



# STAFF REPORT

**TO:** Council **MEETING DATE:** September 15, 2015  
**FROM:** André Boel, Director of Planning **FILE NO:** 3220-20 Gower 377-385  
**SUBJECT:** George Hotel and Residences update

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## RECOMMENDATION(S)

**THAT Council receive staff's report regarding George Hotel and Residences update.**

**AND THAT Council direct staff to include in the development agreement overview a provision requiring a restrictive covenant, subject to further legal review, ensuring the operation of the hotel building for hotel use.**

**AND THAT Council endorses the proposed land exchange for Winn Road re-locating the road dedication to the proposed plaza, and the proposed sale of a subsurface airspace parcel for a parkade to the George Hotel proponent based on an appraised value.**

**AND THAT Council endorses the Development Agreement overview dated August 31, 2015 for the purposes of informing the community about the current components of the development proposal.**

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## PURPOSE

To inform Council on a number of items for the George Hotel and Residences (the George) development application, ahead of the Public Hearing of October 1st.

## BACKGROUND

At the July 28 Council meeting, Council resolved the following:

*THAT prior to third reading of Zoning Amendment Bylaw 1065-33, staff provide a report to Council on the potential for land use other than hotel units within the zoning bylaw definition for Tourist Accommodation. (R2015-301)*

*THAT Council considers, pursuant to section 879 of the Local Government Act, that the consultation process outlined in the staff report provides sufficient consultation for "George Hotel Official Community Plan Amendment Bylaw No. 985-19, 2015"; (part of R2015-299)*

*AND FURTHER THAT staff 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. (part of R2015-296)*

On September 1, Council set dates for a Town organised Information Meeting on Thursday September 24, 5 – 8 pm and a Public Hearing on Thursday October 1, 7 pm for George Hotel OCP Amendment Bylaw No. 985-19, 2015 and for George Hotel and Residences Zoning Amendment Bylaw No. 1065-33, 2015. (motion numbers not available yet)

## **DISCUSSION**

This staff report provides information for Council's consideration regarding the following topics:

- Tourist Accommodation definition
- Referral responses to the OCP amendment bylaw
- Winn Road proposed exchange and airspace parcel sale
- Prowse Road lift station cash contribution
- Development Agreement overview
- Upcoming information meeting and Public Hearing

### **Tourist Accommodation definition**

Staff consulted with legal counsel for more information regarding issues related to the use of lands zoned for tourist accommodation. Property taxation is based on assessed values established by BC Assessment. Typically, properties with a commercial assessment pay more taxes than residential assessed properties. Where things become complicated is when a hotel is stratified into separate real estate entities. In that case there are certain conditions where owners can request BC Assessment to apply a residential rather than a commercial assessment. To address these risks legal counsel suggested a restrictive covenant which would outline how a strata lot is used. This would need to be reviewed further by legal counsel since the taxation scheme is complex.

For the George Hotel the use of a restrictive covenant is being proposed to cover the development agreement items. If Council supports it, direction could be given to include an item for a restrictive covenant that requests assurances from the applicant regarding the operation of a hotel on site. Staff recommends adding this topic to the development agreement overview.

### **OCP amendment bylaw referral responses**

The OCP amendment bylaw has been sent out to a number of government agencies for referral comments, as reported by staff in the July 28, 2015 Council meeting. A number of responses have been received and they are attached to this report for Council's information.

- The Agricultural Land Commission expressed no concerns with regards to the application.
- The Ministry of Transportation had no specific comments regarding the OCP amendment bylaw.
- School District 46 expressed interest in learning opportunities that may arise because of the construction and operation of the hotel.

All comments have been forwarded to the applicant for information.

### **Development agreement items overview**

On July 28 Council requested staff to report back on the development agreement items once financial details were available. Over the summer, staff and the developer's agent have been in discussions about the details for this agreement. The attached overview of the development agreement items shows what has been discussed and agreed in principle between the applicant and staff. Staff is planning to bring back this overview to Council, after the Public Hearing, for Council's consideration at the time of third reading.

