
TO: CITY MANAGER **DATE:** 2007 December 4

FROM: DIRECTOR PLANNING & BUILDING **FILE:** 49500 20
Reference: REZ #02-27

**SUBJECT: REZONING REFERENCE #02-27 (PHASE III)
Regarding Prerequisite (I) for Passerelle
Metrotower III, Metropolis at Metrotown**

PURPOSE: To seek Council approval of an approach to meet the rezoning prerequisite related to the future upgrade of the Metrotown Skytrain Station Passerelle.

RECOMMENDATIONS:

1. **THAT** the submission of a Letter of Credit in the amount of \$1.0 million, to be applied toward the future upgrading of the Metrotown Skytrain Station Passerelle, be accepted as meeting Prerequisite (I) of Rezoning Reference #02-27, Phase III, as outlined in this report.
2. **THAT** a copy of this report be sent to Mr. G. Wylie, Director Development, Ivanhoe Cambridge; and to Translink, #1700 – 1720 Kingsway, Burnaby, B.C. V5H 4N2, Attn: Moreno Rossi and Jennifer MacLean.

REPORT**1.0 REZONING PREREQUISITE FOR PASSERELLE**

- 1.1 On 2006 November 19, Council gave Third Reading to the subject rezoning bylaw, Rezoning Reference #02-27 (Phase III), which seeks to permit the construction of Metrotower III, a 39,483m² (425,000 sq. ft.) 27-storey office tower with underground parking (Sketch #1 *attached*). The remaining requirements are being resolved with the intention of advancing this rezoning application for Final Adoption shortly. One of the prerequisites to the rezoning, Prerequisite (I) stated: “*The provision of an appropriate joint funding agreement to secure the future upgrading of the pedestrian bridge to the Metrotown Skytrain Station*”. This pedestrian bridge, the “passerelle” was considered as being at or near capacity and also needing handicapped accessibility provisions. The upgrading was considered a partnership proposal of benefit to the developer, Translink and the City. An upgraded passerelle would meet the needs of Skytrain and bus transit users; patrons of Metropolis at Metrotown and its office component; other commercial and residential development north of Central Boulevard and south of Beresford Street; and be a key linkage in the overall Metrotown public pedestrian and open space network. It was noted in the Third Reading memo that a separate report to Council would be

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forthcoming outlining the commitments of the developer related to a joint funding agreement. This report provides this further information.

2.0 METROTOWN SKYTRAIN STATION IMPROVEMENTS CONTEXT

2.1 The passerelle is one of several components of a conceptual approach for improvements related to the Metrotown Skytrain Station that were determined through a Transit Village Study for Metrotown under the Urban Transportation Showcase Program, which was jointly funded by Translink, the federal government and the City of Burnaby. This conceptual approach was approved in principle by Council on 2007 October 15. The main improvement components include: a redesigned station roof and enclosure; an extended station platform; a new west station house accessing grade; a new bus transit exchange and a new civic square; a rebuilt east station house with level access (handicapped) to the passerelle; a new upgraded passerelle; a mezzanine elevated walkway from the re-built east station house to a new mid-station house where new elevators are to be located; and a possible second passerelle from Metropolis to the mid-station house. This conceptual approach would be pursued, detailed and resolved through a future rezoning application. It is expected that Translink will be making a rezoning application in the near future.

2.2 As noted, the upgrading of the passerelle to increase its capacity and make it handicapped accessible and to achieve its funding through cost sharing between the subject developer, Ivanhoe Cambridge, the City of Burnaby, and TransLink was approved in principle by Council through the Public Hearing report of 2003 April in conjunction with the rezoning of Metrotower III, Rezoning Reference #02-27, Phase III. While Translink has indicated that the rezoning application for the proposed overall Metrotown Skytrain Station improvement project will be initiated shortly, Translink has indicated that preliminary design is expected to take place during 2008, detailed design in 2009, and construction estimated to begin in Spring 2010. Within this timing context, it is not possible to achieve agreement on a joint funding agreement that will include Translink at this time. The passerelle, considered only one component of the Metrotown Skytrain Station improvements, needs to be pursued as an integrated part of the overall station improvement proposal. Therefore, a detailed operational solution for the passerelle and determination of the specific joint funding agreement to achieve its construction will be achieved in conjunction with the rezoning application for the station improvements to be pursued by Translink.

