

TO: CITY MANAGER 2001 NOVEMBER 15

FROM: DIRECTOR PLANNING AND BUILDING

SUBJECT: PARKING PROVISIONS FOR FUTURE OFFICE ADDITION
"CENTRAL PARK PLACE"
REZONING REFERENCE #00-33

PURPOSE: To respond to a request regarding a security deposit obtained to guarantee the payment-in-lieu of parking related to the future office addition for the "Central Park Place" development.

RECOMMENDATION:

1. THAT the registered 219 Covenant provided in conjunction with Rezoning Reference #00-33 requiring payment-in-lieu of parking at the time of Preliminary Plan Approval for the future office addition be considered a sufficient guarantee and that the further security deposit not be required.

REPORT

The developer involved in Rezoning Reference #00-33 granted Final Adoption on 2001 May 14 has requested that a currently registered 219 Covenant requiring payment-in-lieu of parking to be deposited at the time of Preliminary Plan Approval for a future office addition be considered a sufficient guarantee and that the Letter of Credit currently on deposit as further security no longer be required.

As background, the "Central Park Place" development is a major mixed-use commercial project in the Metrotown core area. It is currently constructed as a 10-storey office tower over a 2-storey commercial podium with 3½ levels of underground parking. The approved development proposal permits a further 6-storey, 67,600 sq.ft. office addition at the top of the existing tower. This 6-storey office addition was approved as a replacement of a previous 10-storey hotel room addition through Rezoning Reference #00-33. A retail use has also since replaced a previous major restaurant option within the podium.

The constructed parking spaces number 350, while the constructed current development requires 278 parking spaces. When the 6-storey office addition is constructed, the addition will require the provision of 120 parking spaces - a total project requirement of 398 spaces. Therefore, if 350 spaces are already provided, 48 spaces will need to be accommodated by way of the \$10,000 per space payment-in-lieu of provided parking or \$480,000.

One of the prerequisites to accommodate the office addition through Rezoning Reference #00-33 states:

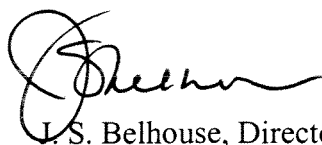
"Submission of payments-in-lieu of required parking sufficient to meet the developer's proposal."

This prerequisite was met through the deposit in the Land Titles Office of a 219 Covenant requiring the necessary payment to accommodate the proposed office addition at the time of Preliminary Plan Approval. A Letter of Credit in the amount of \$710,000 (71 spaces at \$10,000 per space) was also provided as a security deposit to guarantee this provision. The 71 spaces rather than the currently estimated 48 spaces took into consideration a major restaurant option which has not been pursued.

The developer had provided this Letter of Credit in good faith on the expectation that the construction of the office addition would have been pursued expeditiously. Current market conditions indicate that the office addition will not be pursued for some time. The developer indicates that the continued provision of the Letter of Credit within the context of an undefined construction time frame is a hardship and contends that the currently registered 219 Covenant should be adequate to assure that the required cash payments are made as a condition of Preliminary Plan Approval for the future office addition. The City Solicitor has been consulted and considers that the 219 Covenant adequately protects the City's interest in this situation.

Therefore, it is proposed that this further security deposit with respect to guaranteeing the payment-in-lieu no longer apply and that the developer be permitted to withdraw the Letter of Credit currently on deposit. Council concurrence is requested as the Letter of Credit provision was included in the prerequisite report explanation when Rezoning Reference #00-33 was reconsidered and granted Final Adoption by Council on 2001 May 14.

In line with the 219 Covenant, the requisite payment-in-lieu of providing required parking will be a condition for the release of Preliminary Plan Approval for the future office addition.



L.S. Belhouse, Director
Planning and Building

KI:lf

cc: Director Finance
City Solicitor
City Clerk
Chief Building Inspector

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