



POLICY REPORT

Report Date: April 17, 2019
Contact: Jason Olinek
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VanRIMS No.: 08-2000-20
Meeting Date: May 14, 2019

TO: Vancouver City Council

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

SUBJECT: Heritage Designation – 2525 Carolina Street – The Carolina

RECOMMENDATION

- A. THAT Council add the existing building at 2525 Carolina Street (PIDs: 015-315-908 and 015-315-886; Lots 11 and 12 of Lot A Block 156 District Lot 264A Plans 390 and 1771 (the “site”)) known as “The Carolina” (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 heritage building as protected heritage property.
- C. THAT Recommendations A and 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 heritage building at 2525 Carolina Street to the Vancouver Heritage Register in the ‘B’ evaluation category and to designate its exterior as protected heritage property. Under the current C-2C zoning applicable to the site, the existing building could be demolished and the site redeveloped without Council

approval, with a density of 3.0 FSR. The proposal includes a mixed-use development incorporated with the heritage building and the Director of Planning is prepared to approve a 10% increase in permitted density, as set forth in Development Permit Application Number DP-2018-00851 (the “DP Application”) and as described in this report. The additional density serves as incentive and compensation to the owner for the heritage designation and conservation of the heritage building. The General Manager of Planning, Urban Design, and Sustainability is prepared to approve the DP Application 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, may 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 relaxations so as to permit an otherwise impermissible development.

The proposed heritage designation for the heritage building requires 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)*
- *Mount Pleasant Community Plan*, adopted by Council on November 18, 2010

GENERAL MANAGER'S COMMENTS

The General Manager of Planning, Urban Design, and Sustainability recommends approval of A through C.

