



STAFF REPORT

TO: Council

MEETING DATE: July 19, 2016

FROM: André Boel, Director of Planning
Odete Pinho, Planning Consultant

SUBJECT: George Hotel and Residences Rezoning Process Review

RECOMMENDATION(S)

THAT the staff report regarding the George Hotel and Residences be received;

THAT Council request staff to update the Development Services Procedures Manual to outline an interdisciplinary Review Team process for complex development applications;

THAT Council request staff to prepare a report regarding a revision to the “Development Applications Procedures Bylaw No. 1166, 2012,” in order to incorporate a formalized cost recovery mechanism for complex development applications;

AND THAT Council request staff to update Council Policy 3.6 regarding Public Notification for Development Applications and include a range of options to inform and engage the community for complex development applications.

PURPOSE

To present Council with the results of an internal review of the rezoning process for the George Hotel and Residences application.

BACKGROUND

On January 12, 2016 Council resolved the following (R2016-013):

THAT staff report prior to end of July, 2016 on their internal review of the George Hotel and Residences development application process, identifying process strengths, weaknesses, and recommendations for future processing of complex development proposals.

The requested review offers an opportunity to look back on the process of the Town receiving and managing a significant and contentious development application. Over the course of the application review the level of public interest and the complexity of some aspects of the application necessitated the development of a custom review process, combined with additional efforts to address the community’s need for information and desire for providing input. In this report, staff will outline where the regular review process was followed and where additional efforts were made to thoroughly

review the application. As requested by Council, part of this report also summarizes strengths, weaknesses and recommendations for future complex developments.

The George Hotel and Residences is still in the process of review of development permits and other approvals prior to issuance of building permits. This review covers the period from receipt of the zoning amendment application in February, 2013 until the adoption of OCP and zoning amendment bylaws on October 6, 2015.

DISCUSSION

This report will cover the following topics:

1. Timeline and Key Topics Considered
2. Staffing and Review Team Approach
3. Other Resources and Costs
4. Public Input and Information
5. Freedom of Information Requests and Complaints
6. Site Complexity
7. Conclusion: Strengths and Weaknesses

1. Timeline and Key Topics Considered

The overview below summarises the key steps in the review process.

- February 2013 – Application submitted to the Town of Gibsons
- May 2013 – Staff initial review letter to applicant
Staff identifies key issues in design of proposed development. Key concerns included alignment with OCP Harbour Area Plan including building mass, scale, height, access, and views of waterfront. Also identified need for geotechnical investigation report, consideration of sea level rise and flood construction level.
- July 2013 – Council receives a briefing report regarding the proposed design and was informed that the applicant was working on a revised design.
- October 2013 – Revised application submitted
In response to the staff concerns the applicant acquired additional property and updated the building plans to reflect a two building concept rather than the initial single building that was proposed. This addressed some of the items identified by staff in May.
- December 2013 – Advisory Planning Commission (APC) reviews and comments on revised development plan and designs in November 2013. APC gave tentative support and suggestions for improvements of the design.
- January 21 and February 3, 2014 - Council reviews form and character and sets direction for review. Required the following information prior to making a decision: visualizations of massing; independent review of geotechnical and aquifer protection investigations; report on economic benefits to the Town.
- April 1, 2014 (RS2014-111) - Council endorses form and character. Staff provided Council with the APC recommendations, the results of visualisations and the applicant's response including design changes to address the suggestions from the APC.
- September 30, 2014 – Council receives economic review results. Staff provided Council with the results of an analysis by Coriolis Consulting Group and summarized the economic and municipal benefits of the project.

- May 12, 2015 (RS2015-194) – Council receives geotechnical information regarding the Gibsons Aquifer and gives first reading to Zoning Bylaw Amendment. Staff provided Council with the results of geotechnical and hydrogeological studies including peer reviews by Town reviewers.
- June 16, 2015 – Council reviews OCP amendment, gives first reading. Staff provided Council with a report regarding an OCP amendment in response to changes in the Official Community Plan.
- July 21 and July 28, 2015 – Council reviews additional geotechnical / hydrogeological reviews and resulting design changes, Development Agreement items and Traffic Study results. Second reading for OCP and Zoning Bylaw amendments. Staff provided Council with several expert reports and staff reports.
- September 1, 2015 - Council sets date for Information Meeting and Public Hearing.
- September 15, 2015 - Council updated on application.
- September 24, 2015 - Public Information Meeting hosted by Town, approximately 125 people in attendance.
- October 1, 2015 - Public Hearing held. More than 400 people in attendance.
- October 6, 2015 - (RS2015-330 and R2015-331) - The George Hotel and Residences received Council approval of the requested OCP and zoning amendments. Authorization to enter into a Development Agreement.

Staff note that two items also influenced the review process and public debate on the project.