3.0 COMMITMENTS TO MEET PREREQUISITE (I)

3.1 Under the proposed construction timeline advanced by TransLink, it is not possible to achieve a "joint funding agreement" as outlined under Prerequisite (I) of Rezoning Reference #02-27, Phase III at this time. However, the developer, Ivanhoe Cambridge, has submitted a letter dated 2007 November 20 (see attached) to meet this prerequisite by

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providing for an appropriate funding commitment supported by preliminary design sketches for an upgraded passerelle. Ivanhoe Cambridge wishes to proceed with the construction of Metrotower III after some years of delay, but indicates that such a large and costly undertaking is still not without its risks, and also has corporately committed to constructing Metrotower III to a LEED Gold standard. The applicant has prepared a preliminary design for a new upgraded passerelle to replace the existing structure. This design was reviewed by Translink and the City. Based on these preliminary drawings, the anticipated total cost of the passerelle, including hard and soft costs, was estimated at approximately \$3,000,000, if the new passerelle was built prior to the completion of Tower III. Ivanhoe Cambridge has now committed to a contribution of \$1,000,000 (Letter of Credit), or one-third of the pre-design estimated cost to construct the new passerelle. An escalation commitment of \$100,000 per annum is also provided after 2010 December 31 to a maximum total contribution of \$1,500,000 on 2015 December 31. At all times, this commitment is for not more than one-third of the total cost. The balance of costs would be achieved through cost sharing by Translink and the City to be resolved in conjunction with the future rezoning application for the Metrotown Skytrain Station improvements. This will be the subject of a further report to Council.

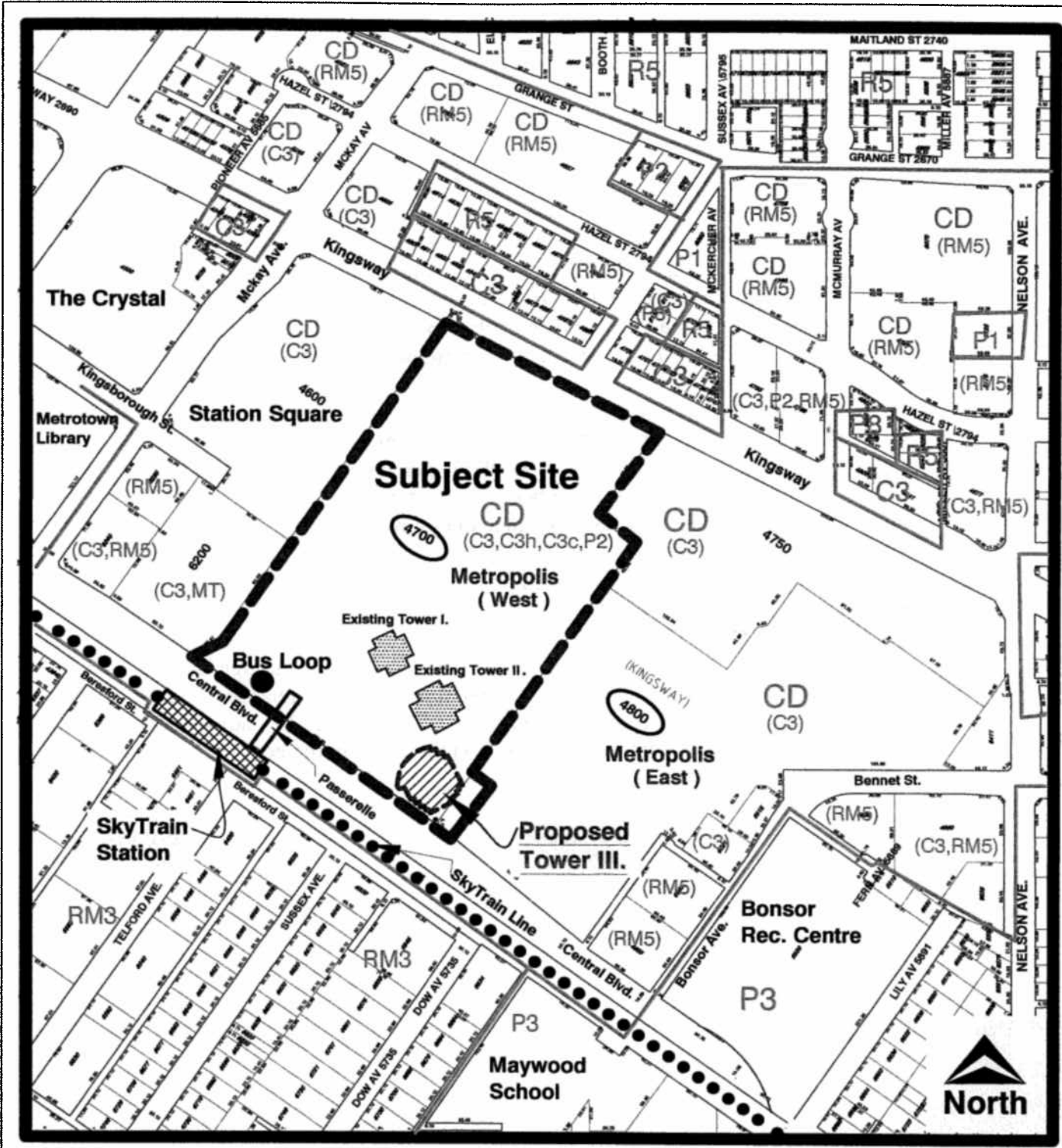
Therefore, the outlined commitments provided by Ivanhoe Cambridge are considered sufficient to meet Prerequisite (I). With Council approval of the recommendation of this report, the Bylaw for Rezoning Reference #02-27 will be advanced towards reconsideration and Final Adoption by Council on this basis in the near future.



