From: <u>"Mochrie, Paul" < Paul. Mochrie@vancouver.ca></u>

To: "Direct to Mayor and Council

Date: 4/15/2025 4:42:28 PM

Subject: Upcoming news release: Hotel Development Policy Update (April 15, 2025)

Dear Mayor and Council,

Following your approval at today's Council meeting, I am writing to inform you that the City will be issuing the below news release regarding the Hotel Development Policy Update.

Maria will reply to this email with the relevant Vancouver.ca link and social media links, once these are live.

Best,

Paul

Paul Mochrie (he/him)

City Manager

City of Vancouver

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x^wməθk^wəy'əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətal (Tsleil-Waututh) Nations.

City of Vancouver News Release April 15, 2025

Room for hotels: updated policy to open doors for new hotel developments

Today, City Council approved, with amendments, updates to Vancouver's hotel policy aimed at encouraging the development of a diverse hotel supply and supporting Vancouver as a top tier destination for leisure and business travelers.

This follows direction from a 2023 City Council motion and is part of updates made to the Broadway Plan Review in 2024.

"Tourism plays a huge role in Vancouver's economy, and having enough hotel rooms is key to bringing in major events and welcoming visitors from around the world," said Mayor Ken Sim. "With thousands of hotel rooms already in the pipeline, we're nearly halfway to meeting our goal of 10,000 new rooms. The updates Council passed today will help speed things up by making it easier to build more accommodations in Vancouver's key commercial areas."

In developing the updated Hotel Policy, City staff worked with industry, including Destination Vancouver and the BC Hotel Association, through the Vancouver Hotel Development Task Force to shape proposed updates aimed at encouraging new hotel developments in the short term.

"Vancouver has consistently attracted interest from international hospitality brands and independent hoteliers, but we haven't been able to fully capitalize on that potential," said Royce Chwin, President & CEO of Destination Vancouver. "The result is that we've had a net loss of hotel rooms since 2002 and it's increasingly difficult to meet demand. The market conditions are in place right now to address the gap, otherwise Metro Vancouver risks losing up to \$30.6 billion in economic output by 2050. We're fully in support of the City's efforts to spur new hotel development and look forward to our continued collaboration."

Policy updates:

The updated Hotel Policy includes significant measures to support the development of more hotels, including by:

- Encouraging hotel development in the Downtown Core and unlocking opportunities for hotel development in the Central Business District through time-limited relaxations of restrictions on mixed hotel-residential developments.
- Building on Broadway Plan updates approved in 2024, which allowed additional height and density for hotel developments.
- Allowing additional density for hotel developments on commercial high streets across Vancouver.
- Giving existing hotels the opportunity to renew and expand.

Next steps:

City Council has directed staff to monitor the implementation of the policy updates, and to continue working with the Vancouver Hotel Development Task Force to explore other opportunities to support a diversity of hotel development. This includes exploring:

- Implementing regulatory changes to support pod hotels and micro-suites.
- Updating District schedules to include measures to encourage hotel development and a review of density considerations for supporting back-of-house and event spaces.
- Aligning with future Council-directed work to consider the potential for student housing to be used as hotel space during the summer months.

Read more about the City's Hotel Policy in the Council Report.

-30-

Note to editors: Please see amended motions below. This is a draft copy provided for your understanding and the published minutes are the official record of the meeting.

- A. THAT Council approve the Hotel Development Policy, generally as presented in Appendix A, to encourage new hotel room supply, and repeal the 2018 Interim Hotel Development Policy, with the following amendment and addition:
- 3.2.2.4 Community Amenity Contributions Policy for Rezonings

For rezoning applications for hotel use in all areas of the City, the following uses shall be excluded from floorspace calculations for the purpose of determining community amenity contribution expectations from the hotel component of the development:

- i) Meeting rooms and conference facilities
- ii) Guest recreational and amenity space (fitness facilities, pool areas, locker areas, libraries, business centres, etc.)
- iii) Back-of-House space required for hotel operations
- B. THAT Council approve the amendments to the Rezoning Policy for the Central Business District (CBD) and CBD Shoulder (Areas A, B, C1 & F and Areas C3 & H), generally as presented in Appendix B, to allow consideration of mixed-use hotel with residential development to support the continued viability of Vancouver's visitor economy with the following amendments:

3.1.2 (b):

"site area must be 1,672 m² (18,000 sq. ft.) or larger with a minimum frontage of 45.7 m (150 ft.); or a corner site that achieves acceptable urban design performance

7.2.1 (b):

\u8194 \u8194 \u8194 \u8194 \u8194 \u8194 Residential-Hotel: 18.2m (60 ft.).

C. THAT Council approve the amendments to the Broadway Plan, generally as presented in Appendix C, to enable the consideration of hotel proposals on sites with less than 99-foot frontages in select employment and industrial areas within the Broadway Plan with the following amendments:

Section 11 Built Form and Site Design:

- 1. "11.1.7 Tower placement should demonstrate a minimum separation between existing towers and potential future towers within the block and adjacent blocks as follows:
- b) Residential-Hotel: 24.4 m (80 ft.). to 13.3m (60 ft).

Section 9 Fairview:

Add new section 9.8.5:

For sites fronting West 2nd Avenue, consider additional height and density for hotel development. Hotel proposals seeking additional height and density on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan's built form and site design policies and demonstrate that the development reasonably mitigates development limitations on adjacent properties."

D. THAT Council direct staff to amend to the Marine Landing Policy Updates (2021 in order to support diverse and affordable hotel options close to transit service and the airport, by allowing for increased height and density to be considered for hotel/industrial mixed-use projects, considered on a case-by-case basis;

FURTHER THAT Council direct staff to amend:

- 2.4.42 Additional height may be considered to accommodate the increased structural depth and floor-to-floor height of mass timber construction, or for sites proposing hotel use where general design considerations will still apply.
- E. THAT Council direct staff to continue work with Destination Vancouver, the Hotel Development Task Force and other key stakeholders in the accommodations industry, as presented in this report,

and report back to Council with recommendations for regulatory amendments to further encourage new hotels across the city.

F. THAT council recognize that unique opportunities and challenges of the Granville Entertainment District and Central Business District - including shoulder areas by allowing limited consideration of exceptions to this policy.