

ITEM 7
MANAGER'S REPORT NO. 61
COUNCIL MEETING 90/10/09

TO: MUNICIPAL MANAGER 1990 OCTOBER 04

FROM: DIRECTOR PLANNING & BUILDING INSPECTION

SUBJECT: METROTOWN CENTRE PHASE II
APARTMENT COMPONENT
R.Z. #54/86

PURPOSE: To inform Council of timing commitments related to the apartment component of Metrotown Centre.

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RECOMMENDATION:

1. THAT staff be authorized to pursue the timing adjustments to the construction of the second apartment tower and of the retail component along Central Boulevard for Metrotown Centre as outlined in Section 3.0 of this report.

REPORT

1.0 INTRODUCTION

The Mayor and Aldermen are in receipt of a letter (attached) dated 1990 September 25 from Cal Investments regarding timing commitments related to the apartment component (2 towers) of Metrotown Centre Phase II (RZ \$54/86). This department has been provided with a copy of this letter and requested to comment. The letter specifically requests a delay of 2-1/2 years for construction of the smaller of the two apartment towers relative to original commitments determined at the time of zoning. Construction of the first, larger apartment tower is currently well underway.

2.0 COMMITMENTS RELATED TO SHOPPING CENTRE DEVELOPMENT

The provision of the apartment component (2 towers) in conjunction with the Metrotown Centre Phase II rezoning proposal was an integral requirement of the overall development proposal. The need to provide more than retail shopping space in the three core developments of Station Square, Eaton Centre and Metrotown Centre has been one of the essential goals for Metrotown, consistently reaffirmed by Council. The important non-retail components provided by Station Square were the two large apartment towers, a hotel, and offices and by Eaton Centre were the two office towers. Council may recall that the provision of the two apartment towers in conjunction with the Metrotown Centre Phase II retail mall expansion was itself essentially a compromise agreement which absolved the developer of pursuing the concurrent construction of an office tower due to reasons of adverse market conditions indicated by the developer.

Prior to proceeding, the developers of both Station Square and Eaton Centre also had expressed apprehension on having to time the construction of their hotel/apartment and office tower components concurrently with the retail shopping centre construction due to perceived adverse market conditions. However, the Municipality required that both these developers fulfill their commitments especially in a timing sense relative to their overall rezoning proposals.

3.0 TIMING ADJUSTMENTS TO METROTOWN CENTRE COMMITMENTS

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Manufacturers Real Estate is the major owner of Metrotown Centre. We understand Cal Investments, the original developers, still have a minority interest in the project and continue to assist in coordinating aspects of the project. The requested delay of 2-1/2 years is a significant deviance from the original commitment and is not considered a "small degree of flexibility" as contended.

In general, the Municipality has a continuing good relationship with the developer of Metrotown Centre. Many cooperative adjustments have been made in pursuing this major complex development. For example, after extensive discussions, an agreement was reached with Manulife in the summer of 1989 to adjust the original timing commitment schedule in particular for the two apartment towers without affecting the overall intent and spirit of the commitments. The completion of the first tower was extended from 1991 February 01 to 1991 June 30. For the second tower, the construction start was delayed from 1990 August 01 to January of 1991 with completion of construction delayed from 1992 January 01 to 1992 June 30. These adjusted commitments were reached with Mr. John Paton, Development Vice-President of Manulife. In addition, the developer has also recently requested a four month delay in completing the 3,000 sq.ft. of retail space which will screen the parking structure along Central Boulevard from mid-March 1991 to July 1991 to assist his project scheduling. Planning staff are prepared to support this further adjustment provided the appropriate adjusted commitments are received.

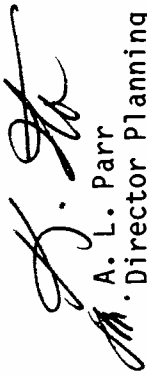
The developer has been unable to meet the committed construction schedule for the second tower due to the late withdrawal of the apartment developer engaged by Manulife to construct the second tower. Staff are again willing to assist the developer cope with his own scheduling difficulties as follows. We understand through discussions with the developer that his best efforts to meet the previous commitments would result in the release of Building Permits in early 1991 and start of construction soon after with construction well underway by the time of the opening of the Phase II retail mall, and completion of construction by late 1992. The key point is that the opening of the retail mall is tied to a commitment of substantial start of construction of the second tower.

To date, as outlined, the Municipality has been generous in its willingness to make reasonable adjustments to the various timing commitments. However, a delay of 2-1/2 years is not in line with the commitments to Council to construct two apartment towers concurrently with the Phase II retail mall expansion in place of constructing an office tower.

However, staff consider it appropriate to permit the adjustments to the timing of the second apartment and to the retail component screening the parking structure along Central Boulevard as outlined in this report. It is recommended that Council concur with these outlined adjustments to assist the developer.

KI:lf

Attachment


A. L. Parr
Director Planning &
Building Inspection



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September 25, 1990

SENT VIA FAX & MAIL

RECEIVED

SEP 26 1990

Mayor William Copeland
THE CORPORATION OF THE
DISTRICT OF BURNABY
4949 Canada Way
Burnaby, B. C.
V5G 1M2

MAYOR'S OFFICE

RE: METROTOWN CENTRE PHASE II - APARTMENTS

Dear Mayor Copeland,

The existing zoning for Phase II calls for 2 high-rise apartment buildings, to be built in conjunction with the expansion programme.

We agreed with this requirement and set about in good faith to have it done, as we understood the requirement was an integral part of Council's approval process to provide more than just retail development on the site. We have no wish to alter Council's objective of varied uses in a mixture of low-rise/high-rise buildings - We only wish to vary one element, being the timing of the smallest of the two apartment buildings.

The current requirement calls for the first apartment building to be completed by June 30, 1991. It is well under way and will be finished in those time frames. The site for the second building was also turned over to another developer for completion by June 30, 1992. They have recently cancelled that project. Picking up the pieces, we cannot logically be ready in the original time-frames. We would also prefer not to have a vacant building of unsold suites sitting on-site and so have requested flexibility in the completion date. We wrote to Planning Department requesting up to a 2-year delay in the completion date, but because the zoning Department stated a particular date, they refused to consider recommending forward our request for delay, for the 2 years. As you know, since approval of the zoning was finally granted, we have performed on schedule on all of the many other varied buildings and roadworks, etc., notwithstanding extreme difficulty in meeting some of the deadlines.

This current request seems quite simple. It is not to consider cancelling construction of the second tower. It is to allow some small degree of flexibility in the timing of completion of the building. We cannot now produce the permit drawings by the scheduled date of November 1, 1990 by virtue of the cancellation of the contract we thought we had. We will proceed to expeditiously produce drawings for building permit for early in 1991, hopefully then to await, with your approval, the actual start of construction for a completion by June 30, 1994 (instead of June 30, 1992)

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Your favourable consideration to this request to delay the completion date until June 30, 1994 is
urgently requested.

Yours very truly
CAL INVESTMENTS



George Shank
Executive Vice-President

GS:mp