

COMMUNITY DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: COMMUNITY BENEFIT DERIVED
THROUGH REZONING #06-47
4420, 4444 LOUGHEED HIGHWAY; 2060 ROSSER AVENUE
4461, 4408 SUMAS STREET & 2131 WILLINGDON AVENUE**

RECOMMENDATION:

1. **THAT** Council approve the on-site amenity space and a cash-in-lieu contribution as the community benefits to be derived through the density bonus granted to Rezoning Reference #06-47.

REPORT

The Community Development Committee, at its special 'Open' meeting held on 2011 August 23, received and adopted the *attached* report recommending on-site amenity space and a cash-in-lieu contribution as the approved community benefit to be derived through Rezoning Reference #06-47.

A first phase community benefit valued at \$8,802,648 will be derived through Rezoning #06-47. The following recommendations have been made for the allocation of the first phase community benefit:

- Civic/community space of 4,570 sq. ft. within a double height volume and twelve (12) allocated underground parking spaces (estimated value/cost = \$2,000,000)
- Cash-in-lieu contribution balance of approximately \$6,802,648 to be deposited in the Brentwood Town Centre Financial Account (\$1,360,530 of which would be allocated to the affordable/special needs housing sub-account)

Copied to:	City Manager Deputy City Managers Dir. Engineering Dir. Finance Dir. Plng. & Bldg. Dir. Parks, Rec. & Cultural Services O.I.C. RCMP Fire Chief Chief Librarian City Solicitor
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To: His Worship, the Mayor and Councillors
From: Community Development Committee
Re: Community Benefit Derived Through
Rezoning Reference #06-47
4420, 4444 Lougheed Highway; 2060 Rosser Avenue
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The balance of density bonus funds for the remainder of the overall redevelopment site will be collected in connection with future Preliminary Plan Approval applications for subsequent phases. A Section 219 Covenant will be placed on the site restricting development of subsequent phases until such time that the corresponding amenity bonus funds are collected. The value of \$75.00 per sq. ft. buildable will apply to subsequent phases given the commitments made in connection with the subject rezoning application. In order for the value to remain, the Legal and Lands Department has recommended that the developer be required to enter into an agreement whereby the City would have a charge over the remaining phases for the outstanding amount of the density bonus at an interest rate set by the City. Quarterly interest payments to the City would be paid by the developer.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor P. Calendino
Member

TO: CHAIR AND MEMBERS
COMMUNITY DEVELOPMENT COMMITTEE

DATE: 2011 August 23

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 49500 20
Reference: Rez 06-47

SUBJECT: **COMMUNITY BENEFIT DERIVED THROUGH
REZONING REFERENCE #06-47
4420/44 LOUGHEED HIGHWAY; 2060 ROSSER AVENUE
4461/08 SUMAS STREET & 2131 WILLINGDON AVENUE**

PURPOSE: To recommend on-site amenity space and a cash-in-lieu contribution as the approved community benefits to be derived through Rezoning Reference #06-47.

RECOMMENDATION:

1. **THAT** the Committee recommend to Council the approval of on-site amenity space and a cash-in-lieu contribution as the community benefits to be derived through the density bonus granted to Rezoning Reference #06-47, as outlined in this report.

REPORT**1.0 BACKGROUND**

At its meeting of 2006 September 25, Council considered a staff report on a rezoning application for a large mixed-use development proposal for the block bounded by Lougheed Highway, Willingdon Avenue, Rosser Avenue and the lane north of Dawson Street (see *attached* Sketch #1). The report noted that the developer wished to utilize the City's density bonus provisions, and that a report detailing the value of the community benefit to be achieved and options for its use would be forwarded to the Community Development Committee and Council at the appropriate time. The subject application went to a Public Hearing on 2008 August 26, and was subsequently given Second Reading on 2008 September 08. The development plan presented at Public Hearing had shown the site to be developed with two high rise office buildings, three high-rise apartment towers and considerable ground-oriented commercial/retail uses.

Since the adoption by Council of 's' category zoning and the accompanying policy for its application (which makes the subject site eligible for its use), the proponent for the subject rezoning amendment has submitted plans in accordance with the RM5s District. As the total value of the amenity bonus has increased substantially, it is necessary to reevaluate the use of the amenity bonus funds. It is anticipated that a rezoning report will be submitted to the Council meeting of 2011 August 29 requesting advancement of the new proposal to a Public Hearing. This subject report focuses on the community benefit to be achieved through Rezoning Reference #06-47 for inclusion in the Public Hearing report.

