



## COUNCIL REPORT

Report Date: March 27, 2026  
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VanRIMS No.: 08-2000-20  
Meeting Date: May 5, 2026  
[Submit comments to Council](#)

TO: Vancouver City Council

FROM: The General Manager of Engineering Services in Consultation with the Director of Real Estate Services

SUBJECT: Closure and Sale or Lease of Lane Adjacent to 1750 Franklin Street and 1717-1771 East Hastings Street

### Recommendations

- A. THAT Council close, stop-up and convey to Hallmark Poultry Processing Ltd. ("Hallmark"), the owner of the Abutting Lands, as legally described in Appendix B, that approximately 805.3 square metre (8668 square feet) portion of lane (the "Lane Portion"), the same as generally shown outlined in bold on the plan attached as Appendix A, subject to the terms and conditions noted in Appendix C.
- B. THAT, upon any approval of Recommendation A, the sale proceeds of \$6,000,000 be credited to the Capital Fund.

If Council approves the Recommendations above, the Formal Resolution to close the Lane Portion and convey to Hallmark will be before Council later this day for approval, and the Alternative below will not be pursued.

### Alternatives

- A. THAT Council close, stop-up and lease to Hallmark Poultry Processing Ltd. ("Hallmark"), the owner of the abutting Lands, as legally described in Appendix B, that approximately 805.3 square metre (8668 square feet) portion of lane (the "Lane Portion"), the same as generally shown outlined in bold on the plan attached as Appendix A, and authorize the Director of Real Estate Services to execute a lease (the "Lease") of the Lane Portion for a term of ten (10) years at \$103,920 per annum, with two (2) options for five (5) year renewals each at market rent, subject to the terms and conditions noted in Appendix E.

## **Purpose and Executive Summary**

The purpose of this report is to seek Council direction on the long-term disposition of a portion of City-owned lane adjacent to 1750 Franklin Street and 1717-1771 East Hastings Street, either through closure and sale to the abutting owner, Hallmark Poultry Processing Ltd. (“Hallmark”), or, alternatively, through the approval of a extended-term lease arrangement.

## **Council Authority/Previous Decisions**

The authority for closing and disposing of streets and lanes is set out in Sections 190 and 291 of the *Vancouver Charter*.

Pursuant to Section 289A(a), Council may, by lease or licence, permit the use of stopped-up and closed surfaces of streets by the occupants of an abutting property that is zoned for other than residential use.

On June 9<sup>th</sup>, 2021 Council rejected a report ([RTS14504](#)) to close, stop-up and convey the Lane Portion to Hallmark for a price of \$4,763,000.

## **City Manager’s Comments**

The City Manager concurs with the foregoing recommendations and alternatives.

## **Context and Background**

The Lane Portion was dedicated as lane upon the registration of Plan 729 in 1894 and continues to be used for access and utility purposes for the servicing of the Abutting Lands.

The Lane Portion is currently the subject of a temporary year-to-year licence agreement that grants Hallmark exclusive use of the Lane Portion to address security and safety concerns associated with public access to the lane. The annual license fee is \$43,290 per year, consistent with the Encroachment Bylaw. Hallmark is presently overholding beyond the original license term.

In June of 2021, a report ([RTS14504](#)) was presented to City Council seeking approval for the closure and sale of the Lane Portion to be consolidated with the Abutting Lands owned by Hallmark. Council at that time did not support the proposed sale.

Hallmark has since re-engaged with the City to request support for securing long-term tenure over the Lane Portion to support upgrades to the poultry processing facility, with fee simple tenure being preferred by Hallmark, in order to facilitate the proposed facility upgrades. Engineering staff have completed stakeholder reviews and can support a closure, stop-up and sale of the Lane Portion. Accordingly, staff are presenting Council with two options for consideration: approval of the closure and sale of the Lane Portion (“Recommendation A”), or alternatively, endorsement of a formal lease agreement (“Alternative A”), as discussed below.

## **Discussion**

### Closure and sale of the Lane Portion

Acquisition of the Lane Portion would enable Hallmark to implement permanent and effective odour control improvements that address long-standing operational and regulatory concerns. Currently, deliveries are received at the 1717 East Hastings Street facility and transferred across the lane by forklift to the processing facility at 1750 Franklin Street. Direction from Metro Vancouver, who oversees the facilities' air quality permits, has identified the need to enclose this transfer. Ownership of the lane would allow for the construction of either an overhead or below-grade enclosed conveyor system in conjunction with a proposed renovation of the 1750 Franklin Street building, enabling bay doors to remain closed and odorous air to be captured and treated through upgraded air scrubbers and exhaust systems. These measures would significantly reduce odour impacts for nearby residents and businesses, consistent with successful odour control upgrades recently implemented at similar facilities.