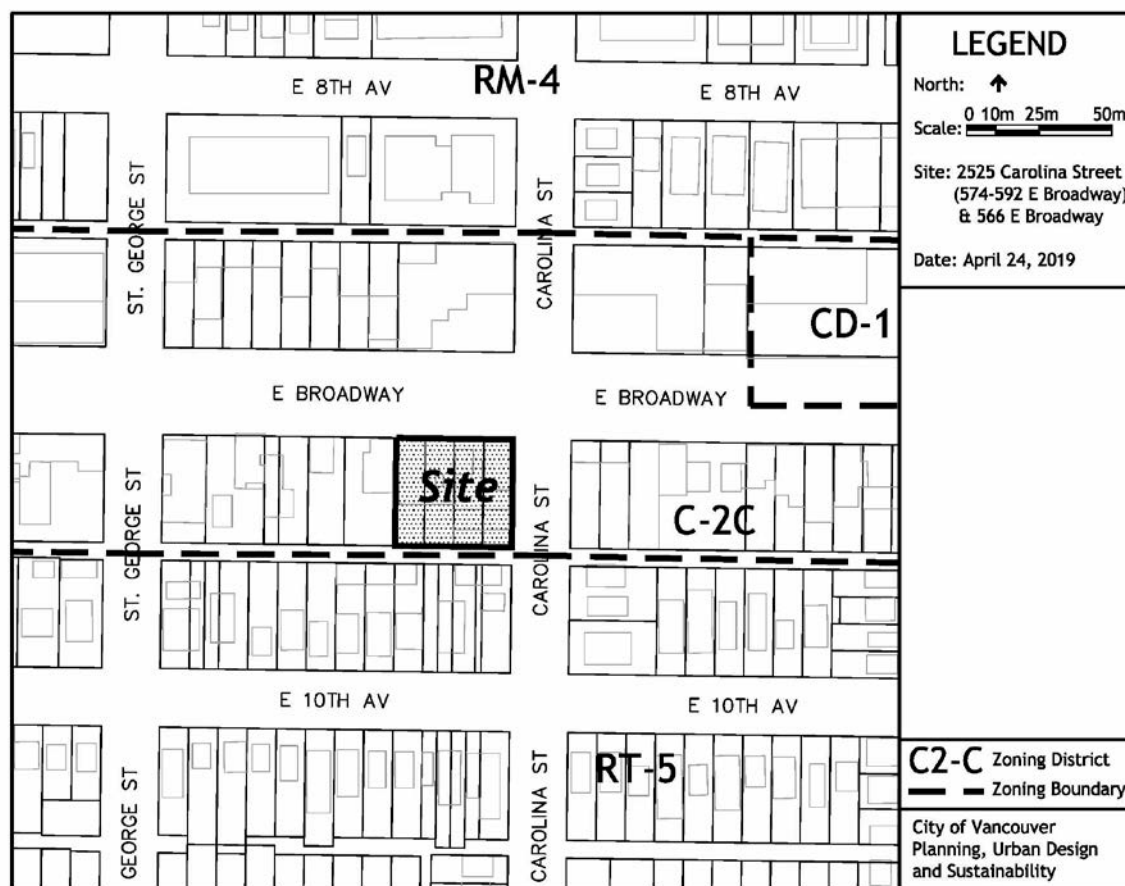
STRATEGIC ANALYSIS

Site and Context

The site consists of two parcels located in the Mount Pleasant neighbourhood in an area zoned C-2C (see Figure 1). The C-2C District Schedule of the *Zoning and Development By-law* permits mixed use development. The total area of the site is 1,497 m² (16,116 sq. ft.). There is a 6-metre (20-ft.) wide lane at the rear of the site. There are presently four buildings on site: a newer two-storey mixed-use building at 566 East Broadway, a detached two-storey dwelling at 574 East Broadway known as the Connacher Residence, a B-listing on the Heritage Register, a

two-storey building with ground floor retail and apartments above at 2525 Carolina Street known as “The Carolina”, and an older one-storey workshop running alongside the lane fronting Carolina Street.

Figure 1: The site and the surrounding zoning



Heritage Value

Built in 1926, The Carolina is valued for its association with the interwar development of Mount Pleasant, particularly its mixed-use vernacular style. It has brick cladding limited to the lower half of the front elevation and is unusual in the application of drop wood siding cut to give a brick-like appearance on the upper front and the entire Carolina Street side (Appendix A).

The site has evolved over time. The Carolina was constructed by machinist Alex Videck, who purchased the two lots on the southwest corner of East Broadway and Carolina Street in 1920. He developed a machine shop at the rear and moved the Connacher Residence, built at the corner in 1895, to the west side of the site, to allow construction of The Carolina (Appendix B). Now addressed as 574 East Broadway, the Connacher Residence is on the Vancouver Heritage Register as a B-listing.

Alex Videk lived in one of the upper floor apartments of The Carolina until his death in 1969. The ground floor was home to various businesses, including The Carolina confectionery shop. Other notable later tenants included a corner grocer known as the Black & White Grocery. The diversity of uses in The Carolina has been maintained since its construction.

Development Application and Proposed Incentives

The zoning applicable to the site is C-2C, which permits, for this site, density up to 3.0 floor space ratio (FSR). One of the conditions of the DP Application is heritage designation of the heritage building. If this is approved, the incentives and compensation to be provided to the owner for the heritage designation, together with its rehabilitation and conservation, will be in the form of relaxations of the requirements of the *Zoning and Development By-law* under Section 3.2.5, including an increase in the permitted density and height, as set forth in the DP Application which are within the discretion of the General Manager of Planning, Urban Design and Sustainability and are further described below.

Table 1: Zoning Summary

Site Area = 1,497 m² (16,116 sq. ft.).

Item	Existing	Permitted or Required	Proposed
Floor Area	0.85 FSR 1,272 m ² (13,699 sq.ft.)	3.0 FSR Maximum 4,491 m ² (48,348 sq.ft.)	3.3 FSR 4,940 m ² (53,183 sq.ft.)
Height	2 storeys 7.9 m (26 ft.)	4 storeys 13.9 m (45.6 ft.)	6 storeys 21.1 m (69.3 ft.)

