
From: Park Board GM's Office
Sent: Wednesday, June 12, 2019 6:05 PM
To: PB Commissioners
Cc: PB SLT (Senior Leadership Team) - DL; PB Communications
Subject: East Fraser Lands Amenity Delivery Update - Board Update
Attachments: CMO - East Fraser Lands Amenity Delivery - Wesgroup ltr to Council - 201....pdf; CMO - East Fraser Lands Amenity Delivery - Response to Wesgroup ltr to C....pdf

Dear Commissioners,

For your reference, I am forwarding the below email sent to Council from the City Manager regarding the delivery of amenities for the East Fraser Lands. This update was provided in response to a letter sent by the developers (Wesgroup) to Mayor & Council, which is also attached.

Regards,

Malcolm Bromley
General Manager
Vancouver Board of Parks and Recreation

Dear Mayor and Council,

The enclosed memo from Gil Kelley provides Council with an overview of the amenity delivery progress in the East Fraser Lands (EFL). This memo was prepared in response to a letter from Wesgroup dated May 10, 2019 (attached).

EFL (commonly referred to as the River District) is a 128-acre site in the Southeast Corner of Vancouver. Planning and development has been underway since 2002. The attached memo provides an update on :

- progress of amenity delivery and summarizes financial challenges with the project,
- work underway on the EFL Official Development Plan (ODP) 10-year Review to address challenges associated with the long development horizon, and
- next steps including Road Closure Report (June 11), Enactment (June 25), and upcoming public engagement.

Should members of Council have any questions, staff would be happy to provide any additional information needed by Council to support discussion with Wesgroup representatives.

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
Office of the City Manager | City of Vancouver
604.873.7627 | sadhu.johnston@vancouver.ca

Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

WESGROUP

May 10, 2019

Mayor and Council
City of Vancouver
453 West 12th Ave
Vancouver, BC
V5Y 1V4

Re: Amenity Delivery at East Fraser Lands

Dear Mayor and Council,

The residents of River District (formerly East Fraser Lands) are telling us that they need their amenities delivered. The East Fraser Lands Official Development Plan adopted in 2006 set out the vision for the mixed-use community being delivered today, with upwards of 12,000 residents, along with shops and services and amenities to serve the community. These promised amenities which are to be delivered by the City, are intended to be constructed at a pace matching the development of the neighbourhood. That unfortunately has not been the case. These amenities include 25 acres of parks and open space, public art, an elementary school and high school, childcare space, a community centre and affordable housing.

Over the coming weeks, we'll be reaching out to each of you to request time to discuss how we can collectively achieve amenity delivery in line with the pace of development in this community.

The first 285 residents moved into River District in 2012. Preceding that group, the 2,500 residents of West Fraser Lands have lived in this neighbourhood since the 1990s. This area of southeast Vancouver between Marine Way and the Fraser River has limited access to proximate amenities except for Riverfront Park. Today, River District is a rapidly growing, thriving community. It is the largest single development in the City of Vancouver and the Lower Mainland in addition to being one of the largest active master planned communities in Canada. At the end of 2018, nearly 2,400 residents called the community home. By 2021, that number will grow to over 6,300 residents living in a mix of strata ownership and purpose-built rental housing. Retailers now open include Save-On Foods, Sushi Mura, Everything Wine, Starbucks, TD Bank, Scotiabank, River District Medical and Westminster Savings. These retailers are contributing to a vibrant community built around a central retail Town Square hub which continues to grow.

Of the many amenities to be delivered by the City in the ODP, only a small neighbourhood park exists today. One of the promised City-owned daycare facilities has been relocated to the adjacent neighbourhood in West Fraser Lands and there is no certainty about the timeline for construction. Implementation of public art has not taken place, which is unfortunate as the retail core of the community, the Town Centre has been predominately completed without any public art in place. Although funding

WESGROUP

for 7.8 acres of riverfront park was announced in 2016 with construction slated to start this year, the delivery of this park space is far behind the pace of development.

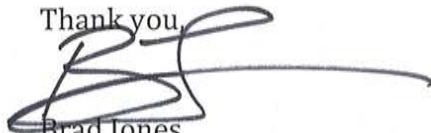
As a result of minimal amenities being available to this community, Wesgroup has been privately funding and operating the River District Centre since 2011. This facility is a 6,200 sq. ft multi-purpose building that provides programming and services for the broad community, including fitness, family and child focused events. The Centre has served over 90,000 visitors and has been operated at a cost exceeding \$350,000 annually.

