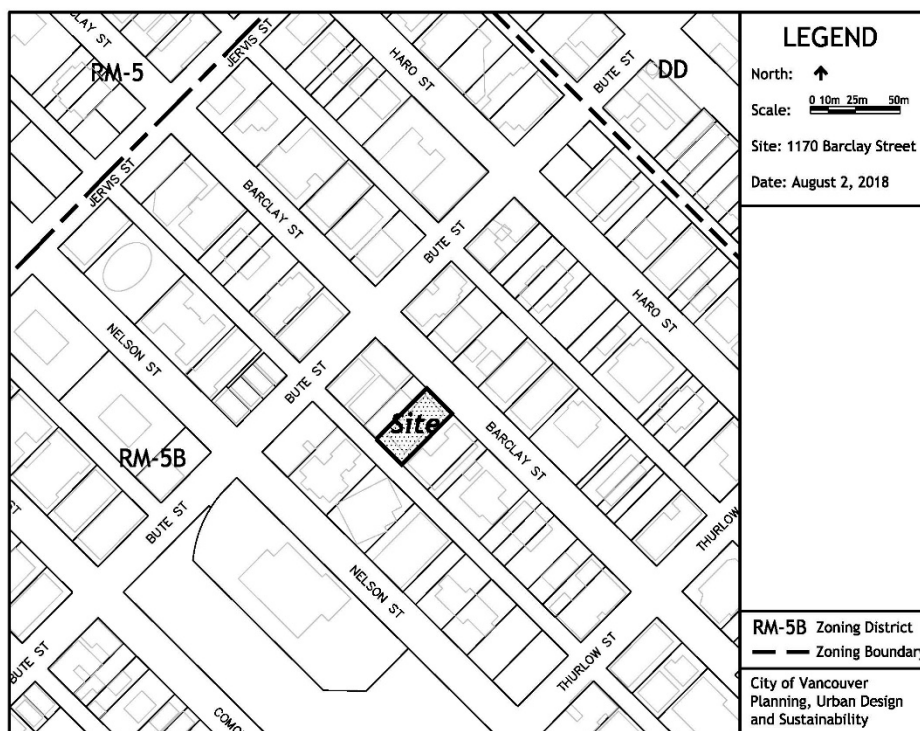


Figure 1: The site and the surrounding zoning

Heritage Value

The heritage building at 1170 Barclay Street, known as the Florida, was completed in 1926. It was designed by architect Richard Thomas Perry, who, along with other architectural partners, is best known for the design of the Sam Kee Hotel and Taylor Manor in Vancouver. The heritage building is one of the earliest apartment buildings in the West End to be designed in the emerging various modernist styles which grew in popularity during the 1920s and 1930s. A number of buildings of the same design as The Florida were constructed in the City during the same period (see Appendix A and Appendix B).

Early modern features include the building's original stucco cladding, projecting central bay, engraved arched front entryway with rounded brick steps, and a central roof parapet decorated with two recessed palm trees on either side of a circular "sun" cut-out (from which the original name 'Florida' was derived). The design was meant to reference traditional forms (in this case Mission or Santa Fe styles) while incorporating contemporary materials and ideas. The building also features an original recessed front door assembly with multi-paned fixed transoms and sidelights, integrated square columns with recessed panels and flared capitals, and the original large wooden entrance door with central glazed panel. A number of original window frames survive as well.

It is proposed to add the Florida to the Vancouver Heritage Register in the 'B' 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 RM-5B. A summary of density and height is provided in Table 1 (see Appendix D for a full technical summary);

Table 1: Density and Height Summary

Site Area = 803 m² (8,646 sq. ft.)

Item	Existing	Permitted or Required	Proposed
Floor Area	1.33 FSR 1067 m ² (11,479 sq. ft.)	1.5 FSR maximum 1205 m ² (12,969 sq. ft.) or up to 2.75 FSR on larger sites 2210 m ² (23,777 sq. ft.)	2.17 FSR maximum 1,740 m ² (18,718 sq. ft.)
Height (Heritage Building)	8.7 metres (29 feet)	18.3 metres (60 feet) maximum	17.4 metres (57 feet) maximum

The DP Application proposes to retain and restore the heritage building and to construct a new 2 storey addition at the rear of the building (see Appendix C). Initial designs were not supported by staff or the Vancouver Heritage Commission (see Appendix E) due to the amount of mass located above the heritage building, the arrangement of the massing, and other details. A number of design iterations were undertaken and the current scheme is now supportable subject to certain design improvements which are to be completed as conditions of the DP approval.

