



STAFF REPORT

TO: Council **MEETING DATE:** July 28, 2015

FROM: André Boel, Director of Planning **FILE NO:** 3220-20 Gower 377-385
Odete Pinho, Planning Consultant ZA-2013-01

SUBJECT: George Hotel & Residences – Development agreement items

RECOMMENDATION

1. THAT the staff report regarding the “George Hotel & Residences – Development agreement items” be received;
2. THAT Council endorse the items for the future development agreement as outlined in the staff report dated July 28, 2015;
3. THAT staff be directed to report back once the financial details for the development agreement have been negotiated between the Town and the applicant, together with proposed dates for an information meeting and a Public Hearing in September or October.

(Recommendations regarding the bylaws are provided under section 12 of the agenda.)

PURPOSE

The purpose of this report is to present the items of a future development agreement for the proposed George Hotel & Residences including: proposed community amenities, affordable housing contribution, municipal property servicing/ infrastructure upgrades and conditions specific to the proposed development.

Moreover, another purpose of this report is to provide Council with information relevant for consideration of "George Hotel OCP Amendment Bylaw No. 985-19, 2015". Based on this information, Council may consider second reading of the proposed bylaws for the George Hotel and Residences.

BACKGROUND

Council's first reading for the "George Hotel & Residences Zoning Amendment Bylaw 1065-33, 2015" was passed on May 12, 2015. Council adopted the following resolution (R2015-194 Main Motion as Amended):

THAT "George Hotel & Residences Zoning Amendment Bylaw 1065-33, 2015" be given first reading;

AND THAT consideration of second reading of "George Hotel & Residences Zoning Amendment Bylaw 1065-33, 2015" be subject to:

- A substantive response from the applicant addressing the questions raised in the peer review reports by Levelton and Waterline, including but not limited to considering reduced excavation at the west side of the land portion and addressing gaps in data for the dredging area (*see July 21, 2015 staff report*);
- An OCP amendment bylaw for Council's consideration (*see June 16 Staff report*);
- A staff report regarding the results of the traffic and parking study with an overview of offsite improvements, community amenities, and Winn Road closure (*July 28, 2015 staff report*);
- A staff report regarding form and character changes in response to the geotechnical reviews (*July 28, 2015 separate staff report*);
- A draft development agreement including steps and timing for the development approval process and future construction of the project (*this July 28, 2015 staff report*);

AND FURTHER THAT consideration of an OCP amendment regarding scale and character include detailed information in the proponent's analysis of building height reduction options, and be subject to further negotiations between the Town and the proponent on the development agreement. (see June 16 staff report)

This report addresses the underlined request by providing Council with an outline of the development agreement. All other outstanding topics from the Council motion have now been addressed and discussed in staff reports and Council discussions on the dates noted above.

DISCUSSION

Development Agreement Conditions

A successful rezoning of the site would result in a number of changes to the surrounding public infrastructure including, but not limited to, road, sewer, waterline upgrades, the interface with Winegarden Park, Winn Road closure, on-street parking changes, and waterfront walkway extension. The Town would secure these development items using a variety of legal tools, including but not limited to: requirements for security bonds, letters of credit, payment of certain fees, restrictive covenants, rights-of-way, servicing agreements. A development agreement secures developer contributions for community amenities, affordable housing, upgrades to municipal property servicing/ infrastructure etc. and confirms the timing of delivery. A draft agreement would be provided in advance of Public Hearing (and Information Meeting).

The items below are proposed to be included in the development agreement. A summary table is attached to this report.

1. Affordable Housing Contribution
2. Land for Public Purposes
3. Conditions Specific to the Development
4. Subdivision Servicing / Infrastructure Requirements
5. Registration of Covenants & Legal Agreements
6. Development Permits

1. Affordable Housing Contribution

In lieu of the required four affordable housing units, the George applicant is proposing to make a cash contribution of \$156,648 to the Town's Affordable Housing Reserve Fund prior to the adoption of the zoning amendment bylaw.