When Council approved the Public Amenity Financial Plan & Strategy in 2010, the goal was for the City to build amenities concurrent with the build-out of the development. As funding was predominately coming from CACs and Development Cost Levies, the City intended to cover interim shortfalls with funds from other parts of the City. Unfortunately, that goal has not been delivered upon and as a result, amenity delivery has fallen behind schedule.

As a result of these challenges with implementation over the past decade, Wesgroup and the City launched a 10-year review of the ODP in 2017 to explore new opportunities, including a wider variety of housing types and updates to the plan to better align with current goals and policies. As we are nearing 2 years of work on the ODP review, we are writing to ask City Council to engage with Staff to assist in moving this process forward. As you can see in the below figures, the cost and scope of the amenity package the City is to deliver has grown considerably and continues to do so year after year. While over \$31 million in development charges have been paid to date, actual amenity delivery has been minimal. Since the ODP was approved in 2008, the total anticipated revenue from DCL's has grown by \$135 million, however, the cost of the amenity package desired by the City also grew by \$218 million over the same period.

Over the coming weeks, we'll be reaching out to each of you to request time to discuss how we can collectively achieve better amenity delivery in East Fraser Lands. We would be happy to tour you through the community if your schedule allows for that.

Thank you,



Brad Jones
Vice President, Development
Wesgroup Properties

Attachments: Amenity Delivery Fact Sheet
Current River District Progress Map
ODP Figure 6- Cultural, Recreational and School Uses
ODP Figure 7- Parks and Open Space

