

ITEM	15
MANAGER'S REPORT NO.	48
COUNCIL MEETING	July 19/76

Re: AMENITY LEVY FOR THE ACQUISITION OF PUBLIC OPEN SPACE  
METROTOWN CENTRE AND LOCAL TOWN CENTRES

The following is the report of the Planning Director dated July 7, 1976 regarding the above.

RECOMMENDATION:

1. THAT the recommendations of the Planning Director be adopted; and
2. THAT the recommendations be reviewed at or about December 31, 1976.

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PLANNING DEPARTMENT  
JULY 7, 1976

TO: MUNICIPAL MANAGER  
FROM: DIRECTOR OF PLANNING  
SUBJECT: AMENITY LEVY FOR THE ACQUISITION OF PUBLIC OPEN SPACE  
METROTOWN CENTRE AND LOCAL TOWN CENTRES

1.0 BACKGROUND

The discussion of an amenity levy for the Metrotown and Local Town Centres is an extension of the Parkland Acquisition Levy programme which has been developed in Burnaby recently. On December 29, 1975, Council adopted a number of recommendations which established the current comprehensive neighbourhood parkland acquisition levy programme. The residential levy applies to any increase in residential densities as proposed through subdivision and rezoning procedures. The application of the Preliminary Plan Approval process was included to close a possible loophole on a few apartment sites pre-zoned prior to 1970 but which were in general expected to be the subject of amendment rezoning procedures to the Comprehensive Development District in the future. The adopted levies are approximately equal to 50% of the estimated acquisition costs and ranged from \$521 per unit to \$1,125 per unit depending on the unit density of a particular residential development. In addition to the parkland levy for residential proposals, there would appear to be a similar concern of Council as to the adequacy of local parks and public open space in relation to designated town centre areas which will ultimately redevelop to high-density commercial uses.

On May 20, 1975 the following Notice of Motion was adopted by Council:

Whereas plans for Burnaby allow for the development of a Metro Town Center and Local Town Centers and

Whereas it is vital that adequate public open space, plazas, urban green space, local parks, walking links etc. be provided in these compacted centers and

Whereas Burnaby has now in effect a levy against residential units for local open space preservation in development zones therefore

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Be it resolved

That all new development locating in these centers, shall be subject to an open space levy similar in Principle and function to that now being applied to new residential developments and

That the Planning Department be instructed to bring forth recommendations to implement such a program for Council consideration by September 1, 1975 and

That the Planning Department give some consideration for the inclusion of a possible nominal charge for visual art such as sculpture, fountains, etc. in their recommendations.

Discussion of an amenity levy for open space has been separated into a section on the Local Town Centres and a section on the Metrotown. Consideration of some type of charge for visual art is also discussed.

## 2.0 LOCAL TOWN CENTRES

The results of the survey of various other Canadian cities and municipalities has indicated that only two respondents have a type of amenity levy which applies to new commercial development. Many had considered such an amenity levy for commercial development in the past. The major reason for not instituting an amenity levy has been the feeling that an amenity levy would discourage new commercial development and thereby mean a loss of potential tax revenues. It is noted that research on Central Business Districts commonly indicate that commercial properties, such as offices, retail stores and industrial properties pay more in taxes than the costs of the municipal services which these types of property require. Office and retail activities require far fewer of the costly local services such as public schools, parks, health facilities, and welfare.

In Burnaby other than the Metrotown area, there are three large town centre areas - Brentwood, Lougheed, and Hastings and two minor centres - Edmonds/Kingsway, and Montecito. It does not appear appropriate at this time to establish an amenity levy for these town centre areas for a number of reasons as follows:

- a) The main commercial areas within the Brentwood, Lougheed, Hastings, and the Edmonds/Kingsway centres are already zoned according to the C3 General Commercial District. Rezoning procedures which are the main vehicle for applying amenity levies need not necessarily be followed in these areas. The Planning Department has generally encouraged the use of the Comprehensive Development District in higher density areas since it allows for the design of more responsive and imaginative complex developments which may include mixed uses and higher point-block towers and therefore lower site coverage and larger pedestrian plazas and a high amenity levy in these areas may result in projects conforming to existing zoning districts rather than the more promising Comprehensive Development District.
- b) The Hastings Street area (which includes the Hastings Street Urban Renewal site) and the Edmonds/Kingsway area are both centres in which higher quality redevelopment should be encouraged. An amenity levy may retard the limited existing interest in these areas by developers.