- i. The Municipal Elections of November 2014 resulted in a heightened awareness and politicized debate regarding the merits and risks of the project.
- ii. The Official Community Plan Update process resulted in an in depth review of the policies regarding height in the Harbour Area, partially in response to community concerns regarding the George application. A new policy was introduced spelling out desired height in terms of number of storeys in the Harbour Area. This change (as of March 2015) triggered an additional requirement for the George Hotel application to apply for an OCP amendment in order to specifically consider an exception to the new height policy.

In terms of process, staff focused the first part of the review process on the form and character because without support for it, there would be no project. The May 2013 staff letter raised questions to the applicant with the goal of exploring whether the proposal could be amended to better fit the Official Community Plan goals. In response to the letter, the applicant expanded the site and revised the design completely. Once the revised application was received staff made sure Council received the necessary information to provide direction and to outline items for further review in January of 2014.

The second part of the review focused on the priorities identified by Council: visualisations of form and character, protection of the Gibsons Aquifer and economic benefits. The geotechnical and hydrogeological review of the Gibsons Aquifer implications took much longer than initially anticipated. The results of studies revealed additional complexities that required further investigations and peer reviews. This review process proved very useful in determining if the project design was feasible and design changes were made to better protect the Gibsons Aquifer.

In terms of timelines, the rezoning process for the George took 32 months, approximately 2.5 years. For complex applications this is not unusual, when compared to processing times in other municipalities. Time was needed for the applicant to revise his initial proposal, and later on in the process, time was needed for further review, in particular the review regarding protection of the Gibsons Aquifer.

Recommendation: no recommendations regarding the timeline and process.

2. Staffing and Review Team Approach

Early in the review of the application, Town staff identified the need for an interdepartmental approach and additional professional support. A planning consultant was hired on a contract basis in November 2013 to support the review process (see Resources and Costs section below). A Review Team was established made up of the Director of Planning, Director of Engineering, Corporate Officer, Chief Administrative Officer, supported by other staff. The meetings of this Review Team provided a forum for an integrated review, that also considered engineering, legal, and planning issues comprehensively. This interdepartmental approach provided greater insight and more effective coordination of the necessary Town resources.

The role of the Review Team early in the project was also helpful for assessing the capacity of municipal services. The Engineering Department, with help from a consultant, identified insufficient capacity at the Prowse Road Lift Station, necessary Gower Point Road improvements and commented on servicing and traffic studies. It was valuable for the Town to identify potential impacts to infrastructure and discuss them with the applicant very early in the application process. Where Town staff was not able to review other specialized aspects of the application, external experts were added as needed. Expertise was added for visualizations of building form and mass, geotechnical and aquifer protection peer reviews, legal review, economic benefits and appraisal of Winn Road.

Negotiations were also required for the affordable housing and community amenity contributions and appropriate developer contributions for infrastructure upgrades to the Prowse Road Lift Station. Negotiations required input from internal staff and external support.

The Review Team used a project management approach from the outset, which included working through the critical issues identified by Council (view analysis, geotechnical /aquifer protection, and economic benefits). This approach helped focus and manage the review process and timing.

In conclusion, early in the process staff identified the need for cooperation between departments and additional resources. A Review Team of Town staff from several departments was created with support from external experts on specialised topics. A project management approach was followed which resulted in a step-by-step review of the key issues identified by Council.

Recommendation: Staff recommends to update the Development Services Procedures Manual by adding a process with an interdisciplinary Review Team for complex development applications.

3. Other Resources and Costs

For regular rezoning applications, the application fees are meant to recover most of the cost of the processing of an application. In the case of a larger more complex application such as the George, additional costs included more staff time and the need for external support and expertise that the Town does not have available in-house. Staff discussed the issue of additional resources that were needed with the applicant and reached an agreement with the applicant that certain additional costs would be recovered.

The following provides highlights and approximate cost of key additional resources for the Town that were recovered from the applicant:

- Application fees collected in 2013 (\$17,450)
- Visualisations (\$5,000)
- Geotechnical and hydrogeological peer reviews (\$66,000)
- Economic review (\$7,000)
- Legal cost for Development Agreement (\$8,000)
- Planning Consultant (\$47,000)
- Appraisal Winn Road (\$5,000)
- Sanitary pump station assessment (\$13,000)

Total cost recovery provided by the applicant to the Town (excluding application fees) was approximately \$151,000.

The project also required other Town resources (mainly administrative support) because of the significant public interest in the project:

- Three Council meetings at larger venues to accommodate up to 200 interested community members per meeting to hear Council consideration of reports regarding form and character, economic benefits and aquifer protection.
- Processing of hundreds of submissions to Council, first through the winter of 2013 / 2014 and a second time in the fall of 2015.
- Website updates to a dedicated Town website page with information about this application and Facebook postings.
- Production of two explanatory videos.

The exact extent of costs for these items is difficult to quantify, however there were added demands on Town resources and this took time away from other priorities. Rental and audio costs to host external meetings related to the George was \$6,500 for the 2014/2015 period. It is worth noting that the Town's annual budget for such costs during this period was \$1,000.