B. Luksun
DIRECTOR PLANNING & BUILDING

KH:KI:gk
Attach

cc: Director Engineering
Director Finance
City Solicitor



Planning and Building Department

Scale: N.T.S.

Drawn By: J.P.C.

Date: November 2007

REZONING REFERENCE # 02-- 27 (Phase III.)
 4700,4720 & Ptn.of 4800 Kingsway
 Metrotower III.

Sketch # 1



**Ivanhoe
Cambridge**

Caisse de dépôt et placement
du Québec

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20th November, 2007

Mayor and Council
Burnaby City Hall
4949 Canada Way
Burnaby, BC

Your Worship and Members of Council

**Re: Passerelle Replacement Cost Sharing Commitment and Metrotower III
Metropolis at Metrotown**

Ivanhoe Cambridge was very pleased to receive 3rd reading last night for the Metrotower III. As you all know this project has been a planned phase of the Metropolis development since 1985, when the overall project was master-planned and phased implementation begun.

As you may recall, over the past 7 years we have considered the development of Metrotower III several times, but have been thwarted as we were unable to secure the necessary pre-leasing commitments to commence construction. More specifically, during our last attempt in 2003, competing Downtown Vancouver office projects impacted our ability to lure tenants to the Metrotown node. Now, notwithstanding a costly construction environment and the historical challenge of competing with Downtown Vancouver, we believe there is a window of opportunity for this project. That said, **this project is not without risk, as we are planning to commence construction without any pre-leasing in place.** We are making this commitment as we are a) confident that the Metrotown node offers superior amenities to any other suburban market and b) we see a window of opportunity to lure traditional Vancouver office tenants to Burnaby. We hope Council recognizes the magnitude of this commitment and our faith in the Burnaby marketplace.

We would also like to advise council that Tower III will be a **LEED GOLD(cs) building and will be, to the best of our knowledge, the first multi-tenant high rise office tower in Western Canada to achieve this status.** While this commitment does increase our overall cost significantly, we believe this leadership is necessary, appropriate and will benefit our tenants and the citizens of Burnaby alike.

While designing Metrotower III, Ivanhoe Cambridge was advised by TransLink and the City of Burnaby that they were looking to upgrade the existing Metrotown Station and surrounding supporting facilities to accommodate existing and future transit traffic flow to and from the station.

It is apparent to all parties that a major failing of the existing passerelle is the lack of handicapped access across the passerelle. In addition to this, it also appears that the existing width of the passerelle is insufficient and can not be increased economically. To resolve these two issues, we instructed our architects, Stantec Architecture, to design a new passerelle to replace the existing structure. This design was reviewed by TransLink and the City of Burnaby and was then priced by Ledcor Construction. Based on these preliminary drawings, we estimate that the total cost, including construction costs and architects fees, would be approximately \$3,000,000 if the new passerelle was built prior to the completion of Tower III.



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In recognition of our company's commitment to rapid transit and the fact that Metropolis at Metrotown and the Metrotowers combined generate a significant number of transit users, we are pleased to advise Council that we would like to contribute \$1,000,000 or 1/3rd of the above cost to construct the new passerelle.

To address any concerns that construction costs may escalate over the near future, Ivanhoe Cambridge is willing to increase its commitment by \$500,000. This will take the form of an increase of funding by \$100,000 per annum after December 31, 2010 to a maximum of \$1,500,000 on December 31, 2015. This contribution commitment is however conditional on two key assumptions: a) that at all times, Ivanhoe Cambridge's portion is to be no more than 1/3rd of the total cost of the total project and b) the new passerelle (the current or any future design) is designed to provide the same pedestrian routes as the existing passerelle utilizes today.

It is our understanding that City of Burnaby Planning staff are in discussions with TransLink to develop an appropriate cost sharing arrangement for the balance of the funding. To this end, we will continue to work with all parties to realize this long overdue improvement to the Metrotown Station.

In closing, we would like to thank the Mayor and Council for their continued support for Metropolis at Metrotown and the Metrotower Complex over the years. It is appreciated and valued by Ivanhoe Cambridge.

Yours truly,

Ivanhoe Cambridge

Gordon Whyte,
Director, Development