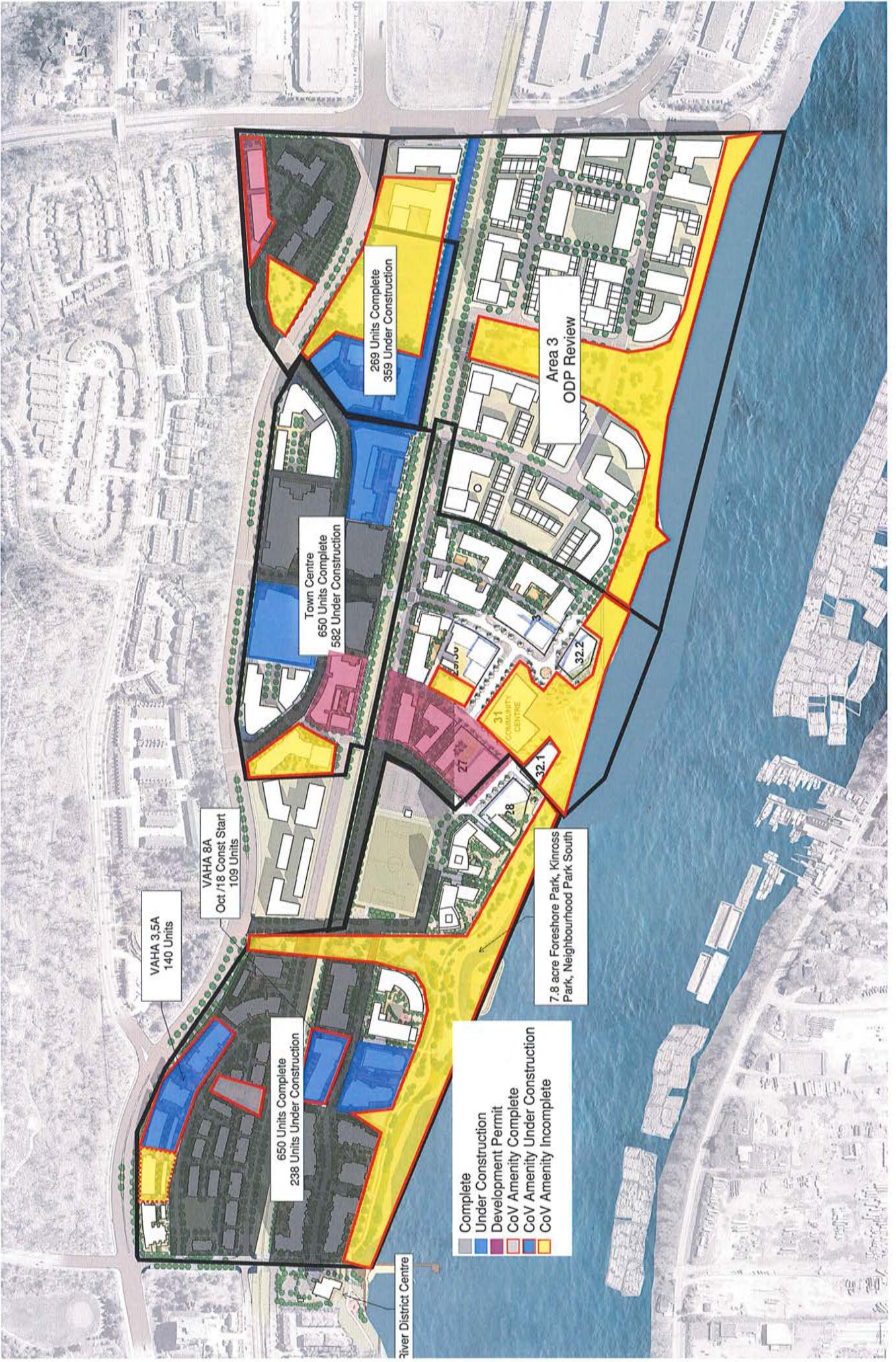
WESGROUP

Amenity Delivery Facts

2008 Amenity Package Cost:	\$89.6 Million
2008 Projected DCL Revenue:	\$38.9 Million

DCL's and Public Art Fees Paid to Date:	\$31.4 Million
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2018 Amenity Package Cost:	\$308.3 Million
2018 Projected DCL Revenue:	\$174 Million



VAHA 3.5A
140 Units

VAHA 8A
Oct /18 Const Start
109 Units

650 Units Complete
238 Units Under Construction

Town Centre
650 Units Complete
582 Under Construction

269 Units Complete
359 Under Construction

7.8 acre Foreshore Park, Kinross
Park, Neighbourhood Park South

- Complete
- Under Construction
- Development Permit
- CoV Amenity Complete
- CoV Amenity Under Construction
- CoV Amenity Incomplete