The Dwelling Units in the proposal are all to be secured rental accommodation under a housing agreement, which is a condition of the issuance of the DP.

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 28 rental Dwelling Units, and conclude that the DP Application is supportable as an HRA. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP Application subject to Council approval of the recommendations of this report.

Compatibility with Existing Zoning and Land Use Regulations and Community Planning

The Intent of the *RM-5B District Schedule* is to:

“... permit a variety of residential developments and some compatible retail, office, service and institutional uses. Emphasis is placed on achieving development which is compatible with neighbouring development with respect to streetscape character, open spaces, view retention,

sunlight access and privacy. The RM-5A, RM-5B, RM-5C and RM-5D Districts permit greater densities than RM-5.”

By restoring the heritage building, streetscape character is maintained, as well as the front yard open space. The proposed height is less than that permitted in the zoning and the yards are generally in compliance with the zoning requirements. The proposal is consistent with the *RM-5B District Schedule*.

The *West End Community Plan* emphasizes the retention of heritage property and character sites. The proposal retains a heritage building and is consistent with the West End Community Plan.

Condition of the Heritage Building and Conservation Approach

The Florida experienced a fire in 2015 which caused considerable damage internally at the rear of the building. The front was not damaged, and the building has been secured from weather ingress and vagrancy, but the building had to be evacuated and cannot be occupied until repaired. The interior of the building will have to be fully restored and upgraded. Staff support the rehabilitation scheme to repair and rehabilitate the Florida which would see its heritage character restored and the building reoccupied by tenants.

Neighbourhood Notification

A total of 1082 surrounding residences were notified of the DP Application. A total of 13 responses were received (1%). Seven responses expressed support. Five expressed opposition and one expressed concerns but did not indicate support or opposition. Concerns include the following:

1. The addition is too large and inappropriate in scale relative to the original building which should just be fixed up and restored to be like its sister building at 1325 Pendrell Street.
2. The character of the addition and its materials contrast too much with the heritage building or are of insufficient quality.
3. The height of the building should not be considered as it will block views and create shadowing impacts across the lane.
4. More parking spaces should be provided on the site.

Additions to a two storey apartment building such as the Florida are challenging. Initial designs were not supported because there was too much mass on top of the building and projecting forward towards the front of the heritage building. The proposal as originally submitted was not supported by the Vancouver Heritage Commission (see Vancouver Heritage Commission and Appendix E) and changes were made to address the concerns raised.

Successive changes were implemented including relocating the addition to the rear of the site to assist in preserving the scale and details of the Florida, which are located primarily at the front of the site. Although there is still a visual impact from the addition, given that there are few areas to add to the existing building, which is underdeveloped, without overwhelming it, staff concluded that the current revised design of the addition can be supported subject to some further design improvements which include addressing materials, colors, and certain elements, such as new decorative features. The revised scheme was supported by the Vancouver Heritage Commission (see Appendix E). The building at 1325 Pendrell Street is to be used as a reference in the restoration of the Florida, particularly with regard to windows.

Due to the configuration of the existing building, a maximum of six off-street parking spaces could be provided, whereas twelve spaces are required. However, one of those spaces will be a secured and dedicated car share space. Staff support the relaxation in this regard noting the rental accommodation as well as the challenge of providing more parking spaces on site. The height complies with the zoning (see Table 1 and Appendix D).

Staff considered the feedback from the results of neighbourhood notification and concluded that the application is supportable as an HRA with the secured rental units.