Key financial details are:

- Affordable housing contribution of \$ 156,648
- Amenity contribution of \$ 100,000 (now full Town discretion for use of these funds).
- \$ 5,000 for Winegarden park planning process
- Development Cost Charges as required by bylaw (approximately \$ 1,389,000).
- Infrastructure upgraded as required by bylaw (approximately \$ 224,000)
- Winn Road exchange and sale of underground airspace parcel (for appraised value t.b.d.)
- Prowse Road lift station (pro-rated cash contribution to be determined)

Some items have had more extensive discussions (Winn Road and Prowse Road lift station). Those topics are discussed in more detail below.

### **Winn Road exchange and airspace parcel sale**

Initially, the applicant had requested to purchase the road area in order for it to be included in the development site. An appraisal in the summer 2014 resulted in an estimated value of \$ 425,000.

The Town is required to ensure adequate public access to the ocean, and processes for changes or closures for ocean access are prescribed in the Community Charter. Through negotiations with the developer it is proposed that the Town maintain ownership of Winn Road by moving the road dedication over to the proposed location of the plaza. The Town would also require the construction and ongoing maintenance of a public plaza by the owner of the hotel. Maintaining Town ownership ensures unrestricted access for public use.

In order to allow for the construction of the underground parkade it is proposed that a subsurface "airspace parcel" be created. An airspace parcel is in essence a piece of real estate, in this case located underground. This airspace parcel property would be sold to the applicant for the appraised value.

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**Prowse Road lift station**

The Prowse Road lift station pumps sewage to the Waste Water Treatment Plant for approximately 50% of the Town. The lift station is nearing the end of its life span and is scheduled for a major renovation in 2017, as listed in the Town's 5-year Capital Plan. The current estimated cost for the needed upgrades is \$ 690,000. The George Hotel and other new development in the Harbour Area would also create a increased demand resulting in the need to expand the capacity of the lift station. For this reason the Town had asked the applicant for the George Hotel to contribute to the replacement / upgrade of the lift station combined with the required infrastructure works for the development. Following negotiations, agreement has been reached that the total amount to be contributed will be determined based on a pro rated contribution for the additional usage of the lift station, while taking into account other new development expected in the area as well. Moreover, the Town will be exploring local service area taxation or Development Cost Charges to recover some of the cost of the upgrade from other future development as well.

**Compensation for on street parking**

To compensate for on street parking that would be removed to allow for the construction of the buildings and the plaza, it is now proposed to require 12 public parking stalls to be provided in the parkade, with the same parking restrictions as currently in place on Gower Point Road / Winn Road (free parking).

**Extended works to Prowse Road intersection**

The developer was not able to accommodate the Town's request to include an extension of works (beyond what is required by the subdivision bylaw) to the Prowse Road intersection. This item has been removed from the development agreement items.

**NEXT STEPS**

Council has set two dates, one for a public information meeting on Thursday September 24 and one for the Public Hearing on Thursday October 1st. Both meetings will be held at the Elphinstone gymnasium at 840 Gibsons Way. Staff will make arrangements for notifications in the newspaper.

The meetings offer the last opportunity for public questions and public input in this two and a half year long process for the Zoning Bylaw amendment. Numerous people have already provided comments to date, either by email or with letters, or by making inquiries / statements during the Council meetings, some of which were held at larger venues to accommodate all interested people. More recently, the Town was presented with two petitions as well.

The information meeting on September 24<sup>th</sup> will have an open house format where people can drop in between 5 and 8 pm to learn more about the project and the current proposal. Town staff will be available as well as the applicant's consultants to provide information and answer questions in advance of a Public Hearing. Due to the scale and significance of the project for the Town is hosting the open house to provide opportunity for further information sharing. The open house format offers another way for individuals to learn more about what is being proposed by providing direct access to the relevant experts, in addition to information available on the Town's website, video and Facebook updates.

At the Public Hearing on October 1<sup>st</sup> Council is present to receive all written and / or verbal submissions provided by community members. The main purpose of a Public Hearing is to provide the community with the opportunity to express views on the proposed bylaw changes. The format of the public hearing only allows Council to 'receive' information and not to have questions answered or information shared. After closing of the Public Hearing provincial law does not allow Council to consider any new information until after adoption or defeat of the bylaws.