These improvements require substantial capital investment, engineering coordination, and permitting, and are most effectively achieved through the installation of permanent infrastructure within the Lane Portion. In addition to odour reduction, the proposed enclosure would eliminate frequent forklift movements across the lane, ensuring continued safety, security, and improving overall site operations. The lane sale therefore supports responsible industrial activity while delivering clear environmental, safety, and community benefits for the surrounding area, and represents a balanced and pragmatic outcome for both Hallmark and the City.

Hallmark will be responsible for all costs, plans, document and Land Title Office fees required to complete the road closure and conveyance.

### Lease of the Lane Portion

An extended-term lease arrangement (ten (10) years plus two additional five (5) year option renewal terms) will allow Hallmark to use and cross over the Lane Portion to safely and securely access and conduct business on their adjacent Lands. Existing security works at each end of the Lane Portion will remain in place to limit entry to only those permitted by Hallmark. Emergency responders, respective public and private utility owners will be provided access at all times in the event of an emergency or upon providing notice to Hallmark for planned utility work and upgrades.

Hallmark will be restricted from constructing or erecting any new structures or installations within the Lane Portion and will be expressly prohibited from attempting to shift any activities currently undertaken from the adjacent lands to the Lane Portion.

Maintenance of the Lane Portion under the Lease will be undertaken by Hallmark, to include snow clearing, drainage, surface repairs and any required gate maintenance and repairs. Hallmark will be obligated to indemnify the City and carry liability insurance during the term of the Lease.

The City will retain the ability to terminate the Lease after the first five (5) years should the Lane Portion be required for any municipal purpose. Council will maintain discretion at any time to terminate the Lease upon providing 12 months written notice of such termination to Hallmark. Hallmark must maintain ownership of the adjacent lands for the Lease to remain in effect.

A lease arrangement would not provide Hallmark with sufficient tenure certainty or the operational capacity, including the implementation of enclosed product transfer systems across the lane, to support significant and comprehensive odour management and drainage upgrades that would be achievable through the acquisition of the Lane Portion.

### Zoning Regulations and Alignment with the Grandview Woodland Community Plan

The Abutting Lands north and south of the Lane Portion are subject to different zoning designations - M-2 and MC-2, respectively. Conditional uses in both M-2 and MC-2 districts allow for a poultry processing facility under *Food or Beverage products Mfg – Class A*.

Approved by Council in 2016, The Grandview Woodland Community Plan includes policy to support rezoning of the lands to the north and south of the lane to enable mixed use housing development along Hastings St. and conversion from heavy industrial (M-2 zoning) to light industrial (I zoning) for the sites to the north of the lane. Sale or lease of the land does not change the Community Plan or rezoning policy for the site and it is anticipated that, over the long term, Hallmark (or a future owner of the site) may elect to rezone the site(s) to enable redevelopment in alignment with the Community Plan and the other properties in the sub-area.

Hallmark facilities provide significant and diverse employment in the area (~400 jobs split between the facilities in the area). The Grandview Woodland Community Plan includes overarching directions to support employment and industry in the community overall.

### **Financial Implications**

#### Closure and sale of the Lane Portion

The Director of Real Estate Services recommends (and Hallmark has agreed to) a sale price for the Lane Portion of \$6,000,000. This price exceeds the third-party validated appraised value of \$3,250,000, noting that the appraisal report acknowledges the transaction would provide Hallmark with significant business efficiencies, which were not quantified or reflected in the final valuation. The sale proceeds to be credited to the Capital Fund.

In accordance with the Miscellaneous Fees By-law, a Road Closure Fee of \$14,360. has been charged and collected from the owner of the Abutting Lands.