Vancouver Heritage Commission

On September 14, 2015 the Vancouver Heritage Commission reviewed the DP Application as originally submitted and did not support it due to concerns over massing, conservation, materials, and a number of details. On November 14, 2016, the Commission reviewed a revised proposal and unanimously supported it (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 \$168.13/m² (\$15.62/sf) for new floor area for residential uses over 1.5 FSR. The proposed development would generate a DCL of approximately \$113,000 based on the total new floor area proposed which is 673 m² (7,239 sq. ft.).

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 residential development over 1.5 FSR is \$10.09 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 \$73,000; 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 heritage building's exterior which is highly valued in the community. The owner has entered into an HRA which will secure the conservation and rehabilitation of the heritage building. If approved, the heritage designation and the HRA will be effected by enactment of respective by-laws. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$1,200,000.

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 of the heritage building valued at \$1,200,000.

The site is within the City-wide DCL District. It is anticipated that the applicant will pay approximately \$113,000 in DCLs should the application be approved and the project proceed. Should the new Utilities DCL apply to this project, the additional DCL would be \$73,000.

Proforma Evaluation

Real Estate Services staff reviewed the applicant's proforma evaluation in accordance with Council's approved policies. The Director of Real Estate Services advises that at the time of the application review the by-law variances proposed were forecasted to offset the costs of the rehabilitation and conservation of the heritage building and not result in any undue profit.

The monetary value of the on-site density bonus will facilitate the conservation of the heritage building. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$1,200,000.

Environmental

The City's Green Buildings Policy for Rezoning applies to the application as a Heritage Revitalization Agreement is required. The project will comply with the policy and the project will comply with the *Vancouver Building By-law* with respect to energy and environmental provisions contained therein.

Legal

The by-law variations contemplated for the proposed HRA, if approved, will result in an improved development potential for the site. The owner's proposal to rehabilitate and conserve the heritage building in exchange for obtaining the by-law variations needed to get that improved development potential should be appropriately secured as legal obligations contained in various covenants 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 and completed a proposed form of the HRA, to be registered on title to the site, 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 Council compensate an owner for any reduction in the market value caused by a heritage designation. The owner has signed the proposed HRA which includes a provision by which the owner explicitly acknowledges that the owner has been fully compensated for the heritage designation and for the rehabilitation and conservation obligations contained in the HRA. The HRA is to be registered on title to the site before a development permit for the project may be issued.

CONCLUSION

The approval of the Heritage Revitalization Agreement and heritage designation of the exterior and structure of the Florida at 1170 Barclay Street will secure the building from demolition, and alterations which affect its heritage value. The owner has agreed to accept the proposed variances and relaxations 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. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP.

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**1170 Barclay Street
PHOTOGRAPHS**



Photo 1: 1170 Barclay Street – The Florida

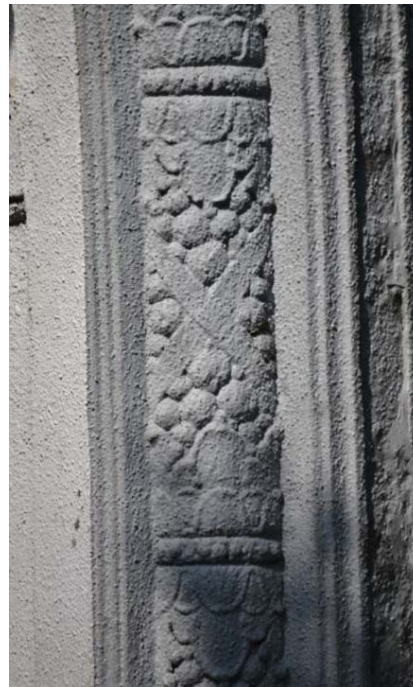


Photo 2: 1325 Pendrell Street

1325 Pendrell Street is identical to 1170 Barclay Street, but has period windows. It will be referenced to assist in the rehabilitation of the front façade of 1170 Barclay Street