## **RECOMMENDATIONS / ALTERNATIVES**

Staff recommendations are listed on page 1. Alternatively, Council may determine other directions for the George Hotel application.

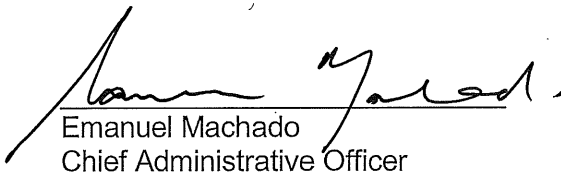
Respectfully Submitted,



André Boel, RPP  
Director of Planning

## **CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

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



Emanuel Machado  
Chief Administrative Officer

## **ATTACHMENTS**

- OCP referral comments from Ministry of Transportation, School District 46 and Agricultural Land Commission.
- Development Agreement overview dated August 31, 2015

## CONTACT INFORMATION

Date: July 10th, 2015

Agency or department: Ministry of Transportation and Infrastructure

For further more information on the comments provide below contact;

Amy  
First Name

Barker  
Last Name

Area development and operations technician.  
Position

(604) 527 2224  
Phone

Amy.Barker@gov.bc.ca  
Email

## COMMENT

No further comments at this time.

## RECOMMENDATION

- ☒ Approval Recommended
- ☐ Approval Recommended with Changes
- ☐ Additional Information Required
- ☐ Other: \_\_\_\_\_
- ☐ Approval Not Recommended
- ☐ Interests Unaffected by Proposal

## CONTACT INFORMATION

Date: July 15, 2015

Agency or department: SD46

For further more information on the comments provide below contact:

Nicholas ,  
*First Name*

Weswick  
*Last Name*

Secretary-Treasurer  
*Position*

604-886-8811  
*Phone*

nweswick@sd46.bc.ca  
*Email*

## COMMENT

School District No. 46 (Sunshine Coast) hopes to provide a broad range of work experience opportunities to students on the Sunshine Coast. Although our interests are not affected by the proposal, we hope and request that the developer works with the District to provide student opportunities during both the construction and operations of the facility, should it be approved.

## RECOMMENDATION

- ☐ Approval Recommended
- ☐ Approval Recommended with Changes
- ☐ Additional Information Required
- ☐ Other: \_\_\_\_\_
- ☐ Approval Not Recommended
- ☒ Interests Unaffected by Proposal

## CONTACT INFORMATION

Date: July 6, 2015

Agency or department: Agricultural Land Commission

For further more information on the comments provide below contact:

Tony, Pellett Regional Planner  
First Name Last Name Position

604 660-7019  
Phone

Tony.Pellett@gov.bc.ca  
Email

## COMMENT

The interests of the Agricultural Land Commission are not affected by the proposed OCP amendment.

If the OCP is amended in such a way as ~~to~~ described in No. 6, please provide the Commission with the amendments or an updated copy of the OCP.

## RECOMMENDATION

- ☐ Approval Recommended ☐ Approval Not Recommended  
☐ Approval Recommended with Changes ☒ Interests Unaffected by Proposal  
☐ Additional Information Required  
☐ Other: \_\_\_\_\_



## CONTACT INFORMATION

Date: 2015-07-31

Agency or department: ALC

For further more information on the comments provide below contact:

Tony, Pellett Regional Planner  
First Name Last Name Position

604 660-7019 Tony.Pellett@gov.bc.ca  
Phone Email

## COMMENT

No need to send referrals to the ALC  
when the development application is remote  
from the ALC.