Area 3
ODP Review

River District Centre

31
COMMUNITY
CENTRE

27

32.1

32.2

3

Figure 6. Cultural, recreational, and school uses

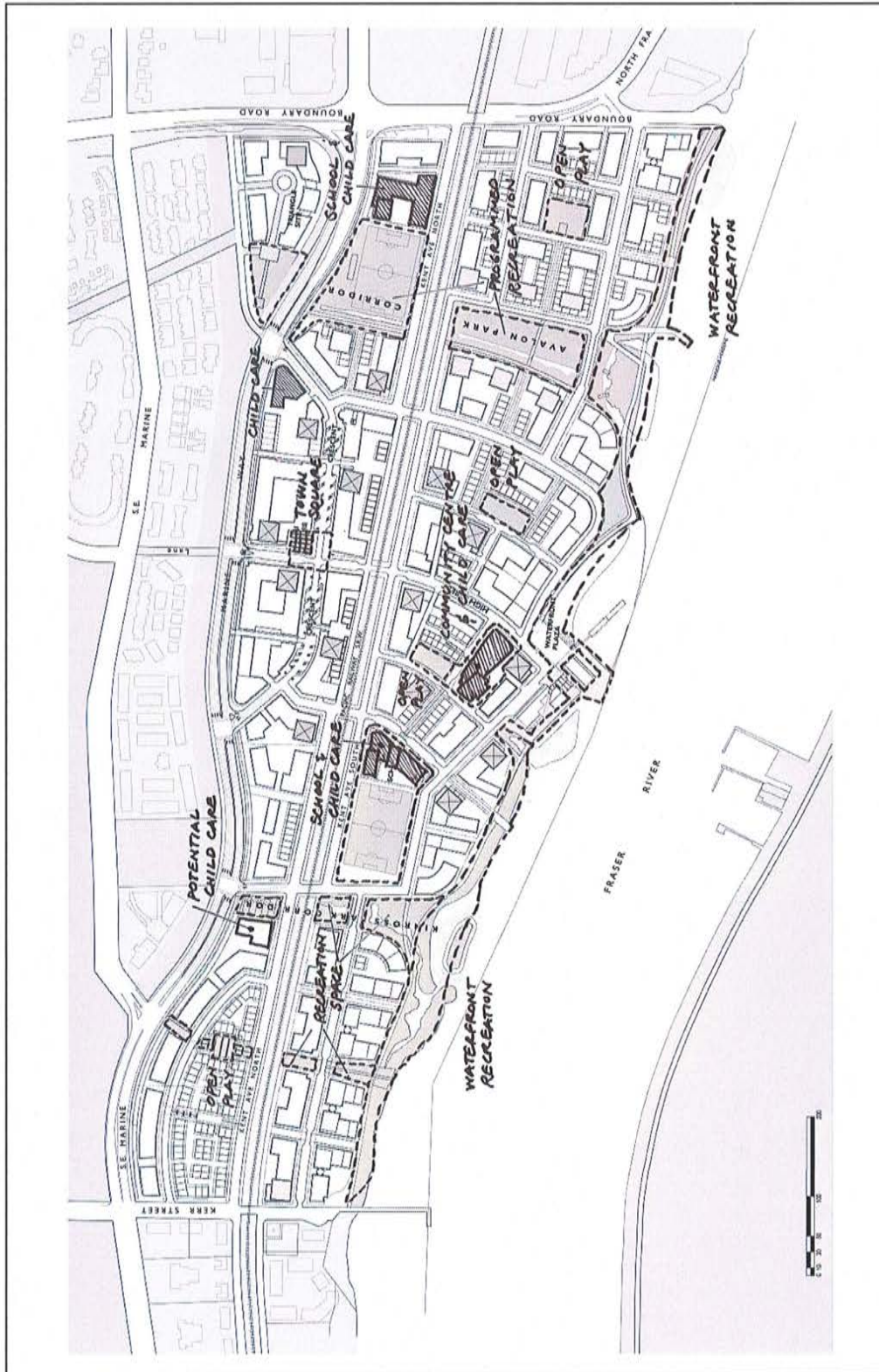
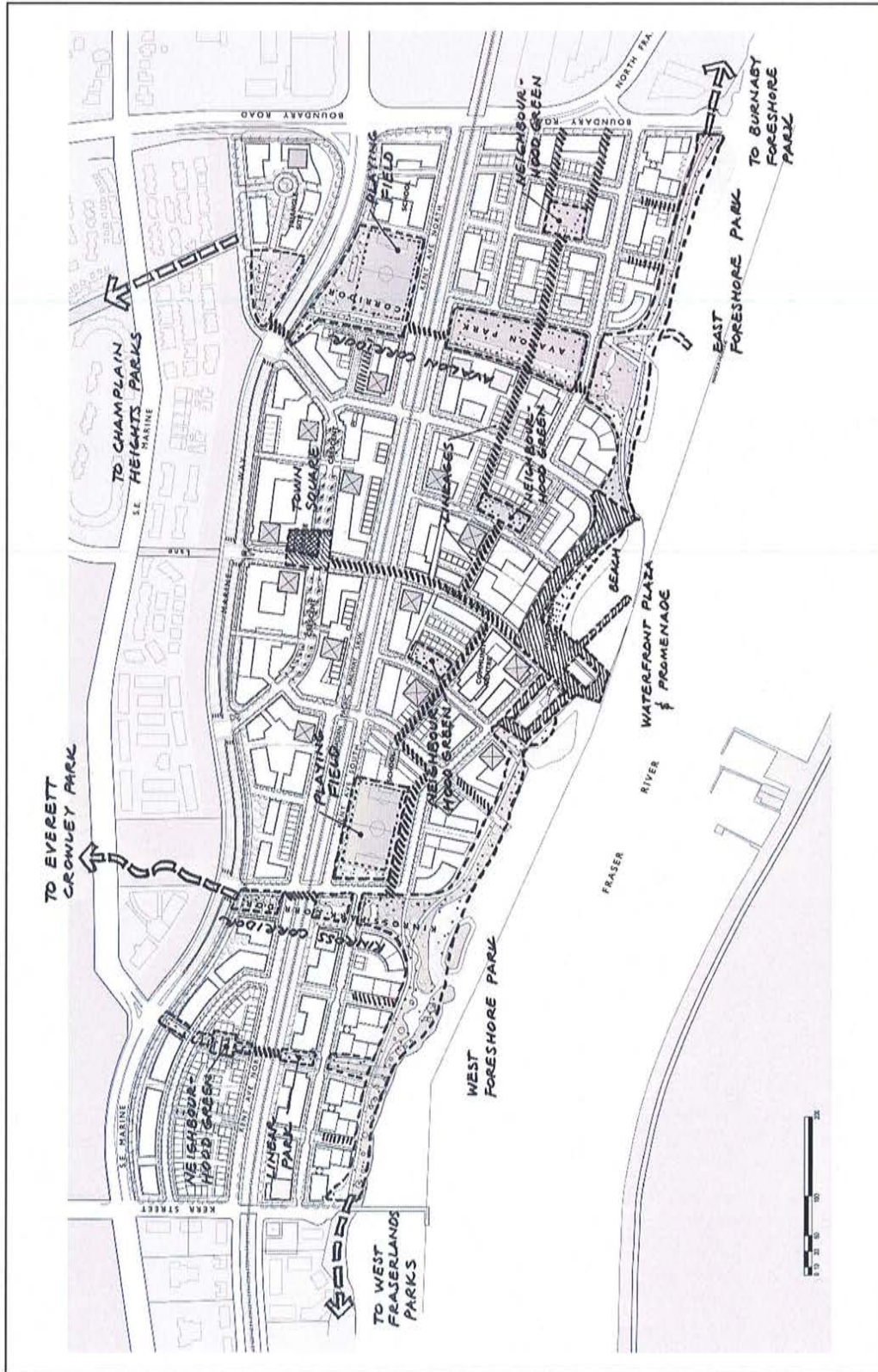