Photo 3: 1546 West 12th Avenue, also identical to 1170 Barclay Street



Photos 4 and 5: Details of 1170 Barclay Street

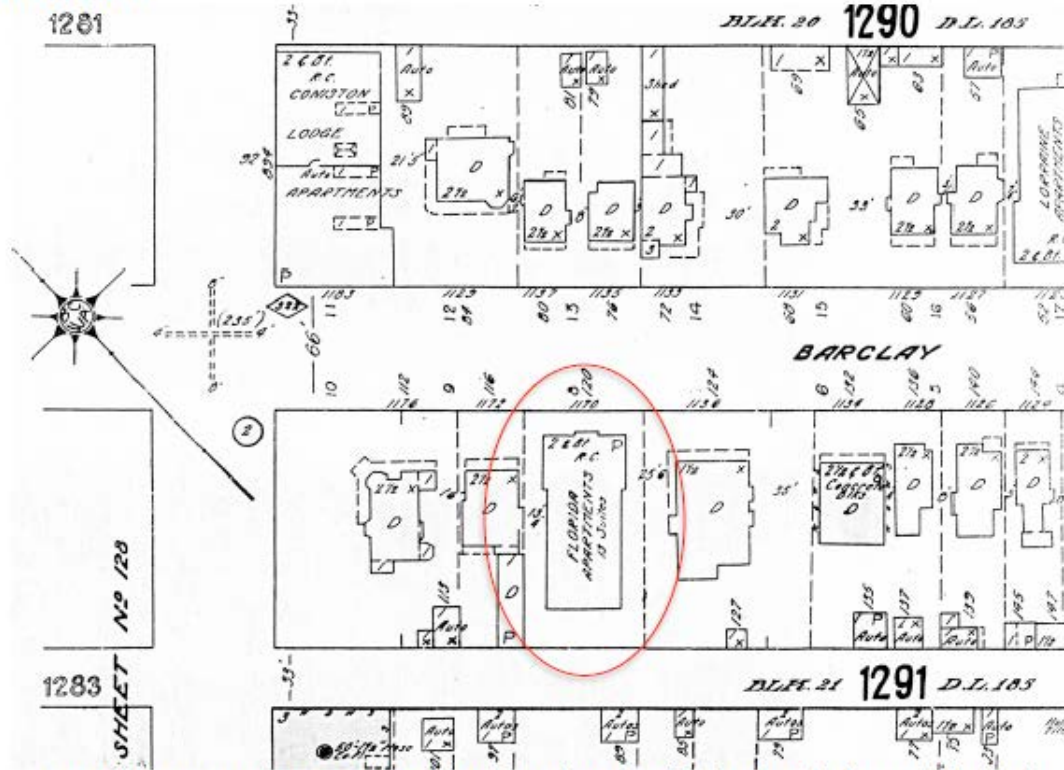


Photos 6 to 8: Rear of the Three Buildings

The layouts and sides of 1170 Barclay Street, 1325 Pendrell Street, and 1546 West 12th Avenue are nearly identical. The photo of 1170 Barclay Street was taken prior to the 2015 fire which started in the upper right side of the building as visible in Photo 6.

1170 Barclay Street
MAPS AND DIAGRAMS

HISTORIC MAP:



Vancouver Fire Insurance Map, October 1928, featuring The Florida, which is circled in red



Floor Plan of Original Main Floor

**1170 Barclay Street
DRAWINGS**



BARCLAY STREET ELEVATION



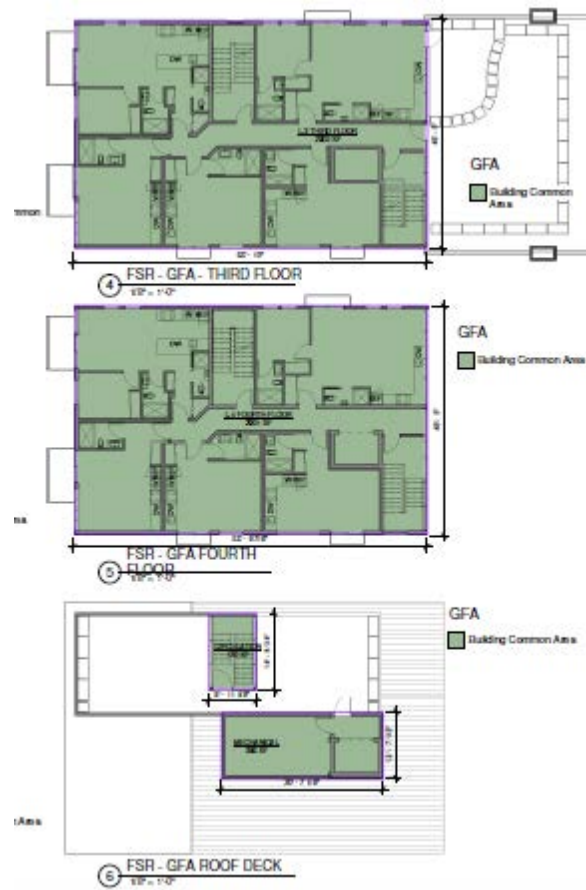
Views of Proposal Looking North-East (top) and North (bottom) from Barclay Street