## RECOMMENDATION

- ☐ Approval Recommended
- ☐ Approval Recommended with Changes
- ☐ Additional Information Required
- ☐ Other: \_\_\_\_\_
- ☐ Approval Not Recommended
- ☒ Interests Unaffected by Proposal

**TOWN OF GIBSONS / HYAK MARINE SERVICES LTD., KLAUS FUERNISS AND MONIKA FUERNISS**

**DEVELOPMENT AGREEMENT – BYLAW 1065-33**

**AUGUST 31, 2015**

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**(DEVELOPMENT AGREEMENT TO BE EXECUTED PRIOR TO ADOPTION OF BYLAWS AND REGISTERED AS S. 219 COVENANT AGAINST 5 PARCELS IN PRIORITY TO FINANCIAL CHARGES)**

**DEVELOPER CONTRIBUTIONS TO TOWN**

**CASH CONTRIBUTIONS:           \$156,648 TO AFFORDABLE HOUSING RESERVE FUND, EXPENDITURES  
AT SOLE DISCRETION OF TOWN, PAID PRIOR TO ADOPTION OF BYLAW**

**\$100,000 TO COMMUNITY AMENITY RESERVE FUND, EXPENDITURES  
AT SOLE DISCRETION OF TOWN, PAID PRIOR TO BUILDING PERMIT**

**\$5000 TO WINEGARDEN PARK PLANNING FUND PAID PRIOR TO  
BUILDING PERMIT, PROVISION OF 3 CONCEPT PLANS FOR RELOCATION  
OF BAND SHELL AND PARTICIPATION BY DEVELOPER REPRESENTATIVE  
IN PARK PLANNING ADVISORY BODY,**

**IN-KIND CONTRIBUTIONS:   CONSTRUCTION OF WATERFRONT WALKWAY FRONTING  
DEVELOPMENT SITE AND BEYOND BOTH NORTH AND SOUTH TO  
ACCOMMODATE GRADE CHANGE, INCLUDING SEWER MAIN  
REPLACEMENT, STAIRS AND RAMP FOR ACCESS FROM WINEGARDEN  
PARK**

**WINEGARDEN PARK RESTORATION, CONSTRUCTION IMPACT  
MITIGATION AND RELOCATION OF BANDSHELL BASED ON PARK  
PLANNING RESULTS**

**STATUTORY RIGHT OF WAY OR LICENSE FOR WATERFRONT WALKWAY  
AND PUBLIC VIEWING AREA NEXT TO THE RESTAURANT ON THE PIER,  
IN FORM SATISFACTORY TO TOWN**

**SATISFACTORY AGREEMENT TO MAINTAIN THE PUBLIC WATERFRONT  
WALKWAY AREAS IN PERPETUITY, TO BE ASSIGNED TO THE  
COMMERCIAL STRATA CORPORATION**

**DEVELOPER TO SECURE SUITABLE AUTHORIZATION FROM PROVINCE  
FOR LOCATION OF PUBLIC WATERFRONT WALKWAY ON PROVINCIAL  
CROWN LAND**

15-YEAR LATECOMER AGREEMENT FOR WATERFRONT WALKWAY IMPROVEMENTS SOUTH OF DEVELOPMENT SITE (7 BENEFITING PARCELS); ELIGIBLE COSTS AND ALLOCATION OF COSTS TO BENEFITING LANDS TO BE DETERMINED BY COUNCIL PER S. 939 LOCAL GOVERNMENT ACT, AGREEMENT PREPARED BY TOWN'S LEGAL COUNSEL AT DEVELOPER'S COST

WINN ROAD CLOSURE/EXCHANGE

HIGHWAY CLOSURE AND TRANSFER TO DEVELOPER, SUBJECT TO ALL APPLICABLE STATUTORY PROCEDURES, IN EXCHANGE FOR DEDICATION OF PLAZA AREA AS HIGHWAY

TRANSFER OF SUBSURFACE PARCEL FOR PARKING TO DEVELOPER FOR APPRAISED VALUE, PROCEEDS TO TOWN CAPITAL RESERVE FUND

DEVELOPER RESPONSIBLE FOR COST OF SURVEYS, PLANS AND LTO FEES

DEVELOPER TO CONSTRUCT PLAZA TO SPECIFICATIONS APPROVED BY TOWN UNDER PERMIT UNDER THE TRAFFIC AND HIGHWAY USE BYLAW NO. 1193, 2014 GRANTED BY TOWN. DETAILED DESIGN TO BE DEVELOPED BASED ON DEVELOPMENT PERMIT DRAWINGS DATED 2015.05.11.

