



ADMINISTRATIVE REPORT

Report Date: January 18, 2010  
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Meeting Date: February 4, 2010

TO: Standing Committee on Planning and Environment

FROM: Deputy General Manager of Community Services in consultation with the Directors of Planning and Real Estate Services

SUBJECT: Woodward's Non-profit Tenants Generic Office Tenants (second report)

**RECOMMENDATION**

- A. THAT Council approve Minerva Foundation for BC Women and Information Services Vancouver Society for consideration as tenants in the Non-Profit Generic Office space within the City-owned Parcel ("the Parcel") of the Heritage Building in the Woodward's development at 101 East Hastings Street, subject to availability of space on the third floor (approximately 7300 square feet net), and subject to the satisfaction of the Deputy General Manager of Community Services and the Director of Real Estate Services, and;
- B. THAT non-profit leases, at nominal rent, for a term of five years with three subsequent options to renew for a further five years each, be negotiated by Real Estate Services to the satisfaction of the Directors of Real Estate Services, Facilities Design and Management, Legal Services, Deputy General Manager of Community Services; and that no legal rights or obligations be created or arise by Council's adoption of Recommendation A unless and until such legal documents are executed and delivered by the Director of Legal Services, and;
- C. THAT Council hereby authorize that the successful non-profit organizations chosen as per Recommendation "A" as non-profit tenants approved for occupancy in the Woodward's Parcel, be granted in lieu the equivalent amount representing the tenant's proportionate share of real property taxes.

Nominal rent leases and exemptions on property tax represent a civic grant in lieu and therefore require eight affirmative votes.

**GENERAL MANAGER'S COMMENTS**

The General Manager recommends approval of recommendations A through C.

### ***CITY MANAGER'S COMMENTS***

The City Manager recommends approval of recommendations A through C.

### ***COUNCIL POLICY***

January 2006, Council approved a process for the tenanting of non-profit spaces in the Woodward's parcel.

July 2006, Council approved a short list of non-profit groups requiring purpose-built space in the Parcel including AIDS Vancouver and the organizational predecessor to W2 (CCTCA).

June 2009, Council approved AIDS Vancouver and W2 Community Media Arts Society as tenants for non-profit space in the Woodward's Parcel, and directed staff to solicit non-profit tenants for the generic office space within the Parcel.

December 2009, Council approved eleven (11) groups for consideration as generic tenants in the Parcel, and was informed of the withdrawal of AIDS Vancouver from the project. Council requested staff to reconvene the Selection Advisory Panel and report back with recommendation on non-profit groups to fill the vacated AIDS Vancouver space in the City Parcel.

### ***PURPOSE***

The purpose of this report is to seek Council approval of two additional prospective tenants for the Non-Profit Generic Office space in the City Parcel at Woodward's as recommended by the Woodward's Non-Profit Generic Office Selection Advisory Panel to replace AIDS Vancouver, which was forced to withdraw from the Project.

### ***BACKGROUND***

In June 2009 Council approved AIDS Vancouver and W2 Community Media Arts Society as tenants in the City-owned parcel at Woodward's.

On December 3, 2009 Council approved a total of eleven (11) organizations for consideration as tenants for requiring generic or office space in the Parcel. Eight (8) organizations were given a top priority for consideration and an additional three (3) organizations for consideration should any of the organizations listed in the first category not be able to participate, or should efficiencies of space planning allow for additional tenancies.

Subsequent to submission of the December 3<sup>rd</sup> report, AIDS Vancouver was forced to withdraw from participation at Woodward's due to significant cuts to its operational funding by Vancouver Coastal Health.

### ***DISCUSSION***

In light of the withdrawal of AIDS Vancouver, Council directed staff to reconvene the Non Profit Selection Advisory Panel (the Panel) to reconsider proposals submitted to the generic office space RFP for filling the space vacated by AIDS Vancouver.