The DP Application proposes minor alterations to The Carolina to retain existing retail uses on the ground floor, along with a 6-storey strata residential building with two levels of below-grade parking, bike storage and amenity space. The Connacher Residence, presently fronting East Broadway, will be moved to the rear of the site adjacent the lane in order to accommodate the six-storey development, and it will remain residential (Appendix C).

The General Manager of Planning, Urban Design, and Sustainability has considered the intent of the *C-2C District Schedule*, the results of neighbourhood notification, the condition of the heritage building, and the increase in density proposed and is prepared to issue the DP Application 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 *C-2C District Schedule* of the *Zoning and Development By-law* is to:

“... provide for a wide range of goods and services, to maintain commercial activities and personal services that require central locations to serve larger neighbourhoods, districts or communities and to encourage creation of a pedestrian oriented district shopping area by increasing the residential component and limiting the amount of office use.”

The *Mount Pleasant Community Plan* was adopted by Council on November 18, 2010. Section 2 of the plan, titled *“Broadway East Revitalization Strategy”*, specifies:

Retain Heritage and Character Buildings

“In order to encourage retention of character (e.g., pre-1940) houses and other buildings, there should be incentives to renovate such as: additional density, more suites, relaxations to building code requirements, promoting the opportunity to be included on the VHR. Areas that have more older buildings should be studied first.”

The proposed protection of the heritage building, along with the relocation of the other B-listed building, meets this intent and is consistent with the *Community Plan*.

Condition and Economic Viability of the Heritage Building and Conservation Approach

The property is in good condition. The heritage consultant has provided a detailed Conservation Plan and staff have concluded that the work is consistent with the federally adopted *Standards and Guidelines for the Conservation of Historic Places in Canada*.

The heritage building retains its original character, including form, cladding and original corner entry to the store. The rehabilitation that is proposed includes new wood windows on the second floor to match the original double-hung windows. The storefront glazing, not original to the building, will be replaced with a period-appropriate window and frame arrangement, while the existing decorative elements will be retained. The rear balcony is in poor condition and will be removed to accommodate a revitalized rear courtyard. Likewise, the exit stairs on the west side are in a similar condition and will be removed to accommodate the proposed addition.

Similarly, the B-listed Connacher Residence, which will be moved to face Carolina Street, is in good condition. However, due to the necessary building upgrades triggered by its move, some of its heritage elements will need to be replicated following relocation. The anticipated level of conservation is lower than for The Carolina, and as such it will remain on the Heritage Register but will not be protected by designation. The development of the site, though, will allow for its long-term retention and contribution to the character of the area.

Results of Neighbourhood Notification

Notification for the DP Application was sent to 1,077 addresses and 20 responses were received, two in favour and 18 opposed. The concerns expressed can be summarized in four points as noted below (with staff comments):

1. Retention of the existing heritage buildings.

Staff Comments: The heritage designation of The Carolina, and the relocation of the neighbouring Connacher Residence to face Carolina Street, will allow for the long-term protection of the former, and retention and adaptive re-use of the latter, as historic neighbourhood resources.

2. Displacement of current tenants, no replacement of rental units.

Staff comments: Rental replacement is not required for commercial zones. However, a full Tenant Relocation Plan is required for this application and the applicant is working closely with Affordable Housing (ACCS) staff to ensure tenants are adequately assisted.

3. Existing Artist Studios

Staff comments: The development will incorporate three ground-floor artists' studios along the south side of the new development.

4. Proposed height and density in comparison to the existing heritage buildings and surrounding developments and the increase in traffic and parking problems

Staff comments: The substantial setbacks of the proposed top two floors create a four-storey street wall along East Broadway and along the lane, and the siting of The Carolina and the relocated Connacher Residence allow for additional setbacks of the

primary massing of the new building along Carolina Street and along the lane. The development will meet all on-site parking and loading requirements specified in the *Parking By-law*.

Comments of Advisory Bodies

On November 19, 2018, the Vancouver Heritage Commission reviewed the DP Application and supported it with comments (see Appendix E).