2. Land for Public Purposes

The following Community Amenity Contributions have been offered by the developer:

- Cash contribution of \$100,000 for improvements to Winegarden Park (in addition to any development related mitigation of impacts to the park). Proposed to be delivered to the Town prior to issuance of building permits.
- Construction of a new public waterfront walkway and pier that, although integral to the development, is also a benefit for the community. To be secured with a letter of credit and servicing agreement prior to issuance of building permit.
- In kind support for a Town-led parks planning process for Winegarden Park related to the proposed relocation of the band shell. Town staff will ensure full public review and stakeholder input. To be completed prior to issuance of building permit.

3. Terms/ Conditions Specific to the Development

The development proposes to incorporate a public outdoor plaza in the design that would improve the liveability of the hotel and apartment units, as well as maintain a public pedestrian linkage from Gower Point Road to the waterfront walkway. The proposed development design includes the closure of Winn Road right of way to assemble the road into a single development site. The developer would purchase the road and the Town would require a statutory right of way for a public pedestrian path to the waterfront, at no cost to the Town.

The Town retained D.R. Coell Associates to undertake an appraisal for the road allowance. In March, 2014, the appraised value was determined to be \$425,000. The Town and the developer have not yet negotiated terms of the road closure. Staff proposed that payment for the road be received at the time of transfer of the lands to the development, prior to issuance of building permit.

During the construction period of residential building, a 3 m wide strip in Winegarden Park will be needed to accommodate excavation and construction. Details of the construction will be provided to the Town in a management plan at the time of building permit. The intent will be to provide minimal disruption to the park and facilities. The developer will be required to complete any restorative works for development related impacts to Winegarden Park, in advance of issuance of occupancy permits.

4. Subdivision Servicing and Infrastructure Requirements

Under the Town's Subdivision Bylaw, new development is required to improve "frontage" infrastructure adjacent to site. The "servicing" for a development site includes the roads, sewer, water and drainage infrastructure needed to support the project. If existing water or sewer services are insufficient, the development also needs to provide any needed upgrades. Practical considerations such as grade changes in the area can also necessitate extending the works beyond the frontage in order to match up with adjacent existing areas. This topic is covered in a separate staff report regarding the traffic, parking, servicing and infrastructure requirements.

5. Registration of Covenants and Legal Agreements

If the project proceeds as planned, the development agreement would result in registration of covenants, statutory rights-of-way, and servicing agreements. In summary, the following items will need to be secured:

- Statutory Right-of-Way for Public Plaza, Waterfront Walkway and Pier.
- Provision of parking between the hotel, marina, residential and public uses.
- Changes to the marine water lease area.
- Servicing agreement for infrastructure and frontage improvements.
- Covenants registering the geotechnical and aquifer protection professional reports on title
- Floodproofing covenant.
- Design details, construction, monitoring protocols for geotechnical and aquifer protection.
- Qualified environmental professional plans and reports for fisheries, marine/ foreshore habitat and contaminated sites remediation.

6. Development Permits

There are several Development Permit Area (DPA) requirements that the proposed development will need to satisfy in the future. The development agreement would confirm a list of these DPA's and their timing for delivery:

- DPA No. 1 Geotechnical Hazards – at time of Building Permit
- DPA No. 2 Environmentally Sensitive Areas – at time of Building Permit
- DPA No 9 Gibsons Aquifer – at time of Building Permit or any drilling or excavation
- DPA No. 5 Harbour Area form and character – after adoption of the Zoning Bylaw.

OFFICIAL COMMUNITY PLAN AMENDMENT BYLAW

Consultation process

On July 3rd, following the first reading of the bylaw on June 16, staff sent email with a referral to a list of agencies (see below). Agencies are summarized in Table 1, indicating those that the Town will be considering the OCP amendment regarding the number of storeys and the change in park policies. The referral deadline is September 15 and Council will be briefed on the results at a later date. Based on Section 879 of the *Local Government Act*, Council needs to formally consider if the consultation process outlined below is sufficient.