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2.0 PROJECT OVERVIEW AND COMMUNITY BENEFITS

The development being proposed through Rezoning Reference #06-47 is a large mixed-use commercial/residential project encompassing four high-rise apartment towers in the range of a 39-48 storeys, an eleven storey office component and about 112,000 sq. ft. of commercial/retail area. The residential component of the proposed development is anticipated to have a maximum 5.0 FAR, inclusive of a 1.6 FAR density bonus. The value of the community amenity bonus is \$75 per square foot buildable, which could yield an eventual total dollar value of \$31,683,000 (subject to detailed survey and determination of final lot configuration). As the site will be developed over four phases, and given the sizable value of the amenity bonus, the amenity bonus applicable to each phase will be collected at the time of its development. The bonus attributed to the first phase of development, which has a value of \$8,802,648, will be collected in connection with the subject rezoning application. The balance of density bonus funds for the remainder of the overall redevelopment site will be collected in connection with future Preliminary Plan Approval applications for subsequent phases, with Committee and Council approval of the use of the funds to occur at that time. A Section 219 Covenant will be placed on the site restricting development of subsequent phases until such time that the corresponding amenity bonus funds are collected. The value of \$75 per sq. ft. buildable will apply to the subsequent phases given the commitments made in connection with the subject rezoning application. However, in order for the value to remain, the Legal and Lands Department has recommended that the developer be required to enter into an agreement whereby the City would have a charge over the remaining phases for the outstanding amount of the density bonus at an interest rate set by the City (generally Royal Bank prime plus 2%). Quarterly interest payments to the City would be paid by the developer. The Finance Department concurs with this approach.

For use of the first phase funds, it is proposed that the same basic amenity bonus arrangement be carried forward with this revised rezoning proposal. As noted in the previous report addressing the amenity bonus, a number of options for the resultant community benefit have been reviewed by staff. Given the size, mixed-use and Town Centre context of the site, it was determined that an on-site amenity and civic presence within the development is important. The developer is proposing to utilize the ground plane for retail/restaurant uses to support the development's Town Centre concept. However, the City was able to secure approximately 4,570 sq.ft. with double height volume of the street-front commercial area along Rosser Avenue for future civic/community purposes. This space could be used to support a range of functions. A further report will be provided to Council on the specific use. Twelve (12) parking spaces will also be provided to serve the amenity space. Ownership of the amenity space and associated parking spaces would be transferred to the City via an airspace parcel. More detailed development guidelines and finishing specifications for the proposed flex space will be prepared, and agreed upon with the developer, prior to the rezoning being given Third Reading. The guidelines may include such "fit-up" items as washrooms, meeting space finishes, office partitions, millwork and countertops, storage and reception areas.

It is the view of staff that the value of the community benefit will significantly exceed the estimated cost of the identified amenity for the first phase amenity bonus contribution. Based on very preliminary estimates, the proposed space is anticipated to cost approximately \$2.0 M, leaving an estimated residual value of \$6,802,648. For this remaining value of the community benefit derived through the subject rezoning application, the Committee recommended that it be accepted as a cash-in-lieu contribution and deposited in the Brentwood Town Centre Financial Account. As per the

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City's Community Benefit Policy, 20% of the total deposited in the account (\$1,360,530) would be allocated to the affordable/special needs housing sub-account, leaving the remainder of \$5,442,118 available for the provision of other community amenities at some point in the future.

It should be noted that, through the density bonusing process in the Brentwood/Holdom areas, the City has already achieved two childcare centres (one is under construction), sixteen adaptable and affordable rental housing units, 10,000 sq. ft. of non-profit office space and funding for upgrades of the Willingdon Heights Community Centre. Three recent rezoning applications (Rezoning Reference #05-47, #06-40 and #06-60) have associated density bonus values estimated at \$1,954,295, \$525,420 and \$1,145,292 respectively for a total of \$3,625,007 deposited in the Brentwood Town Centre Financial Account. The \$6,802,648 associated with the subject amenity bonus could bring the Financial Account to \$12,812,284.

3.0 SUMMARY AND CONCLUSION

A first phase community benefit is valued at \$8,802,648, which will be derived through RZ #06-47. Given the subject site's size, town centre context and mixed-use character, it is recommended as outlined in this report that this community benefit be allocated as follows (final allocations will be subject to detailed survey, determination of final lot configuration and construction estimates):

- a) civic/community space of 4,570 sq. ft. within a double height volume and twelve (12) allocated underground parking spaces (estimated value/cost = \$2,000,000); and,
- b) cash-in-lieu contribution balance of approximately \$6,802,648 to be deposited in the Brentwood Town Centre Financial Account (\$1,360,530 of which would be allocated to the affordable/special needs housing sub-account).

B. Luksun, Director
PLANNING AND BUILDING

EK:spf/tn
Attachment

cc: City Manager
Deputy City Mangers
Director Engineering
Director Finance
Director Parks, Recreation & Cultural Services
O.I.C. RCMP
Fire Chief
Chief Librarian
City Solicitor