Figure 7. Parks and open space



MEMORANDUM

May 31, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Katrina Leckovic, City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Jerry Dobrovolny, General Manager, Engineering
Patrice Impey, CFO/General Manager, Finance, Risk and Supply Chain Management
Malcolm Bromley, General Manager, Parks & Recreation
Sandra Singh, General Manager, Arts, Culture and Community Services
Nick Kassam, General Manager, Real Estate and Facilities Management
Susan Haid, Deputy Director, Long Range and Strategic Planning
Neil Hrushowy, Assistant Director, Community Planning

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: East Fraser Lands Amenity delivery update response to Wesgroup letter

This memo is in response to a letter titled "Amenity Delivery at East Fraser Lands" sent to Mayor and Council on May 10, 2019 from Wesgroup Properties expressing concern about delivery of City amenities and requesting meetings with Council members.

This memo updates on:

- progress of amenity delivery and summarizes financial challenges with the project,
- work underway on the EFL Official Development Plan (ODP) 10-year Review to address challenges associated with the long development horizon, and
- next steps including Road Closure Report (June 11), Enactment (June 25), and upcoming public engagement.

Planning for the East Fraser Lands ("EFL"), also referred to as the River District, has been underway since 2002.

The following Council policies/previous decision apply to development of EFL:

- Victoria Fraserview/Killarney Community Vision (2002)
- East Fraser Lands Policy Statement (2004)
- East Fraser Lands Official Development Plan (2006)
- East Fraser Lands Public Amenity Financial Plan and Strategy (2010)
- Area 2: CD-1 (498 and 499) By-laws No. 10194 and 10195 respectively (2010) and associated Design Guidelines
- Area 1: CD-1 (565, 566 and 567) By-laws No. 10942, 10941 and 10943 respectively (2014) and associated Design Guidelines
- East Fraser Lands: Amendments to the Official Development Plan and Associated CD-1 By-laws (2016)
- East Fraser Lands Official Development Plan 10-year Review Planning Program (ongoing)
- East Fraser Lands Official Development Plan 10-year Review Planning Program: Progress Update and By-law Amendments for a New Community Centre Site and Affordable Housing (2018)

East Fraser Lands Planning & Policy

EFL is located in the southeast corner of Vancouver on the Fraser River, and includes the land between Kerr Street and Boundary Road south of Marine Way, as well as a triangle-shaped site north of Marine Way at Boundary Road. Planning has been underway since the closure of the White Pines Sawmill in 1999. Each step in the process has been a collaborative effort with the community, City staff and the proponent, Wesgroup Properties (previously Parklane Homes).

The key EFL land use policies are:

- **East Fraser Lands Policy Statement (2004)** - the EFL Policy Statement envisions a complete and sustainable community including a variety of housing opportunities with a range of supporting amenities.
- **East Fraser Lands Official Development Plan (2006)** - The EFL ODP includes approximately 7.7 million sq. ft. of development, including housing, shops and services, local-serving office, a network of parks and plazas, four childcare centres, two school sites, a community centre and sites for affordable housing.
- **Area Rezoning** – Two of five Areas in EFL have been rezoned (the Areas are illustrated on Figure 1 below):
 - The first CD-1 rezonings (Area 1), including the Town Square CD-1 (566), Waterfront CD-1 (567) and Park Precinct CD-1 (565), were approved by Council at public hearing in September 2008 and enacted in 2014.
 - The CD-1 rezonings for the western neighbourhood, Area 2 North CD-1 (498) and Area 2 South CD-1 (499), and associated Design Guidelines were approved by Council at public hearing in January 2010 and enacted in 2010.

- Note: Areas 3, 4 and 5 will be subject to future rezonings. Areas 4 and 5 are in private ownership (other than Wesgroup). A rezoning application was accepted in June 2018 for Area 4.
- **East Fraser Lands: Public Amenity Financial Plan & Strategy (2010)** - EFL financial plan establishes a strategy to deliver the package of amenities envisioned in the EFL ODP.