#### Lease of the Lane Portion

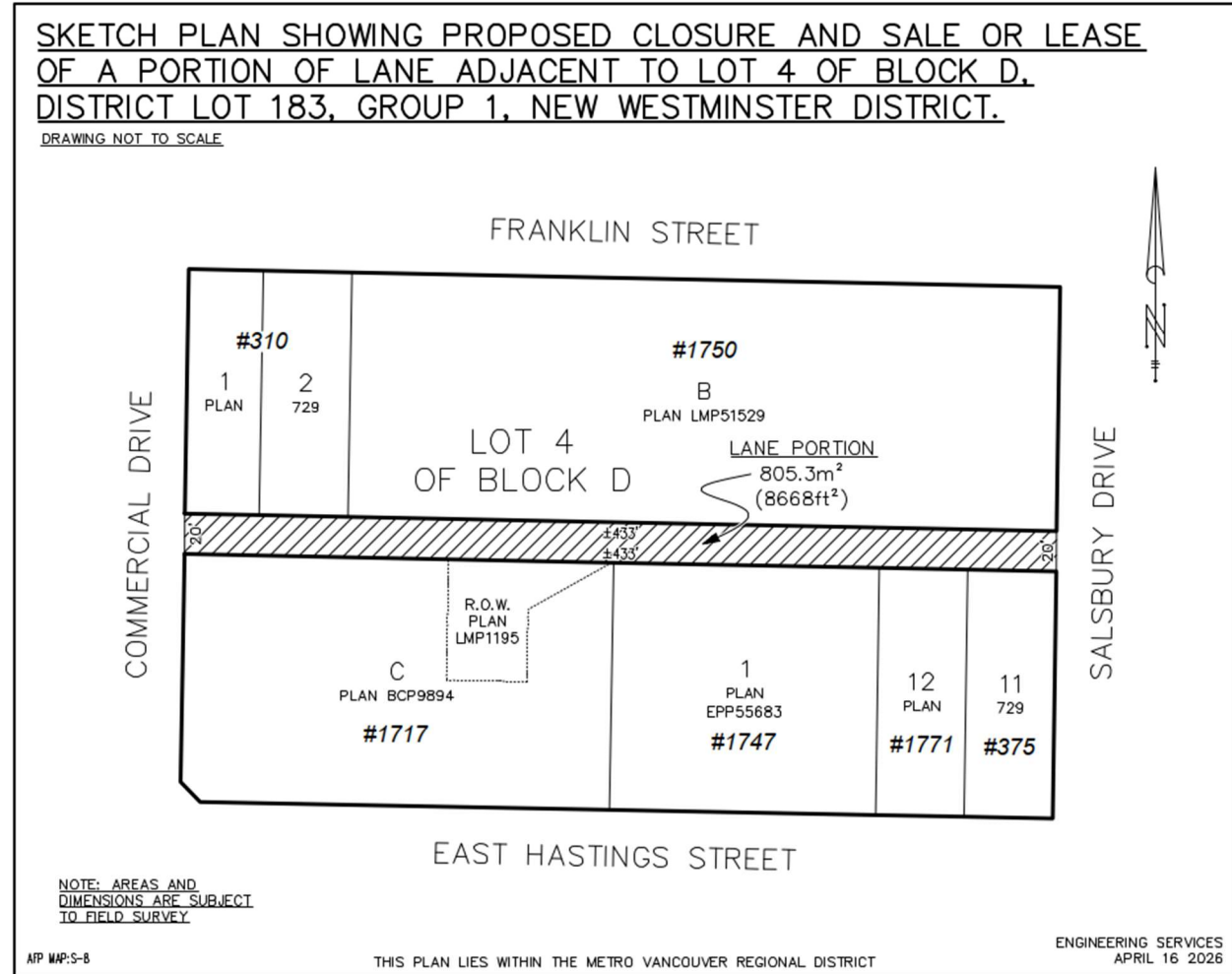
The Director of Real Estate Services recommends an annual market rent of \$103,620 per year for the Lane Portion. Two (2) subsequent Options to renew, each of five (5) years, will be at market rental value.

### **Legal Implications**

There are no legal implications associated with this report's recommendations.

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### APPENDIX A Sketch of Lane Portion and Abutting Lands



