



REPORT

Report Date: May 30, 2023
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Meeting Date: June 13, 2023
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TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Directions Report: Consideration of Modification to Conditions of Approval
1616-1698 West Georgia Street, CD-1 (812)

RECOMMENDATION

THAT Council approves the modification to Condition of Approval, Section 2.13 b), 1616-1698 West Georgia Street, CD-1 (812), as described in this report, and instructs the Director of Legal Services to make the appropriate modifications to or replacements of legal agreements, legal covenants and securities to give effect to this modification.

REPORT SUMMARY

This report evaluates the proposed modification to a condition of approval relating to a rezoning for 1616-1698 West Georgia Street. The CD-1 (812) By-law was enacted by Council on April 26, 2022. The project proposes a 33-storey residential building comprised of 127 market strata units. The purpose of this report is to modify the condition and timing for payment of an Outstanding Balance for a Community Amenity Contribution (CAC).

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Community Amenity Contributions (CAC) Policy for Rezoning (2020)
- Council's approval in principle of the Rezoning application for 1616-1698 W Georgia Street (April 2021)
- Council enacted CD-1(812) (April 2022)

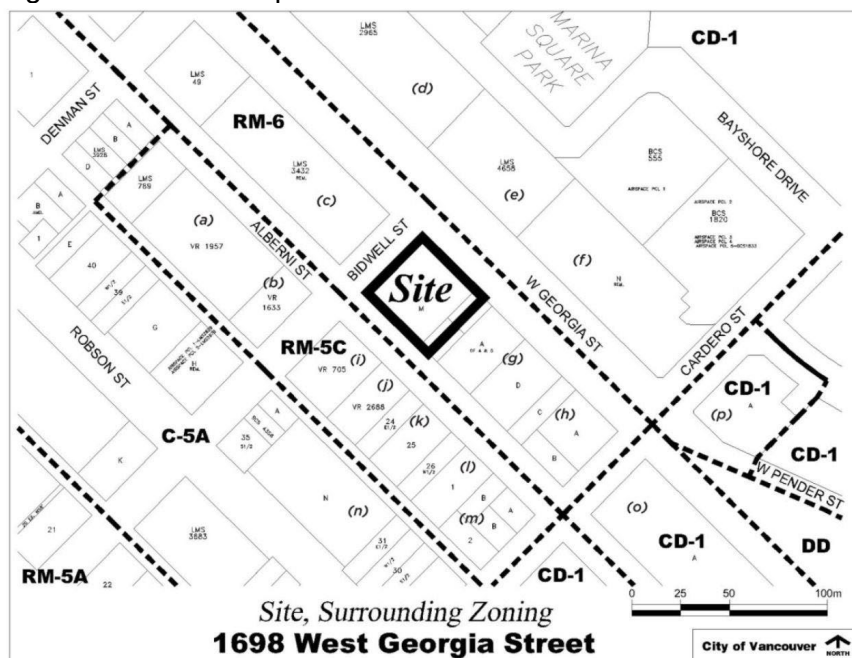
REPORT

BACKGROUND CONTEXT

1. Background

Following a Public Hearing on April 13, 2021, Council approved in principle a rezoning application for 1616-1698 West Georgia Street (the “Rezoned Lands”). The CD-1 (812) By-law was enacted by Council on April 26, 2022. The project proposes a 33-storey residential building comprised of 127 market strata units.

Figure 1: Context Map



2. Policy Context

Community Amenity Contribution (CAC) – In accordance with City’s Financing Growth Policy, an offer of a community amenity contribution to address the impacts of rezoning was secured for Rezoned Lands. CACs are typically made through the provision of either on-site amenities or a cash contribution towards other public benefits and takes into consideration community needs, area deficiencies and the impact of the proposed development on City services. As part of this application, the applicant offered a cash CAC of \$26,100,000, which was supported by the City and approved by Council. The cash CAC will be allocated to support delivery of the West End Public Benefits Strategy.

