



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: January 20, 2010
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Meeting Date: February 4, 2010

TO: Standing Committee on Planning and Environment

FROM: Managing Director of Social Development and Director of Planning in consultation with the Director of Legal Services

SUBJECT: Amendments to Rezoning Conditions for 1300-1336 Granville Street

RECOMMENDATION

- A. THAT Council approve a revised condition for both the SRA Permit and the rezoning at 1300-1336 Granville Street that requires the owner of the residential portion of the Yale Hotel to grant the City an option to purchase that space either in the form of one or more strata lots or an air space parcel, at the option of the Director of Legal Services, and on terms and conditions, and such supplemental legal agreements as are required, satisfactory to the Director of Legal Services, in consultation with the Managing Director of Social Development and the Director of Facility Design and Development.
- B. THAT Form of Development condition (b)(xxviii) for the rezoning at 1300-1336 Granville Street be amended to change the number of liquor licensed seats, to be transferred from the Cecil Hotel to the proposed neighbourhood pub, from 237 to 273 seats.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

In 2003, Council enacted the Single Room Accommodation By-law (“SRA By-law”) to regulate the conversion and demolition of single room accommodation.

In 1991, Council reiterated its intent to ensure retention of the low-income housing stock through one-for-one replacement of Single Room Occupancy (SRO) units in Downtown South and by retaining and upgrading the existing SRO stock.

SUMMARY & PURPOSE

This report seeks approval to revise the following two of the conditions of approval for the CD-1 rezoning at 1300-1336 Granville Street (Cecil and Yale Hotels), which Council approved at a public hearing on September 16, 2008:

1. Condition (a)(v) under “Agreements” requires the owner to grant the City an option to purchase the residential portion of the Yale Hotel, being the second and third floors, as an Air space parcel (ASP) for a nominal price. It is recommended instead that the owner be required to grant the City an option to purchase that space for a nominal price, either in the form of an ASP or one or more strata lots, which form will be determined at the option of the Director of Legal Services, and on terms and conditions, and such supplemental legal agreements as are required, satisfactory to the Director of Legal Services, in consultation with the Managing Director of Social Development and the Director of Facility Design and Development.
2. Condition (b)(xxviii) under “Form of Development” limits the liquor licensed seats to be transferred from the Cecil Hotel at 1336 Granville Street to the proposed neighbourhood pub in the new building to 237 seats. Instead, staff recommend that this be changed to 273 seats to reflect the existing number of seats in the Cecil Hotel.

BACKGROUND

At a public hearing on September 16, 2008, Council approved a rezoning at 1300-1336 Granville Street from DD to CD-1 to allow for the development of a mixed-use tower with a two-storey commercial podium and 21 storeys of residential floor area (166 dwelling units). This site includes two SRA buildings, the Cecil and Yale Hotels. At the same time, Council approved the necessary SRA Permits for the Cecil and Yale Hotels. Council approved the Cecil being demolished and the Yale Hotel being upgraded and the second and third floors being maintained as an SRA. As a condition of approval of the SRA Permit for the Yale Hotel, the owner was to upgrade and convey the residential units on the second and third floors of the Yale to the City via an Air space parcel (ASP) subdivision, for a nominal price.

DISCUSSION

1. Yale Hotel (1300 Granville Street) Conveyance

The City currently owns property both in the form of ASP (such as the Children's Centre at International Village) and as strata lots in a strata corporation (such as the Core Artists Co-op in the Edge at 289 Alexander Street). Each has its advantages and disadvantages depending on the circumstances. With ASPs, because separate legal parcels are contained within a single building, Building By-law requirements regarding such matters as spatial separation and

fire prevention, detection and suppression, must be met with shared systems and legal agreements between the parties regarding the use, maintenance and repair of such shared systems, and the related allocation of costs among them. Insurance over shared structures and systems must also be arranged by contract. Many examples of such contracts and arrangements exist, but they are not ideal for all situations, thus the alternative of stratification.

Strata lots within a single strata corporation must also share the costs of such matters, but in this case the allocation is not decided by contract. Rather, it is based on the respective area of each strata lot and is calculated according to the provisions of the Strata Property Act. In this case it is the strata corporation as a single entity, directed by its council, that takes care of repair and maintenance as required by its by-laws and the Strata Property Act. Those by-laws can be amended by special resolution of the owners, making them more flexible than the contractual arrangements between two or more ASP owners, which are registered in the Land Title Office and therefore more difficult to amend.

The purpose of this report is to give the City more flexibility in choosing the best vehicle through which to take ownership of the residential portion of the Yale Hotel at such time as the City's option to purchase is exercised. If this report is approved, that determination will be made only after careful consideration of all relevant factors by the Director of Legal Services in consultation with the Managing Director of Social Development and the Director of Facility Design and Development.

A Heritage Revitalization Agreement (HRA) By-law has been enacted in respect of the Yale Hotel, notice of which has been registered on title. The HRA outlines the extent to which the heritage integrity of the Yale Hotel must be maintained in the future, which will result in additional maintenance costs. In the future, should a purchaser of the Yale Hotel wish to own the whole property as a single parcel to simplify ownership and management then the City may explore collapsing the strata corporation or the air space subdivision, as the case may be, and securing the housing by way of a Housing Agreement, which would be subject to a future report to Council. In the meantime, it is appropriate for the City to take ownership of the residential (SRA) component.

2. Cecil Hotel (1336 Granville Street) Liquor Licensed Seats

As part of the rezoning for this site, a Liquor Primary use was proposed within the podium of the new tower. The Cecil Hotel liquor license was to remain on site, to be taken over by this new establishment. The following condition (b) (xxviii) under "Form of Development" was included in the policy report for the rezoning:

The proposed stand-alone pub in the new podium should be limited to the 237 liquor licensed seats transferred from the Cecil Hotel.

During the rezoning process an increase of liquor licensed seats at 1336 Granville Street from 237 to 273 was approved. The increase was based on Liquor Control and Licensing Branch (LCLB) regulations that allow a one-time capacity increase, up to the building's existing occupant load. This change was not reflected in the above condition. Staff support the change in liquor licensed seats and recommend approval of an amended condition that sets the number of liquor licensed seats at 273.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

This report seeks Council approval to revise two rezoning conditions which also serve as conditions for the SRA Permits for 1300-1336 Granville Street. It is recommended that Council allow the conveyance of the residential units on the second and third floors of the Yale Hotel to the City in the form of either an ASP or one or more strata lots. This will provide increased flexibility and an opportunity for the City to acquire this asset in the most advantageous form. It is also recommended that condition (b)(xxviii) under "Form of Development" be amended to reflect the current number of liquor licensed seats permitted at the Cecil Hotel at 1336 Granville Street.

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