- c) In past years, potential developers have been slow in developing high-density comprehensive developments in the sub-commercial areas just outside of the actual Brentwood Mall and Lougheed Mall sites which would ultimately assist in creating strong integrated town centre areas. The existing interest may be retarded further by an amenity levy in these town centre areas.
- d) The precincts of most of the town centre areas are relatively small and compact. The establishment of an amenity levy in town centres may promote the development of smaller strip commercial facilities just outside town centre areas on already zoned property (C2, C3, or C4). This situation would particularly apply to the Hastings and Edmonds/Kingsway areas.
- e) In recent years, a few relatively large office park areas have been established in the municipality such as the Central Administrative Area and the Willingdon/Trans-Canada Highway area. In addition, the use of the higher quality M5 Industrial District Zoning which allows office uses has increased. In meeting a specific type of desirable decentralized office use, in achieving an upgrading of some existing industrial areas, and within the context of an overall balanced commercial/office approach for the municipality, this type of development is acceptable. However, an amenity levy which, in its use, deflects legitimate commercial/office interest away from town centre areas into decentralized locations would not be in the best, long term, interests of the municipality.
- f) The current general economic climate is slow and this is reflected in the slow rate of occupancy of a number of large office developments constructed in Burnaby in the last one or two years. It is cautioned that an unduly high amenity levy may result in an otherwise appropriate commercial development becoming uneconomic.
- g) Regardless of any specific consideration of an amenity levy, the Planning Department will continue to work with developers of commercial/office developments in providing appropriate open spaces, pedestrian plazas, and quality landscaping within the project site.

In summary, it would appear that an amenity levy in Local Town Centre areas may retard commercial growth in those areas where the encouragement of these developments is important if the town centres are to become successful higher-density local core areas; and may also result in a development potential differential between town centre areas and those areas outside town centres with which it would be difficult to cope from a long term planning point of view.

For the reasons outlined, the Planning Department would recommend that an amenity levy in Local Town Centres not be established.

### 3.0 METROTOWN

#### 3.1 General Feasibility

The attached sketch outlines the generalized precinct for the Metrotown area. The major future commercial development in the Metrotown could be further defined within an area bounded by Patterson, Grange, Nelson and Beresford. A general estimate is that the amount of developed, developable or redevelopable commercially oriented area in the Metrotown is in excess of 110 acres. This general Simpson-Sears/

Kingsway area has been designated by Council as a Metrotown and by the Greater Vancouver Regional District as a Regional Town Centre. Such factors as the overall large size of the Metrotown area, its potential for redevelopment, extensive existing commercial and residential development, service by major roads and public transit, and future rapid transit - indicate the overall favourable potential and viability of the Metrotown as a higher level town centre in Burnaby. In recent years, there has also been substantial interest expressed by real estate and development firms in the Metrotown area. Future major commercial developments would be rezoned according to the Comprehensive Development District which allows for higher project densities and building heights from the existing zoning categories of, for example, C2, C3, R5 and M1.

Therefore, it is our conclusion that there should be no difficulty as was evident in local town centres to the establishment of a Metrotown amenity levy for public open space due to the generally acknowledged promise and inherent economic strength of the Metrotown area.

### 3.2 Public Open Space

The specific consideration of public open space - the amount required, the design aspects, its location, its role within the general Metrotown development area - will arise out of the general overall Metrotown study and further detailed research reports. However, it is agreed that suitable public open space should be provided as an important integral enriching component of a high density urban environment. These open spaces may take the form of urban parks, urban squares, pedestrian parkways and linkages, vest-pocket parks, and buffer zones.

### 3.3 Amenity Levy

The survey conducted of other Canadian cities and municipalities indicated that no municipality has an amenity levy for office/commercial development in higher density areas such as is contemplated for the Metrotown. Two outlying suburban municipalities - Delta and the Township of Langley - have a modified levy for commercial and/or industrial developments (see Appendix attached). However, these levies are also meant for the improvement of public works and utilities in addition to parks or recreation purposes and would result in relatively modest total deposits considering the usual densities of suburban industrial/office park developments. As noted previously the concern raised by respondents including a number who had considered a levy for commercial developments and had rejected them was that an amenity levy may become punitive and discourage potential commercial development in the municipality thereby resulting in a loss of potential tax revenues.

One recent research report on major mixed use developments in Canada and the United States remarked on the care and prescience required in determining the critical mix and density of a successful development and the complexity of major mixed-use developments. It is intimated that these major developments may in fact be marginally economic in the short run due in part to extensive front-end infrastructure costs and their success is based on long run projections. If successful a major mixed-use development, from a municipal point of view, can be of enriching long term social and economic benefit to the municipality.