On November 28, 2018, the Urban Design Panel reviewed the DP Application and expressed support, recommending that there be additional design development to address plant materials in the landscape plan, and improve privacy between units at the rear and for rooftop dividers. These two issues will be included in the Prior-to Conditions of the DP Application.

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 engineering infrastructure.

This site is subject to City-wide DCLs and City-wide Utilities DCLs on the proposed additional 4,524 sq. m (48,699 sq. ft.) of floor area in excess of the 416 sq. m (4,484 sq. ft.) to be retained, conserved and rehabilitated as designated heritage space. Based on rates in effect as of September 30, 2018, total DCLs of approximately \$1,113,664 would be anticipated from this development.

DCL rates are subject to future adjustment by Council including annual inflationary adjustments. DCLs are payable at building permit issuance based on rates in effect at that time. A development may qualify for 12 months of in-stream rate protection from DCL rate increases, provided that an application has been received prior to the rate adjustment. See the City's DCL Bulletin for details on DCL rate protection.

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

Heritage: The owner has offered to conserve and rehabilitate the heritage building and to accept the designation as protected heritage property, which is a highly valued community feature. As incentive and compensation, the owner would be permitted relaxations to density and height. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$954,352.

Financial Implications

As noted in the section on Public Benefits, the applicant has offered the on-site conservation of the heritage building valued at approximately \$954,352.

The site is subject to the City-wide DCL and the City-wide Utilities DCL and it is anticipated that, based on rates in effect as of September 30, 2018, the applicant will pay approximately \$1,113,664 in DCLs should the DP Application be approved and the project proceed.

Environmental

There are no environmental requirements as part of this heritage designation, and the *Green Buildings Policy for Rezoning* does not apply in this case.

Legal

The relaxations 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 these relaxations for 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 is in the process of signing the agreement noted above and in doing so will explicitly accept the minor 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 Carolina, at 2525 Carolina Street, is proposed to be added to the Vancouver Heritage Register as a B-listing based on its historical and architectural values, and is proposed to be protected by heritage designation. This will secure the building from demolition and exterior alterations which affect its heritage value. The owner has agreed to the proposed Heritage Designation By-law and any potential impact 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. Therefore, it is recommended that Council approve the recommendations of this report.

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2525 CAROLINA STREET
PHOTOGRAPHS



The Carolina, 2525 Carolina Street (594 East Broadway)