<i>Referral Agency</i>	<i>Comment to be received</i>	<i>Reason Why OCP Comments will not be Received</i>
Sunshine Coast Regional District	V	
Squamish Nation	V	
School District 46	V	
Ministry of Transportation and Infrastructure	V	
Agricultural Land Commission	V	
Ministry of Forests, Lands and Natural Resource Operations		Does not review OCP Amendment referrals, review takes place once ministerial approval is required
Ministry of Environment		Does not review OCP Amendment referrals, review takes place once ministerial approval is required
Department of Fisheries and Oceans		Does not review OCP Amendment referrals, review takes place once department approval is required
Gibsons Volunteer Fire Department	V	
Town of Gibsons staff (Engineering, Building)	V	

Table 1 overview referral agencies

Financial plan and waste management plans

Staff has identified the following implications for the Financial Plan:

- If the project is completed and successfully operated, significant additional tax revenue would be provided. In September 2014, the Town's consultant Coriolis reported an expected additional revenue of approximately \$ 306,000 to \$345,000 per year.
- The completed project would also lead to incremental additional cost related to the provision of Town services such as water, sewer, bylaw enforcement for new residents and the hotel related visitors.
- A review by Coriolis Consulting found that the proposed development "will almost certainly make a net positive fiscal contribution to the Town, both in terms of capital funding and ongoing operations" (Coriolis Report, July 16, 2014, pg. 6).
- The Capital Plan would need to be updated if and when the Town would use the DCC revenues from this project to fund DCC projects throughout the Town.

With regards to liquid waste (sewage) the designation of the site does not change and the sewer treatment plant has sufficient treatment capacity for additional sewage. However, the Prowse Road lift station has been identified as requiring an upgrade to accommodate the project. This upgrading cost would be funded by the development.

For solid waste (garbage and recycling) the Town relies on the SCRCD for the strategic planning for solid waste management. Multi-family and commercial developments like the George are expected to retain private contractors for garbage disposal.

ZONING BYLAW AMENDMENT

The proposed zoning bylaw amendment has been updated by including a provision to allow for a parking requirement reduction subject to a satisfactory traffic study. The Zoning Bylaw has been updated to state the following:

1418. Off-Street Parking and Loading

Off-street parking and loading must be provided and maintained in accordance with all provisions of Part 6, except that a reduction in parking requirements up to 20% may be permitted, but only where a written report has been submitted to the Town by a professional engineer experienced in parking matters, recommending such reduction based on supporting evidence.

Moreover, the location map of the proposed amendment bylaw has been updated to more clearly delineate the area to be rezoned CDA-2.

NEXT STEPS

This report has outlined the items for the development agreement. Some of the details about the actual value and the timing of various items are still under discussion with the applicant. Once these negotiations are finalised, and endorsed by Council, a development agreement would be drafted by the Town's lawyer to secure the results of negotiations. Before adoption of a zoning amendment bylaw, the development agreement would be registered on title.

A public information meeting and Public Hearing, organized by the Town, would follow, to ensure the community is informed about the proposed Zoning Amendment Bylaw, Official Community Plan Amendment Bylaw and the development agreement. The George Hotel is a complex project for Town standards, with a comprehensive development zone and development agreement. Given the significant location and size, as well as the complexity of the proposed development, Council may wish to increase opportunities for residents to be informed on the project and to provide meaningful input. Staff suggests hosting an Information Meeting, prior to Public Hearing, to ensure that accurate information is shared with residents. The Town would subsequently host a Public Hearing allowing the public to make their final representations to Council.

If Council supports second reading for the bylaw amendments, and if agreement with the applicant can be reached on outstanding items by September, then a information meeting would be held mid September and a Public Hearing early October.

RECOMMENDATIONS / ALTERNATIVES

Staff recommendations are listed on page 1. Alternative recommendations are listed below:

Alternatively, if Council would like to make changes to the development agreement items:

THAT staff be directed to update the development agreement items to address.....

Alternatively, if Council prefers to hold off on second reading of the bylaws until an agreement on the financial details has been reached, Council could postpone second reading of the proposed bylaws.

Respectfully Submitted,



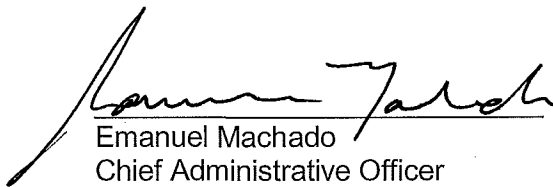
André Boel, RPP
Director of Planning



Odete Pinho, RPP
Planning Consultant

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I have reviewed the report and support the recommendation(s).