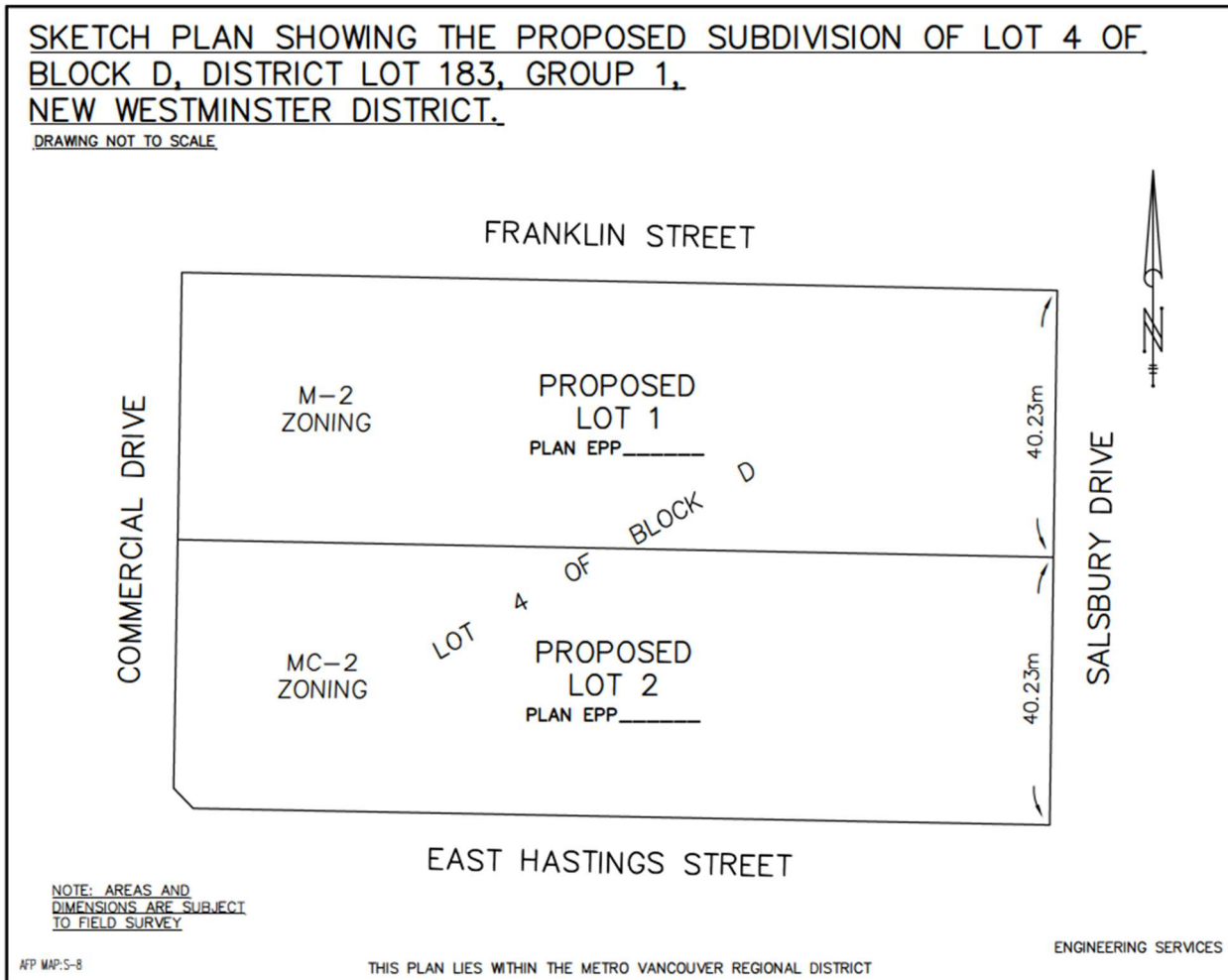
**APPENDIX B**  
**The Abutting Lands**

<b>Address</b>	<b>Parcel Identifier (PID)</b>	<b>Legal Description</b>
1717 E. Hastings St.	025-876-716	Parcel C of Lot 4 Block D District Lot 183 Group1 New Westminster District Plan BCP9894
1747 E. Hastings St.	029-771-994	Lot 1 of Lot 4 Block D District Lot 183 Group 1 New Westminster District Plan EPP55683
1771 E. Hastings St.	015-164-489	Lot 12 of Lot 4 Block D District Lot 183 Plan 729
375 Salisbury St.	015-164-306	Lot 11 of Lot 4 Block D District Lot 183 Plan 729
1750 Franklin St.	025-165-011	Parcel "B" of Lot 4 Block D District Lot 183 Group 1 New Westminster District Plan LMP51529
310 Commercial Dr.	015-164-233	Lot 1, Except the West 7 Feet Now Road, of Lot 4 Block D District Lot 183 Plan 729
310 Commercial Dr.	015-164-241	Lot 2 of Lot 4 Block D District Lot 183 Plan 729