DEVELOPER AGREEMENT TO MAINTAIN PLAZA IN PERPETUITY, TO BE ASSIGNED TO THE COMMERCIAL STRATA CORPORATION

PREPARATION OF ALL REQUIRED LEGAL DOCUMENTATION BY TOWN'S LEGAL COUNSEL AT DEVELOPER'S COST

SEWER IMPROVEMENTS

CASH CONTRIBUTION OF \$ \_\_\_\_\_ TO TOWN UPGRADE OF PROWSE ROAD SEWAGE LIFT STATION, IN LIEU OF ANY FUTURE LATECOMER CHARGES, LOCAL AREA TAX CHARGES OR DEVELOPMENT COST CHARGES FOR THIS PURPOSE

TRAFFIC IMPACTS

TOWN AND DEVELOPER TO REVIEW AND IMPLEMENT TRAFFIC STUDY RECOMMENDATIONS

REPLACEMENT OF STREET PARKING BY PROVIDING 12 MARKED PARKING STALLS ON LEVEL P1. THE REPLACEMENT STALLS WILL HAVE THE SAME PARKING REGIME AS THE STREET PARKING IT REPLACES. EXTERIOR SIGNAGE WILL CLEARLY INDICATE THE PRESENCE OF PUBLIC AND VISITOR PARKING

FOR THE SITE IN THE PARKADE. PART OF THE 12 STALLS MAY BE PROVIDED BY ADDING NEW STALLS ON GIBSONS WAY NEAR SCHOOL ROAD.

ONCE IN EVERY 5 YEARS THE OWNER MAY BE REQUESTED TO PROVIDE A PARKING ASSESSMENT BY A QUALIFIED PROFESSIONAL TO MONITOR THE EFFECTIVENESS OF ANY REDUCED PARKING PROVISIONS FOR THE SITE. THE OWNER WILL BE REQUIRED TO FOLLOW RECOMMENDATIONS FOR ON SITE PARKING MANAGEMENT WHERE NEEDED.

**CONSTRUCTION MANAGEMENT**

DEVELOPER TO PREPARE AND IMPLEMENT CONSTRUCTION MANAGEMENT PLAN SATISFACTORY TO TOWN

**GENERAL BYLAW REQUIREMENTS**

GOWER POINT ROAD UPGRADES TO BYLAW 1175 STANDARDS ON GOWER POINT ROAD FRONTAGE OF DEVELOPMENT SITE, INCLUDING WATER MAIN REPLACEMENT TO 250 MM DIAMETER AND RECONSTRUCTION OF STORM SEWER, NO DCC CREDITS OR LATECOMER CHARGES

DEVELOPMENT COST CHARGES PER BYLAW 670

DEVELOPMENT PERMITS – DPA 1,2,5,9 INCLUDING ANY RELATED S. 219 COVENANTS

DEVELOPMENT PERMIT FOR DP-2013-02 UNDER DPA1 REQUIRES SATISFACTORY PEER REVIEWS FOR GEOTECHNICAL AND HYDROGEOLOGICAL ASPECTS

OFF-STREET PARKING SPACES FOR HOTEL, MARINA, RESIDENCES, PUBLIC PER ZONING BYLAW REQUIREMENTS

**FLOOD HAZARD MANAGEMENT**

REGISTRATION OF FLOODPROOFING COVENANT SPECIFYING FCL OF 5.33 M GSC DATUM AND SAVING TOWN HARMLESS, FCL TO BE SUBJECT TO ADJUSTMENT BASED ON FURTHER GEOTECHNICAL RECOMMENDATIONS

BUILDING DESIGN TO COMPLY WITH FCL AND OTHER FLOODPROOFING STANDARDS RECOMMENDED BY GEOTECHNICAL ENGINEER

**PROVINCIAL WATER LOT LEASE**

LEASE MODIFICATIONS TO COVER DEVELOPER AND TOWN INFRASTRUCTURE IN FRONT OF WINEGARDEN PARK SUBJECT TO FURTHER NEGOTIATIONS AND PROVINCIAL AND TOWN COUNCIL APPROVALS