The determination of an initial amenity levy for public open space in the Metrotown has kept this expressed concern of economic viability in mind. As the economic strength of

the Metrotown becomes evident with the actual development of a few major commercial proposals and/or in the light of further future research and information, it would be appropriate to re-examine the initial levy established and to adjust it upwards or even downwards if warranted by prevailing development conditions.

In addition, much of the useable open spaces in the Metrotown will be provided within major private commercial developments themselves. Low site coverage developments which provide for extensive high quality plazas, concourses, pedestrian ways, shopping malls, etc. at a podium level which are essentially public use-oriented in nature will continue to be promoted.

### 3.4 Determined Amenity Levy for Public Open Space

3.4.1 The proposed terms of the amenity levy for public open space in the Metrotown are as follows:

- a) A levy of \$0.40 per sq. ft. for the first 40,000 sq. ft. of gross commercial (office/retail) floor area.
- b) A levy of \$0.20 per sq. ft. for any additional commercial gross floor area in excess of 40,000 sq. ft.
- c) The previously established Parkland Acquisition Levy would be applicable to any residential units in essentially commercial developments.
- d) The Amenity Levy for Public Open Space and the Parkland Acquisition Levy for residential development areas shall be applicable to any applicant for Preliminary Plan Approval and for Rezoning for a development within the overall Metrotown precinct (see attached sketch).

The application of the open space levy to Preliminary Plan Approvals may be questioned but is justified on the general planning principle of the need for the Municipality to provide strong developmental guidance to ensure the ultimate environmental appropriateness and success of the Metrotown/Regional Town Centre area.

- e) The funds obtained from the amenity levy for open space would be deposited in an interest-bearing reserve account corresponding to the Metrotown precinct. Parkland Acquisition Levy funds from residential developments would continue to be deposited in the previously established reserve accounts corresponding to the 36 Neighbourhood Planning Areas.
- f) The application of levies would be coordinated within the Planning Department so that the possibility of double assessment of a given commercial project is avoided.
- g) The Planning Department would report to Council to obtain authority for the Land Agent to negotiate for specific property designated in the Metrotown area when sufficient funds are accumulated in the Amenity Levy for Public Open Space Reserve Account.

3.4.2 The proposed amenity levy has been determined on an empirical basis. The levy has not been related to land values due to the highly volatile and variable nature of current land values in the Metrotown area. The levy value has been established so as not to discourage legitimate development interest in the Metrotown area or to create an unbalanced incentive situation vis-a-vis commercial sites outside the Metrotown; and yet, provide for eventual substantial funds which will assist the Municipality in acquiring public open space in the Metrotown area. The amenity levy is an additional requirement to the usual quality standards expected of developers of major Comprehensive Development projects in the Municipality. The lower levy for square footage over 40,000 sq. ft. provides some incentive for developers to assemble larger sites and build higher density, integrated commercial projects. The 40,000 sq. ft. building size can be equated with a typical office building of 4 storeys at 10,000 sq. ft. per floor.

For example, utilizing the outlined amenity levies, the following developments in the Metrotown area rezoned in the past would have been required to deposit the following amounts:

- i) Marlborough Mall - Marlborough/Kingsway  
- Construction completed
 

Commercial - first 40,000 sq. ft.	=	\$ 16,000
- balance of 44,450 sq.ft.	=	\$ 8,890
<b>Total Deposits</b>	=	<b>\$ 24,890</b>
  
- ii) B.C. Tel Office Building - Boundary/Kingsway  
- Under Construction
 

Commercial - first 40,000 sq. ft.	=	\$ 16,000
- balance of 540,000 sq.ft.	=	\$108,000
<b>Total Deposits</b>	=	<b>\$124,000</b>
  
- iii) Commercial/Residential Proposal - Olive/Kingsway  
- Rezoned
 

Residential - 16 units	=	\$ 17,280
Commercial		
- first 40,000 sq.ft. = \$16,000)		
- balance of 25,949 )	=	\$ 21,190
sq.ft. = \$ 5,190)		
<b>Total Deposits</b>	=	<b>\$ 38,470</b>

4.0 AMENITY LEVY FOR ART WORK

Council requested that consideration be given to a possible nominal charge for visual art such as sculpture, fountains, etc.

Consideration of the provision of visual art in the Metrotown area, which is an important environmental component, can be separated into the private (semi-public) and the public domain. The type of art emphasized is essentially outdoor art and perhaps some types of major art work in semi-public major indoor mall or lobby areas.