East Fraser Lands Development Progress

Development of individual building parcels and new city infrastructure has been substantially underway since 2010. The western neighbourhood (Area 2) has ten parcels that are either completed or are under construction. Work in the central neighbourhood (Area 1) is underway, with three of the four corners of the Town Square complete along with parcels within the Park Precinct being complete, under construction, or in permit stages (see map below).

Figure 1 — ODP Area Map and Development Progress (June 2018)



EFL Public Amenities: Financial Plan and Strategy (2010)

The EFL ODP includes a robust package of public amenities to support growth, including 10.2 hectares (25.2 acres) of parks and public open space, a 2,790 sq. m. (30,000 sq. ft.) community centre, four childcare facilities with spaces for 256 children, 140 after-school-care spaces, two school sites, and sites to accommodate 20% of the units for affordable housing. Construction of the schools is the responsibility of the Provincial government.

The City has committed to reinvest an amount equivalent to all DCLs and CACs generated in EFL, and on undeveloped properties in WFL, toward the delivery of these amenities. It is the responsibility of the City to deliver the amenities including construction of new parks, childcare facilities and community centre. The City has options-to-purchase the affordable housing sites, but will require additional contributions and financing from senior government and housing partners to construct the buildings and achieve the affordability required by the ODP.

Update on Amenity Delivery: As of May 15, 2019, the City has collected roughly \$38 M (\$5 M of CACs and \$33 M of DCLs) within the EFL area. Since approval of the Financial Plan in 2010, the City has allocated \$24.1 M toward delivery of public benefits outlined in the ODP.

The following is an updated on delivery progress:

Affordable Housing

Site Acquisition - Given the increasing pressure for affordable housing in the city of Vancouver, purchase of the affordable housing sites has been a priority for public investment in EFL. The ODP includes approximately 1.2 M square feet for affordable housing (approx. 1300 units). The cost to the City to purchase all of the affordable housing sites (including Area 3) is approximately \$48 M.

The City has completed the purchases of zoned Affordable Housing Parcels 3, 5, 8A, 13 and 43 (shown in yellow) at a cost of approximately \$21.6 M. Combined these five sites are required to accommodate at least 531,900 sq. ft. or a minimum of 596 new units.

The two remaining zoned sites to be purchased by the City are Parcels 1 and 33/34 (shown in pink). Parcel 1 is to be transferred to the City for \$10 once the subdivision is completed which is currently on hold (at Wesgroup's request). Purchase of Parcel 33/34 will occur once the surrounding roadways and services are installed by the Developer. The option price for Parcel 33/34 is estimated at \$3.3M, and is subject to inflation.

Another 571,000 sq. ft. of affordable housing density will be secured when Area 3 is rezoned.

Figure 2 — Affordable Housing Sites



Housing Delivery - VAHA is facilitating development of the affordable housing parcels in EFL in partnership with senior governments and non-profit housing providers, Parcels 3, 5, 8A and 43 have approved Development Permits (DPs) and construction is underway or imminent. A DP was submitted for Parcel 13 on May 6, 2019. This parcel will become the largest affordable housing project in EFL. Development of Parcel 1 is contingent on removal of an emergency turn around that is an obligation of the Area 4 developer. VAHA has tentatively secured funding from BC Housing to develop the site which is contingent on transfer of ownership to the City.

Park Delivery

Completed Parks: Neighbourhood Park North was the first park to be delivered in EFL. It was opened in 2011 (shown in yellow below).

Park Development: In 2017, The Park Board completed the design of five parks in Area 2 including Kinross Park (North, Middle and South), Neighbourhood Park South and Foreshore Park amounting to a total of 3.2 hectares (7.8 acres) (shown in dark green below). These designs were approved by the elected Park Board on November 20, 2017.

Construction of the first of these parks, Neighbourhood Park South (park area setback from the Fraser River), is underway and is expected to be complete in August 2019. Construction of the

Foreshore Park is delayed as a result of changes to the design to accommodate flood mitigation measures (including densification and land raising) to better address sea level rise and new community input. Foreshore Park requires Wesgroup to complete their foreshore works prior to construction – their works require Provincial approval which is estimated to take another year. Approximately \$2.5M has spent to date on park design and development. An additional \$16M has been allocated to EFL parks within the 2019-2022 Capital Plan.