**APPENDIX C**  
**Terms and Conditions of the Closure and Sale of the Lane Portion**

1. The Lane Portion to be closed, as generally shown hatched on Appendix A, is to be subdivided with the Abutting Lands (as shown outlined in bold on Appendix A and legally described in Appendix B) to create two legal parcels, as generally shown on Appendix D, in the form acceptable for deposit in the Land Title Office upon approval by the Approving Officer, to the satisfaction of the Director of Legal Services;
2. Prior to the Closing Date, ownership of the parcel of the Abutting Land at 375 Salsbury Street, legally described as Lot 11 of Lot 4 Block D District Lot 183 Plan 729 (PID 015-164-306) will be transferred from Linbury Holdings Ltd., nominee company, as bare trustee, to Hallmark;
3. Submission of written confirmation that arrangements have been made with BC Hydro, TELUS and FortisBC to support, in principle, the proposed closure of the Lane, subject to ultimate completion of any works or other arrangements that may be required by such utility providers to address utility relocations and future servicing needs, and including a summary of such work and arrangements to address the removal and relocation of the existing street lighting facilities in the Lane Portion, to the satisfaction of the General Manager of Engineering Services;
4. Registration of a Statutory Right of Way agreement in favour of the City over the Lane Portion for public utility purposes to the satisfaction of the General Manager of Engineering Services;
5. The Abutting Lands owner to pay \$6,000,000 plus applicable taxes for the Lane Portion, in accordance with the recommendation of the Director of Real Estate Services;
6. The Abutting Lands owner to pay \$14,360.00 for the Road Closure Fee, in accordance with the Miscellaneous Fees By-law;
7. The Abutting Lands owner to be responsible for all necessary plans, documents, and Land Title Office fees, including the preparation of a Reference Plan to Accompany Resolution of the City of Vancouver, the Statutory Right of Way Plan and the Subdivision Plan for the creation of the two new Parcels;
8. The Director of Legal Services or the Director of Real Estate Services, as applicable, to execute all plans, transfers and documents as required;
9. Any agreements are to be drawn to the satisfaction of the Director of Legal Services;
10. No legal right or obligation shall be created and none shall arise hereafter until the documents are executed by the parties thereto, and fully registered in the Land Title Office.

### APPENDIX D Sketch of Subdivision



**APPENDIX E**  
**Terms and Conditions of the Closure and Lease of the Lane Portion**

1. The Lane Portion to be closed, as generally shown hatched on Appendix A, is to be leased to the owner of the Abutting Lands (as shown outlined in bold on Appendix A and legally described in Appendix B), for the purposes of using and crossing over the Lane Portion to conduct business on the Abutting Lands, all to the satisfaction of the Director of Legal Services;
2. The lease shall be for an initial term of ten (10) years, with an option to renew for two (2) additional five (5) year terms, and to include a 12 month notice of termination after five (5) years should the lease area be required for any municipal purpose;
3. The lease may be terminated at any time by resolution of City Council directing the City to terminate the lease, which shall be effective upon the provision of 12 months prior written notice;
4. The annual rent during the term will be \$103,920.00;
5. The Lessee (Hallmark) must retain ownership and/or beneficial ownership of all the Abutting Lands during the term of the lease;
6. The Lane Portion shall be utilized solely for the following purposes:
  - a. To access, install, repair, and remove the existing security works comprising two gates (including closing and opening mechanisms) and associated fencing located each end of the Lane Portion;
  - b. To limit access to the Lane Portion to the Lessee, its officers, employees, invitees and agents specifically including public utility companies and governmental emergency responders;
  - c. To use and cross over the Lane Portion to access and conduct business on the Abutting Lands;
7. No structures or other improvements will be permitted in the Lane Portion;
8. Hallmark will limit loads on the Lane Portion to prevent damage and injury to the asphalt, underground utilities and other elements of the Lane Portion other than normal and reasonable wear and tear;
9. Hallmark will maintain the Lane Portion in a sanitary, neat, tidy and safe condition and will be responsible for maintenance of the road surface, for drainage and for snow removal;
10. Hallmark to be responsible for the ownership and maintenance of the Security Works which must be fully removed and the area restored upon termination of the Lease;
11. The City and all emergency services responders reserve the right to access the Lane Portion at any time (without notice) in response to an emergency or apprehended emergency;

12. The City and all 3rd party public utilities shall be permitted entry at all times into the Lane Portion for the purposes of constructing, maintaining, operating or removing any type of public utilities and services, both overhead and underground;
13. The Lessee will be responsible for all necessary costs; and
13. Any agreements are to be drawn to the satisfaction of the Director of Legal Services, the Director of Legal services and the General Manager of Engineering Services.