Phased approach to Cash CAC Payment – *The Community Amenity Contributions Policy for Rezonings* currently allows deferral of a portion of a cash CAC under certain conditions, subject to review and concurrence by the City’s Risk Management Committee (RMC) for any deviations from the policy. Following the Public Hearing, Council approved a cash CAC of \$26,100,000 which would be payable in accordance with the following conditions (Condition of Approval 2.13 b):

- \$15,660,000 (60%) to be paid by wire transfer prior to the enactment of the rezoning bylaw;
- Payment of \$10,440,000 (40%) (the “Outstanding Balance”) on the earlier of the following dates:
 - The issuance of the first building permit for the Rezoned Lands; or
 - The date that is 24 months following the date of enactment of the rezoning bylaw for the Rezoned Lands.

The Outstanding Balance will be charged interest from the enactment date of the rezoning bylaw at prime plus 2%, with interest payable to the City on quarterly instalments until the date that such amount is fully paid.

The applicant has satisfied the payment of the \$15,660,000 prior to enactment of the CD-1 Bylaw. The Outstanding Balance has been secured to the satisfaction of the Director of Legal Services pursuant to a deferred CAC agreement registered on title and financial securities. The applicant is requesting an extension to the payment of the Outstanding Balance as follows:

- Payment of \$10,440,000 (40%) (the “Outstanding Balance”) on the earlier of the following dates:
 - The issuance of the second (Stage 2) building permit for the Rezoned Lands; or
 - The date that is 24 months following the date of enactment of the rezoning bylaw for the Rezoned Lands.

Strategic Analysis

The applicant is proposing to modify the timing for the payment of the Outstanding Balance from the issuance of the first (Stage 1) building permit for the Rezoned Lands, to the issuance of the second (Stage 2) building permit as described below, in either case not later than 24 months following the date of enactment of the rezoning bylaw for the Rezoned Lands (which would be April 25, 2024). Stage 1 building permit refers generally to excavation and shoring of the site, while Stage 2 building permit generally refers to the site works from foundations to grade. There are no proposed changes to the “outside date” of this deferred CAC obligations (the obligation will be payable prior to April 25, 2024). The applicant has advised that this request is being made due to market uncertainty from recent interest rate increases, coupled with unprecedented increases in hard costs.

Staff have reviewed this request, and have sought direction from RMC, which is responsible for reviewing and making recommendations to Council pertaining to deviations from Council’s adopted CAC Policy. The recommendation from RMC is to accept the proposed modification to the timing for payment of the Outstanding Balance.

Subject to Council’s approval of this modification to Condition 2.13 b, staff will work with the applicant to amend or replace the existing legal agreements, legal covenants and financial securities that are in place relating to the Outstanding Balance to give effect to this direction.

Staff have carefully considered this request, and are of the opinion that accepting the modification would support the timely delivery of housing while ensuring satisfactory payment of the CAC Outstanding Balance.

Financial Implications

The applicant has offered to provide a cash CAC of \$26.1 million under a phased payment approach, of which \$15.66 million has been paid prior to rezoning enactment, and the remaining \$10.44 million payable and secured as outlined in this report. It should be noted that the proposed modification is considered on a “one-off” basis, and does not represent a change in the City’s CAC Policy relating to deferred CACs.

Legal Implications

The applicant is required to satisfy the remaining balance of the Outstanding Balance for the CAC, which will be payable on or before April 25, 2024. The City has taken the appropriate steps to secure this Outstanding Balance through legal agreements, legal covenants and financial securities. The existing legal agreements, legal covenants and financial securities will be modified or replaced to give effect to this direction.

CONCLUSION

Staff review of the proposed modification to Condition of Approval 2.13 b) has concluded that the change is supportable and the payment will contribute to the deliver of public benefits consistent with the directions of the West End Community Plan and accompanying West End Public Benefits Strategy. The modification to the timing for payment of the Outstanding Balance will not negatively impact the City’s ability in achieving key public benefit objectives in and around the West End neighbourhood.

Pursuant to the recommendations from the Risk Management Committee, the General Manager of Planning, Urban Design and Sustainability recommends approval of this modification to Condition of Enactment 2.13 b).

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