It is the opinion of the Planning Department that consideration of a possible amenity levy for art work on publicly-owned property would more appropriately be included in a further development levy study and report to Council either in conjunction with the General Metrotown report being prepared at the present time

or as a separate report. This further development levy study would include a comprehensive consideration of the raising of funds through levies for the development of public open spaces in the Metrotown, the acquisition of art work (sculpture, fountains, etc.), and the provision of other required publicly controlled amenities such as pedestrian linkages. The application of a multiplicity of small additive levies on a given development would, therefore, be avoided.

However, it is also recommended that developer/applicants of commercial rezoning proposals in the Metrotown area be informed that the provision of appropriate art work (fountains, sculpture) within development projects would be expected and that sufficient design and written explanatory details of the proposed art work be submitted at the time of the Public Hearing for the consideration of Council and the public.

#### 5.0 RECOMMENDATION

It is recommended THAT:

- 5.1 Council not establish an amenity levy for public open space in Local Town Centres at this time for the reasons outlined in Section 2.0 of this report.
- 5.2 Council establish an Amenity Levy for the acquisition of public open space within the Metrotown precinct which will apply to commercial developments.
- 5.3 The Amenity Levy for the acquisition of public open space apply to Preliminary Plan Approval and/or Rezoning commercial applications within the Metrotown precinct.
- 5.4 Council approve an Amenity Levy which is determined on the basis of:
  - a) \$0.40 per sq. ft. for the first 40,000 sq. ft. of gross commercial floor area
  - b) \$0.20 per sq. ft. for any additional gross commercial floor area in excess of 40,000 sq. ft.
- 5.5 The Planning Department be authorized to report to Council to obtain authority for the Land Agent to negotiate for specific property designated in the Metrotown area when sufficient funds are accumulated in the Amenity Levy for Public Open Space Reserve Account.
- 5.6 Developer/applicants of commercial rezoning proposals in the Metrotown area be informed that the provision of appropriate art work within development projects would be expected and that sufficient design and written explanatory details of the proposed art work be submitted at the time of the Public Hearing for the consideration of Council and the public.

A. L. Parr,  
DIRECTOR OF PLANNING.

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Attached - Appendix

- Location Sketch - Metrotown Area Precinct

c.c. Municipal Treasurer  
Land Agent  
Parks and Recreation Administrator  
Municipal Solicitor