Although AIDS Vancouver was initially approved under the Purpose-built category, as planning their space evolved along with that of W2, it was determined that their functions could have

been accommodated without special wiring, plumbing or structural loading provisions. As a result, they were to have been located on the third floor which has been constructed to accommodate a base office or generic level of occupancy. Therefore, the space that they have freed up is not suited for purpose built functions.

After a thorough discussion of the remaining submissions, Council's previously approved selection criteria, including the Woodward's Guiding Principles, the amount and nature of space available, previously approved uses, and timeline for delivery of the spaces, the Panel concluded that two additional groups should be considered for this opportunity: Information Services Vancouver and Green Thumb Theatre. The Panel concluded that that these two organizations most closely meet the criteria and goals of the project. Had the opportunity for additional time be available, the Panel would have liked to have considered additional proposals for non profit space in the Project.

Staff considered the advice of the Panel and the overarching goal of the project to balance cultural and social uses, and is recommending that Minerva Foundation for BC Women (formerly approved as one of the "back-up" or 2<sup>nd</sup> level groups) and Information Services Vancouver be considered as tenants in the Project, subject to the satisfaction of the Deputy General Manager of Community Services and the Director of Real Estate Services. While the Green Thumb Theatre organization and proposal was deemed worthy of consideration for the Woodward's space, their inclusion would not have assisted in achieving a balance of social/cultural uses, and thus Minerva and Information Services are being recommended for this opportunity.

Based on this recommendation, the division between cultural and social/economic development organizations and uses in the Parcel would be approximately 12,000 sq. ft. (net) for cultural purposes and approximately 8,250 sq. ft. (net) for economic development/social service purposes.

### Summary of Proposals

**Minerva Foundation for BC Women:** Minerva Foundation requested 1500 sq.ft. to accommodate their office functions now located on West Georgia Street in space provided on an "at cost" basis to the Foundation by a corporate donor. Minerva's mission is to empower women to achieve their full capacity by supporting education, leadership development, economic security and safety. Minerva pursues this mission by providing grants and awards to individuals and women's organizations, and by delivering leadership, job training and related programs themselves. The Panel would like to see Minerva place an emphasis on reaching out to DTES residents and collaborating with existing DTES organizations. Minerva Foundation is excited by these possibilities.

**Information Services Vancouver (ISV):** ISV requested 5,000 sq. ft. of general office space to accommodate their functions now housed in Heritage Hall. ISV has a long track record of providing innovative information services in the City. ISV is considered an important partner for many non-profits who rely on the ability of ISV to connect people to information on services, programs and professional groups. They operate the 24 hour Shelter and Street Help Line, the 24 hour Youth Against Violence line, victimLINK, gambling help lines, and a variety of other information and referral services. As of June 2010 they will be the 211 provider for British Columbia, which comes with a requirement for face-to-face service as well as phone service. The Panel recommends that ISV explore opportunities to train and employ DTES

residents in their services. This will be explored by staff should Council approve ISV for consideration as tenants in the Parcel.

### ***FINANCIAL IMPLICATIONS***

The terms of the City's lease with the non-profits for the Generic Office/Assembly space will require that each tenant be responsible for their proportionate share of Common Area Costs estimated to be at \$9 per square foot per annum and all tenant improvement costs above that provided by the City and specific to their programs, as well as all facility (including utilities, janitorial and parking), program, insurance, and administrative costs associated with their leased space.

### ***SOCIAL IMPLICATIONS***

The opportunity provided by the City for non-profit social and cultural organizations to occupy space in the Woodward's redevelopment will create a synergy and diversity of uses and liveliness that will enhance the safety, security and vitality of the vicinity while also welcoming the existing community to engage in healthy and positive endeavours.

### ***CONCLUSION***

All of the proposals received in response to the Generic Office/Assembly RFP would make valuable contributions to the community and the Woodward's Project. The withdrawal of AIDS Vancouver from the project created an opportunity for other groups to be considered. Staff and the Panel agree that maintaining a balance of social and cultural uses in the Project is important. This final recommendation provides tenants for approximately 7,300 sq.ft. (net) of generic non-profit office space, concluding the tenanting of the City Parcel in the Woodward's development.

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