Emanuel Machado
Chief Administrative Officer

Attachments:

A – Summary of development agreement items
(bylaws provided under separate cover)

Attachment A: Summary of Development Agreement Conditions

Affordable Housing Contribution	Proposed Delivery Timing
Cash Contribution of \$156,648 to Town’s Affordable Housing Reserve Fund	Prior to fourth reading of Zoning Bylaw
Land for Public Purposes	Proposed Delivery Timing
Contribution of \$100,000 for improvements to Winegarden Park (in addition to any development related mitigation of impacts to park).	Prior to issuance of building permits
Construction of a new public waterfront walkway and public pier that is integral to the development and is also a benefit for the community. Waterfront lands are largely on Crown Lands and will require the developer to acquire permissions.	Letter of Credit and Servicing Agreement prior to issuance of building permits
Funding for a Town-led parks planning process for Winegarden Park to involve the community in considering future park improvements. Costs of the design process will be borne by the applicant, but Town staff will ensure public review and stakeholder input.	Process completed prior to issuance of building permits
Terms/ Conditions Specific to the Development	Proposed Delivery Timing
Restoration of Winegarden Park and any development related mitigation of impacts to park	Security deposit in place, in advance of Building Permits
Winn Road closure and public outdoor plaza, maintaining a public pedestrian linkage from Gower Point Road to the waterfront walkway. Construction of plaza would be incorporated into the development. The developer would purchase Winn Road (appraised value \$425,000) and the Town would require a statutory right of way for a pedestrian path to the waterfront at no cost.	Payment received at time of transfer of lands to the developer. After Zoning and prior to issuance of Building Permit
Subdivision Servicing Requirements	Proposed Delivery Timing
Frontage upgrades North of Winn Rd, South of Winn Road and on Gower Point Road. Costs to the developer include: new water main upgrade (replacing 150mm with 250mm on Gower Pt Rd between Winn and Prowse), necessary storm sewer reconstruction and a relatively minor sanitary sewer pipe upgrade within Gower Point Road. Extension of works on Gower Point Road to merge with existing grades. These works are not DCC creditable.	Servicing Agreements & Bonding in place in advance of Building permit. Completion before occupancy permits.
Upgrade to existing Prowse Road sewerage lift station will be required.	Before Building permits
Intersection Improvements based on Traffic Study	Before Building permits
Construction Management Plan	Before Building permits
Development Cost Charges (DCC) creditable works that may be completed by the developer.	Servicing Agreements & Bonding in advance of Building permit.

Required levies for DCC infrastructure funds (approximately \$1,280,000), as per DCC Bylaw 670. <i>*Note: Payment may be in instalments, as per BC Regulation 166/84.</i>	Collected at time of building permits for multi-family and for hotel. *
Excess or Extended Services	Proposed Delivery Timing
Amenity option – extend infrastructure works to Prowse Road intersection (road/curb/sidewalk/streetlights/ boulevards), with DCC creditable portion of \$480,000.	Through a Servicing Agreement, timing t.b.d.
Registration of Covenants & Legal Agreements	Proposed Delivery Timing
Statutory Right of Way for Public Plaza, Waterfront Walkway. Providing for perpetual public use, operated, maintained and ultimately replaced to Town standards, when it becomes necessary.	Condition of Subdivision approval
Provision of parking between hotel, marina, residential and public	Before issuance of building permits
Changes to marine water lease area	Before issuance of building permits
Servicing Agreement for infrastructure upgrades and frontage improvements.	Condition of Subdivision Approval, Prior to Issuance of first building permit
Registration of existing zoning stage geotechnical and aquifer protection professional reports on title.	Prior to fourth reading of Zoning Bylaw
Floodproofing Covenant based on currently available professional reports	Prior to fourth reading of Zoning Bylaw
Registration of design level details, construction and monitoring protocols for geotechnical (DPA#1) and aquifer protection (DPA#9) - professional reports registered on title.	Before issuance of building permits
Registration of qualified professionals reports related to DPA#2 Environmentally Sensitive Areas – Fisheries, marine and foreshore habitat, contaminated sites remediation	Before issuance of building permits