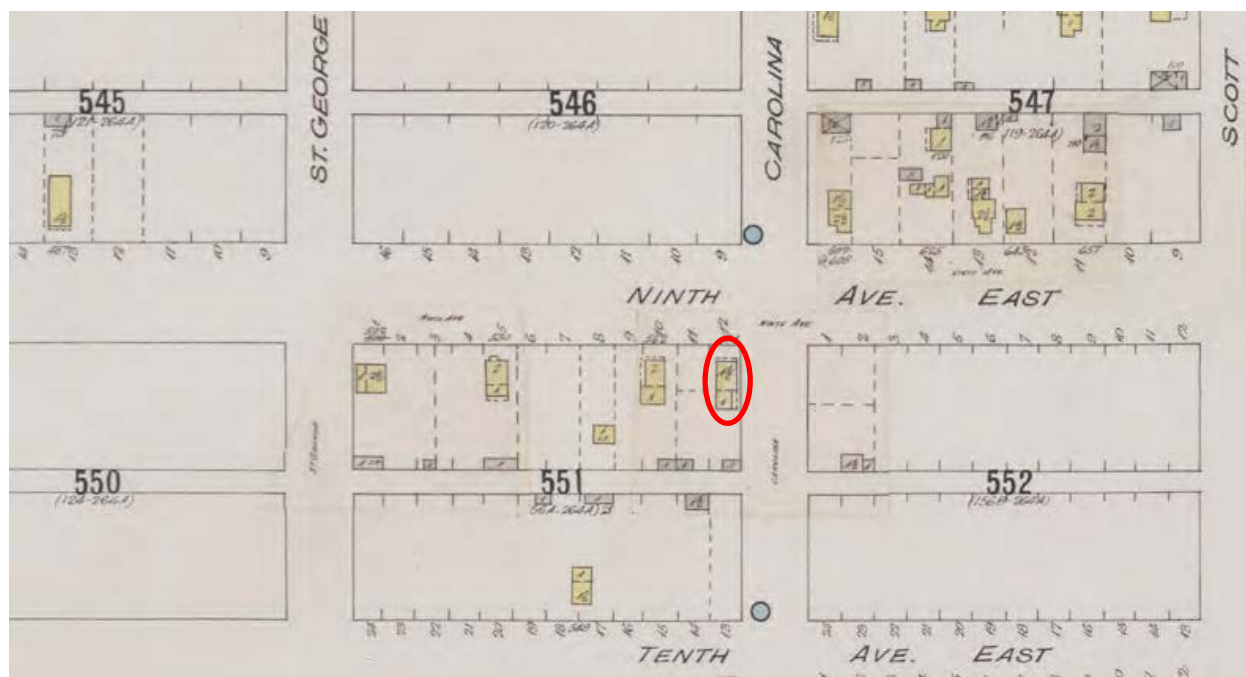


The Carolina, then known as "Black & White Grocery," with neighbouring Connacher Residence, 1978



Connacher Residence, 592 East Broadway

2525 CAROLINA STREET
FIRE INSURANCE MAP

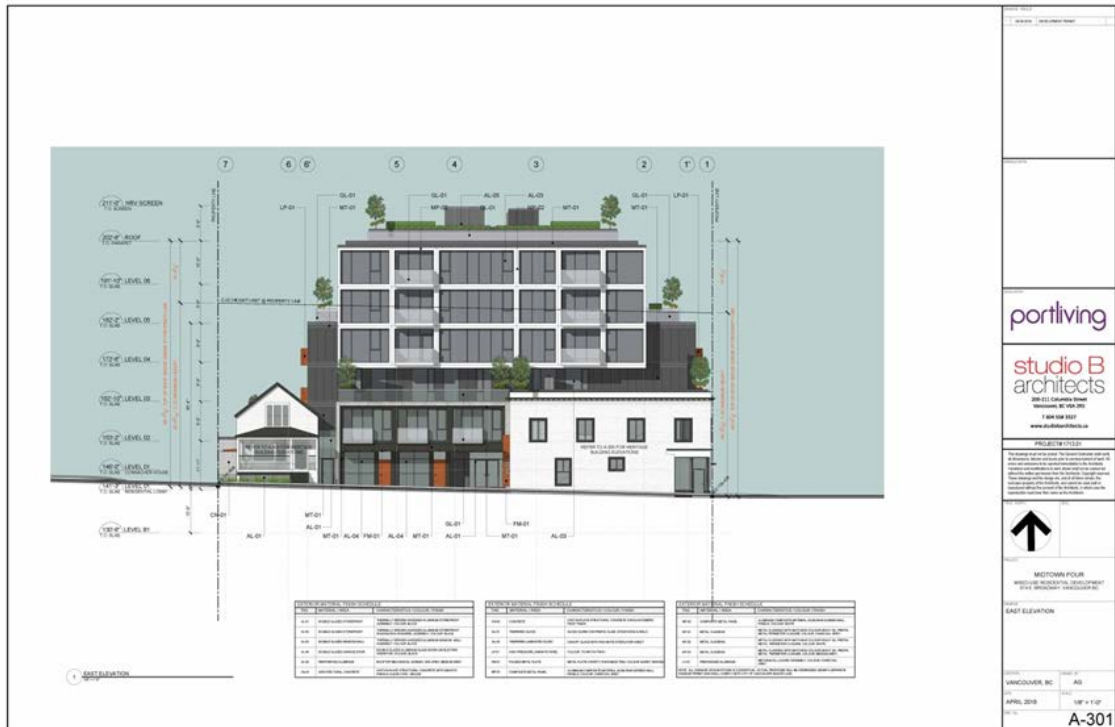


1899 Fire Insurance Map showing original location of Connacher Residence, 592 East Broadway, prior to construction of The Carolina and its relocation to the west side of subject site





North Elevation (East Broadway)



East Elevation (Carolina Street)





East Broadway Rendering



Carolina Street Rendering

2525 CAROLINA STREET
TECHNICAL ZONING SUMMARY

Table 1: Summary of C2-C District Schedule of Zoning and Development By-law
Site Area: 2525 Carolina Street – 1,497 m² (16,116 sq. ft.).