Figure 3 — Park Development



Future Parks:

- **Promontory Park** – Park Board staff are initiating design development of this park and will have a consultant on board by Q4 2019. Construction is anticipated in 2021.
- **Avalon Park North** – Since the Area 1 rezoning was approved in 2008 additional work has been done to understand upland drainage impacts. Staff are investigating whether the park can be designed to accommodate stormwater infrastructure; this work could take one year to complete. Construction is anticipated in 2023.
- **Playfield Park** – This park has not yet been subdivided and is currently used for construction trade parking. Construction is anticipated in 2023.
- **Waterfront Redesign** – Last July, Council approved changes to the central waterfront to create a stand-alone community centre site. As development of this area is approximately 5 years off, no detailed design has been completed.

Community Centre

The community centre is a key piece of the central waterfront. Construction of the community centre was originally contemplated to be delivered at the mid-point of development (2025/2027) when there is enough population to support operation of the facility. Current population estimates are about 20% of the total anticipated population.

The Community Centre is not DCL-eligible and relies on CACs collected within or adjacent to the new development. In 2010 the Community Centre was estimated to cost about \$20 M; however that estimate has increased to nearly \$35 M as a result of increased construction costs. Currently, only \$5 M has been collected from rezoning of Areas 1 and 2.

As part of the EFL ODP 10-year review, staff have been exploring ways to achieve in-kind delivery of the community centre on an expedited timeline while aiming to balance operational concerns related to sufficient number of users to support programming and staffing / building operating costs.

Delivery of the community centre is also dependent on soil remediation work which is ongoing, and is the responsibility of the developer.

Childcare Delivery

There are four childcare facilities planned for EFL, which are estimated to cost \$38 M. To ensure that the City is ready to deliver childcare spaces (up to 2 facilities) to be located on the roof of the community centre, ~\$2.5 M of childcare DCLs is put into a reserve each year. The majority of the childcare DCLs are generated city-wide (outside of EFL) as the project collects a small proportion for childcare over its development horizon.

The third childcare facility is planned to be co-located with the elementary school and delivery will be coordinated with VSB.

The fourth childcare facility is planned to be located to the west of the site on an existing parcel in West Fraser Lands (WFL). The WFL site can be delivered at any time if and when additional funding is secured.

Public Art

Secured through the Area 1 and 2 rezonings, an approved EFL Public Art Plan requires that developers pay into a reserve fund held by the City to jointly develop art projects across the site. Funding has accrued to approximately \$3 M. Delivery of art will be coordinated with the delivery of public spaces as they are completed (such as parks).

Challenges with Amenity Delivery

While progress has been made toward the delivery of the public amenity package in EFL, a number of challenges have emerged including increasing costs, lower development revenues and competing priorities within EFL and city-wide.

The Financial Plan, completed in 2010, estimated the cost of the public amenity package to be \$108 M, and that over the life of the project \$83 M of revenues would be collected to pay for the amenities. At that time, the project had a projected shortfall of \$25 M. An updated analysis of the estimated costs and revenues was completed in 2018. Currently, the projected shortfall of the public benefits package is approx. \$54 M, including the purchase of affordable housing sites (but not construction of units), as outlined below:

Table 1 – Amenity Costs vs Revenues for EFL Development (Area 1, 2 & 3)

(in \$millions)	2010			2018		
	Amenity Cost Estimates	Revenue Estimates	Surplus/ (Shortfall)	Amenity Cost Estimates	Revenue Estimates	Surplus/ (Shortfall)
DCL-eligible Amenities (childcare and parks)	\$ 44 M	\$ 47 M	\$ 3 M	\$ 89 M	\$ 64 M	\$ (25M)
Non-DCL eligible Amenities (community centre)	\$ 20 M		\$ (20M)	\$ 35 M		\$ (35M)
Estimated CAC Revenues		\$ 14 M	\$ 14 M		\$ 7 M	\$ 7 M
Subtotal	\$ 64 M	\$ 61 M	\$ (3M)	\$ 124 M	\$ 71 M	\$ (53M)
Affordable Housing Sites	\$ 44 M	\$ 22 M	\$ (22M)	\$ 48 M	\$ 48 M	\$ (0M)
Total*	\$ 108 M	\$ 83 M	\$ (25M)	\$ 173 M	\$ 119 M	\$ (54M)

* Table above excludes:

Utilities DCL Revenues \$ 43 M

A new utilities DCL was introduced in September 2018. The anticipated revenue, noted above, was not part of the original financial analysis completed in 2010. As part of the EFL OPD 10-year Review staff will make recommendations on potential reallocation of utilities DCL back into the project.