APPENDIX

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LIST OF MUNICIPALITIES REPLYING TO  
AMENITY LEVY QUESTIONNAIRE

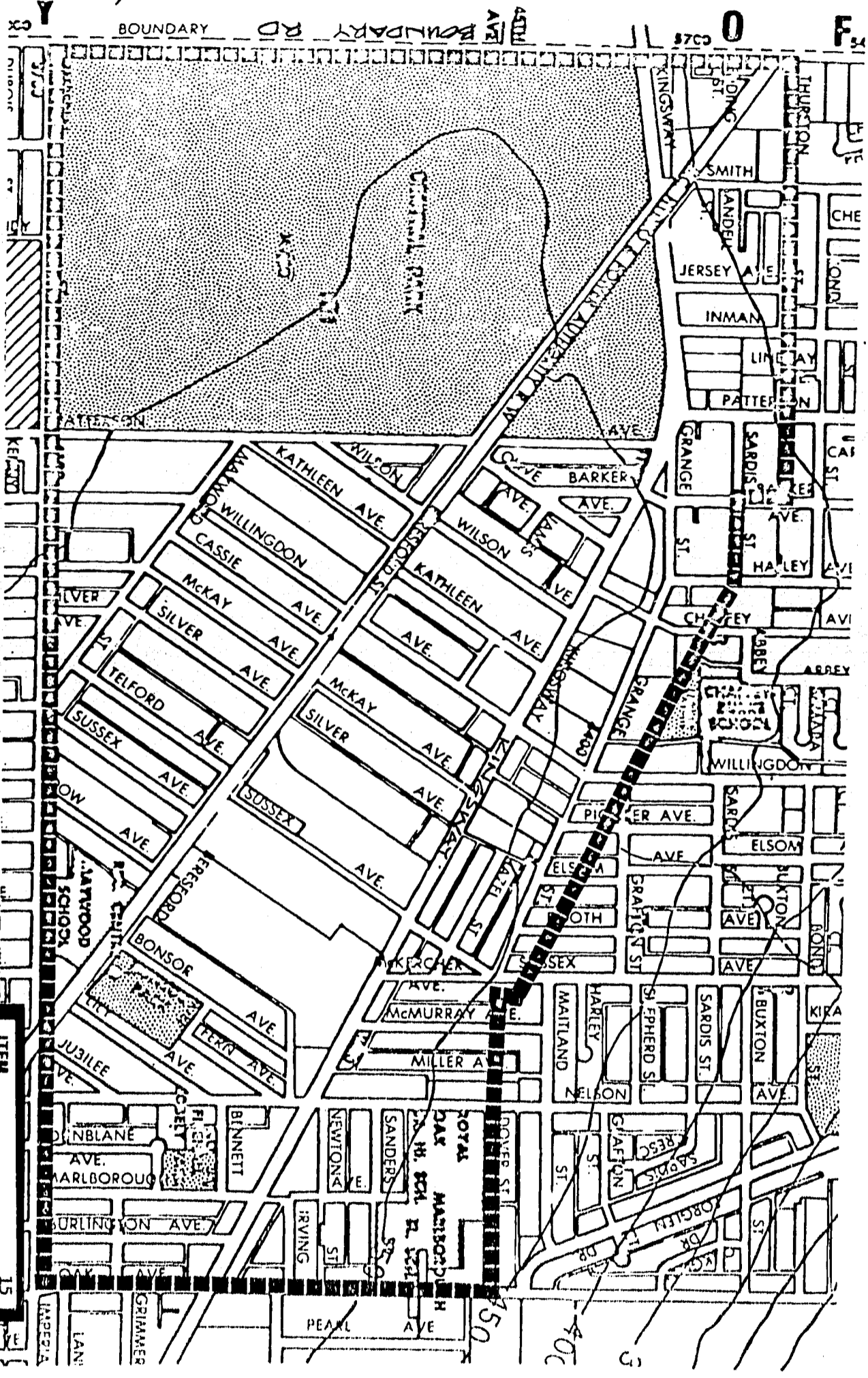
<u>Replies Received From the Following Cities and Municipalities</u>	<u>Amenity Levy for Office/ Commercial Development</u>	<u>Qualification</u>
Vancouver City	No	Bonusing system utilized. Added allowable F.A.R. if more amenities provided.
North Vancouver District	No	
North Vancouver City	No	Some monies are received from permit fees for park acquisition. The subject of amenity levies has been given some consideration at an informal staff level.
New Westminster	No	Informal consideration given to the subject at one time or another.
Coquitlam	No	Only a Parks Acquisition levy of \$100 per dwelling unit. Consideration is being given to increasing this levy to \$600 per unit.
Port Coquitlam	No	Interested in our findings. A parks purchase and development levy of \$250 per unit and a future Water Works levy of \$300.
Richmond	No	Council considering a Parks Reserve Fund for acquisition and development of parks. A number of commercial and industrial concerns have made contributions to this fund. Interested in amenity levy assessments if equitable formula can be worked out.
Delta	Yes	Industrial requirement is \$840 per acre for park, recreation or other public purposes. Commercial requirement of \$0.40 per sq. ft. of site area or floor area - whichever is greater for park, recreation and public land and for the improvement of public works and utilities. Consideration has been given to raising this levy from \$0.40 per sq. ft. to \$0.75 per sq. ft. In addition, other amenities may be provided as a part of the project design.
Surrey	No	Substantial per unit levies for residential developments - up to \$1,295 per unit. Levies were considered for office/commercial and industrial development but were eliminated at an earlier date by Council in order to attract commercial and industrial development.



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<u>Replies Received From the Following Cities and Municipalities</u>	<u>Amenity Levy for Office/ Commercial Development</u>	<u>Qualification</u>
Maple Ridge	No	Some impost fees levied on residential developments.
Township of Langley	Yes	For industrial development approximately \$10,000 per acre for parks acquisition, pedestrian walkways, and the upgrading of existing roads and services.
Municipality of Chilliwack	No	
Edmonton	No	In the Downtown Plan currently under consideration, a levy for additional open space will likely apply to commercial developments. The use of a bonus system will also be utilized allowing a developer a greater floor area ratio, depending on the number and/or type of amenities he proposes for this development.
Ottawa	No	Ontario permits the municipality to assess all residential developments for land or monies in lieu for park purposes at a rate of 5% of the total site development or at a minimum rate of 1 acre of land per every 120 units. It is suggested that this legislation should be extended to all developments including office/commercial.
Toronto	No	The Ontario Legislature has been requested by the City for power to impose a special tax levy on businesses to finance new parks. It is suggested that the levy would be imposed on businesses within about one-eighth of a mile of a proposed park.

METROTOWN PRECINCT  
 REGIONAL TOWN CENTRE  
 JUNE/76  
 SCALE: 1" = 800'



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