C2-C District Schedule	Existing	Required or Permitted	Proposed
Section 4.3 Height	0.85 FSR 1,272 m ² (13,699 sq.ft.)	3.0 FSR Maximum 4,491 m ² (48,348 sq.ft.)	3.3 FSR 4,940 m ² (53,183 sq.ft.)
Section 4.7 Floor Space Ratio	2 storeys 7.9 m (26 ft.)	4 storeys 13.9 m (45.6 ft.)	6 storeys 21.1 m (69.3 ft.)

2525 CAROLINA STREET
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION

On February 4, 2019, the Vancouver Heritage Commission reviewed the report from the Statements of Significance Subcommittee and resolved the following:

- A. THAT the Vancouver Heritage Commission supports adding the following building to the Vancouver Heritage Register as a B-listing, and to complete revisions to the Vancouver Heritage Register Evaluation:

- 592 East Broadway – The Carolina.

- B. THAT the Vancouver Heritage Commission requests that the Statements of Significance for the following buildings be referred back to the consultant for revisions:

- 574 East Broadway – Connacher Residence; and
- 592 East Broadway – The Carolina.

CARRIED UNANIMOUSLY

On November 19, 2018, the Vancouver Heritage Commission reviewed the Development Permit Application and resolved the following:

THAT the Vancouver Heritage Commission supports the Conservation Plans for 574 and 592 East Broadway, the 'Connacher Residence' and 'The Carolina', respectively, as presented at the October 29, 2018, meeting;

THAT the Vancouver Heritage Commission recommends that the applicant carefully follow the Conservation Plans, especially the conservation of the notched wooden drop siding on the Carolina building;

THAT the Vancouver Heritage Commission recommends that the planter wall on the Carolina building be further recessed to distinguish it from the original parapet;

THAT the Vancouver Heritage Commission regrets the loss of the industrial building and requests that a commemorative plan be developed for the industrial building if sufficient heritage value is discovered; and

FURTHER THAT the Vancouver Heritage Commission does not support the designation of the Connacher Residence due to loss of integrity.

CARRIED (Commissioner Massey opposed)

2525 CAROLINA STREET PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation and conservation of a mixed use heritage building with an addition to the west side.

Public Benefit Summary:

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

	Current Zoning	Proposed
Zoning District	C2-C	C2-C
FSR (site area = 1,497 m ² (16,116 sq. ft.))	3.0	3.3
Buildable Floor Area	4,491 m ² (48,348 sq.ft.)	4,940 m ² (53,183 sq.ft.)
Land Use	Mixed Use	Mixed Use

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed DE (\$)
Required ^{1,3}	DCL (City-wide) ²	\$855,733	\$868,221
	DCL (Utilities)	243,674	245,443
	Public Art		
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		954,352
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
	Other		
TOTAL VALUE OF PUBLIC BENEFITS		\$1,099,407	\$2,068,016

Other Benefits: None

¹ Based on rates in effect as at September 30, 2018. DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification. DCLs would not apply to existing floor area of the Carolina, 2525 Carolina Street (416 m² (4,484 sq.ft.)) within the value under the Proposed column.

² City-Wide DCL revenues are allocated as follows: Replacement Housing (36%); Transportation (25%); Parks (18%); Childcare (13%); and Utilities (8%).

³ DCL rates are subject to future adjustment by Council including annual inflationary adjustments. DCLs are payable at building permit issuance based on rates in effect at that time. A development may qualify for 12 months of instream rate protection, see the City's [DCL Bulletin](#) for details.