View of Proposal Looking East



Proposed Floor Plans



Proposed Floor Plans of the Addition and Roof Top

**1170 Barclay Street
TECHNICAL ZONING AND PARKING SUMMARY**

Table A

Item	Existing	Permitted or Required	Proposed
Floor Area	1.33 FSR 1067 m ² (11,479 sq. ft.)	1.5 FSR maximum 1205 m ² (12,969 sq. ft.) or up to 2.75 FSR on larger sites 2210 m ² (23,777 sq. ft.)	2.17 FSR maximum 1,740 m ² (18,718 sq. ft.)
Height (Heritage Building)	8.7 metres (29 feet)	18.3 metres (60 feet) maximum	17.4 metres (57 feet) Maximum (for the addition)
Front Yard Setback	3.33 metres (10.92 feet)	3.7 metres (12.1 feet) minimum	3.33 metres (10.92 feet)
Rear Yard Setback	6.32 metres (20.7 metres)	2.1 metres (6.9 feet) minimum	6.32 metres (20.7 metres)
Off-Street Parking	5	12 spaces required	7 equivalent spaces provided

1170 Barclay Street
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION AND STAFF
COMMENTS

On September 14, 2015, the Vancouver Heritage Commission reviewed the DP Application and resolved the following:

THAT the Vancouver Heritage Commission does not support the proposal to redevelop 1170 Barclay Street as presented to Commission members on July 27, 2015, expressing the following concerns:

- the ceiling heights in the new upper floors lead to excessive height of the addition and contribute to an overbearing quality of the addition vis-à-vis the heritage building;
- increasing the setback to the addition would mitigate the impact of it on the heritage building;
- there is a lack of heritage retention in the rehabilitation of the existing apartment building;
- the design of the partial third storey addition adds to the sense that only the heritage façade is being retained;
- the use of replacement vinyl windows in the heritage portion is unacceptable.

FURTHER THAT the Vancouver Heritage Commission requests the applicant resubmit a new proposal.

CARRIED UNANIMOUSLY

On November 14, 2016 the Vancouver Heritage Commission reviewed the revised plans and drawings for the DP Application and resolved the following:

THAT the Vancouver Heritage Commission supports the revised application and revised Conservation Plan at 1170 Barclay Street, the Florida, including the smaller, simpler addition as presented at its meeting on November 14, 2016; and

FURTHER THAT the Commission requests further design consideration be given to replicating windows to the east and west elevations up to gridline C of the drawings on page DP 303 and DP 304 (on file), to match the front section of the heritage building.

CARRIED UNANIMOUSLY

Staff Comments

Further design development is to be completed prior to the issuance of the DP to address raised by the Commission.

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**1170 Barclay Street
PUBLIC BENEFITS SUMMARY**

Project Summary:

Rehabilitation and conservation of a heritage building and an addition at the rear of the building.

Public Benefit Summary:

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

	Current Zoning	Proposed
Zoning District	RM-5B	HRA
FSR (Site Area = 803 m ² (8,646 sq. ft.))	1.5	2.17
Buildable Floor Area	1205 m ² (12,969 sq. ft.)	1,740 m ² (18,718 sq. ft.)
Land Use	Residential	Residential

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed HRA (\$)
Required*	DCL (City-wide) (See Note 1) Residential Floors	202,600	113,000
	DCL (Utilities)		73,000
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		1,200,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$202,600	\$1,386,000

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.

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.