The key contributing factors to the increase in the shortfall include:

- an increase in the estimated cost of delivering the amenity package (60% cost increase),
- lower CACs than anticipated on private sites and/or unrealized revenue from sites within WFL which were expected to contribute CACs (approx. \$7 M), and
- lower DCL revenue due to the introduction of the waiver to incentivize rental housing resulting from secured market rental housing developed on Parcel 43 and proposed on Parcel 27 (approx. \$5 M).

The EFL Financial Plan (2010) identified staff recommendations to mitigate long term financial challenges associated with the amenity delivery including:

- allocation of city-wide DCLs from outside the ODP area
- allocation of tax-supported capital funding
- cost savings opportunities through alternative built form and value engineering for parks, childcare and community centre
- potential adjustments to the timing and package of amenities, with consideration of priorities in consultation with interested parties, including local residents and the EFL Committee
- application of an area specific DCL on top of the citywide DCL, with rates and implementation timeline to be approved by Council

The City aims to align expenditures and commitments on public benefits in EFL with the amounts collected. Delivery of the amenity package faces ongoing challenges due to time pressures and matching revenue allocations with amenity needs particularly for childcare facilities. The City is committed to delivering the DCL-eligible amenities as funding is available and allocated through the capital plan process. The most acute challenge is the anticipated funding shortfall for the Community Centre which is wholly dependent on CACs generated by the EFL or WFL sites. Currently only \$5 M of the required \$35 M has been secured.

East Fraser Lands Official Development Plan 10-year Review – Planning Program

As a means to address the amenity implementation challenges as well as other issues arising from the long development horizon, in 2017 Council endorsed a review of the EFL ODP. The work program for the East Fraser Lands Official Development Plan 10-year Review considered the following items:

- *Public Benefits* — The process includes a review of the approved EFL amenity package and acknowledges the need for a comprehensive strategy to address delivery and funding challenges. Area 3 (Eastern Neighbourhood) provides an opportunity to explore various redevelopment options and density scenarios to generate additional housing and revenue to pay for amenities. **On-going.**
- *Updated Financial Plan & Strategy* – The review of public benefits delivery and any additional CAC generated by additional density will result in an update to the EFL Public Benefits Financial Plan and Strategy. The update will include recommendations on potential allocation of the Utilities DCL into the project. **On-going.**
- *Fraser River Shoreline* — Amendments to the ODP and associated CD-1s were approved in July 2018 to address flood prevention, regulatory requirements for the foreshore and reconfiguration of the central waterfront. **Enactment pending.**
- *Evolving Council Policy* — While it is important to note that development rights have previously been granted through enactment of the CD-1 by-laws in Areas 1 and 2, the ODP review offers an opportunity to strategically update the master plan and policies, where possible. **On-going.**

- *Previously proposed Amendments* — Staff are assessing amendments proposed by Wesgroup Properties to Parcel 14 and 19 in the Town Square Precinct of Area 1 (central neighbourhood). **On-going.**
- *Implementation Review* — EFL is unique because of the substantial amount of new public infrastructure (streets, sewer and water, pump stations, etc.) required to serve the buildings due to it being a former industrial site. Through the 10-year review, staff are exploring opportunities to better facilitate development review and coordinate amenity delivery. **On-going.**
- *Transit Study* — In partnership with TransLink, staff completed a technical study to assess short, medium and long term options for improving transit to the EFL area. The recommendations are being considered by TransLink in updates to the bus network and hours of service in the area. **Completed.**

In July 2018, staff reported back to Council with a report titled: *East Fraser Lands Official Development Plan 10-year Review Planning Program: Progress Update and By-law Amendments for a New Community Centre Site and Affordable Housing*. The report included interim measures to address the central waterfront including the “Mill Building” and shoreline works, while acknowledging that work on the review would take additional time.

Next Steps

Work on EFL is advancing on several key initiatives:

- *Community Centre Site* - Enactment of the CD-1 by-laws reflecting the changes in 2018 is anticipated to be completed prior to the summer break – including a road closure report scheduled for June 11, 2019.
- *EFL ODP 10-year Review* - Work on the review is on-going. Staff are currently testing the financial performance of additional density in Areas 1 & 3, and to address the challenges with amenity delivery. Additional public engagement is needed prior to reporting back to Council which is anticipated Fall 2019.

Staff would be happy to provide any additional information needed by Council to support discussion with Wesgroup representatives. Staff could also prepare a Council briefing to provide an overview of EFL ODP and ongoing implementation challenges if desired.

Please do not hesitate to contact me if you have any questions.



Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability

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