In conclusion, the cost for the technical review process itself (approximately \$ 151,000 plus staff time) was largely recovered from the applicant. At the same time, additional cost were incurred to accommodate Council meetings in larger venues, to process hundreds of submissions, and to respond to enquiries and requests for public information.

Recommendation: Staff recommends that a formalised cost recovery mechanism be included in "Development Applications Procedures Bylaw No. 1166, 2012."

4. Public Input and Information

In terms of information sharing and public input, the George Hotel application received a very high level of public interest and high volume of correspondence. The submissions received occurred mostly during two periods. The first set of around 400 submissions were received through the winter of 2013/ 2014, when the updated application was submitted. In response Town staff responded to almost every submission with a standard response including information about the review process. The second set of approximately 575 submissions was received as part of the Public Hearing process in the fall of 2015. Staff analysed all submissions and provided a report to Council regarding the results.

Extra efforts were made to share information on the George Hotel application progress. The Town created a dedicated webpage for the George application review, which has been regularly updated with staff reports, presentations to Council, technical reports, plans, and designs submitted by the applicant. Information with links to materials were updated along with a timeline chart, which follows the chronology of the review process.

In addition, the Town produced 2 explanatory videos that described the review process and provided an overview of the information received by the Town. The March 2014 video received over 400 views within the first 2 months, and the September 2015 video approximately 200 views before the Public Hearing. By now the first video has been viewed over 1,300 times, the second one, over 320 times.

An Information Meeting was hosted by the Town in September 2015 and attended by approximately 125 people. It provided detailed poster boards that summarized the development information and report findings, in advance of the Public Hearing. These information materials were posted on the webpage and remain posted, as part of the project timeline.

The development application attracted a great deal of attention. When Council meetings discussed the George Hotel application, public attendance was high and Council chambers experienced overflow and over capacity. Town staff organized for larger Council meeting spaces at key Council decisions regarding form and character, economic benefits and aquifer protection. The larger venues allowed for greater attendance and public input as part of Council's deliberations and discussions on the application.

Input was provided from the public on the George application at most Council and Committee meetings through delegations and during public inquiry periods. There were repeated requests to add more items for the detailed review of the Zoning Bylaw Amendment application. Others offered their expertise or questioned the process. In 2016 Council incorporated language in the new Council Procedure Bylaw that encourages discussion on active development applications be directed to the Public Hearing process when all the relevant information is available and all those present have the opportunity to hear the input.

Some community members expressed a desire to be more involved in the design process and to have more opportunities to discuss the outcome of expert reports, for example the traffic study results or the geotechnical review. Through the Council meetings and the Information Meeting before the Public Hearing a lot of information was provided but within the limitations of the application review process there was no opportunity for a more extensive community involvement. This is typical for development applications where the applicant's architect prepares plans based

on the Official Community Plan design guidelines, review takes place by the Advisory Planning Commission and Council considers the application before setting a date for the Public Hearing.

In conclusion, the project had a very high level of community interest. A customized process was followed to receive and respond to the hundreds of submissions both for and against the project. Additional efforts resulted in two information videos, a dedicated project webpage on the Town's website, three Council meetings held at larger venues to accommodate the level of public interest and an Information Meeting ahead of the Public Hearing. There were more opportunities for the public to review and provide input on this application than for other development applications.

Recommendation: Staff recommends that a customized process for complex development applications be formalised through an update to Council Policy 3.6 regarding "Public Notification of Development Applications". (This policy has become obsolete with the enactment of Development Applications Procedures Bylaw No. 1166, 2012 and changes to the Council governance structure in 2011.)

5. Freedom of Information Requests and Complaints

Under the *FIPPA Act (Freedom of Information and Privacy Protection Act)* all records of the application review or any other topic can be requested. Records requested regarding the George included e-mails, reports and notes from several staff and Council members. A total of 14 FOI requests related to the George application were processed: 12 requests were completed and two abandoned. The requests required a detailed review of 18,991 pages of records and resulted in the release of 4,801 pages. (Duplicates were eliminated and certain protected information withheld.) Of the 12 completed requests, 9 originated from a non-profit society and the other three originated from individuals. Staff spent 388 hours processing the requests at a cost of \$21,000 and recovered \$6,100 in fees from the applicants.

Staff focussed on proactive disclosure of documents in response to the interest in the project. As previously mentioned, a webpage dedicated to the application was set up and kept current with all reports, plans, etc. Unfortunately, the nature of information requested under FIPPA was not the type that would be posted routinely on a website (ie. emails, notes, calendar entries, diary entries etc.).

Some community members made complaints to Provincial agencies and professional organisations. Staff prepared detailed responses and worked with those agencies to respond to the complaints made.

In conclusion, the strong community interest in the application resulted in a large number of FOI requests and other concerns and complaints. This pulled significant staff time away from other Town priorities.

Recommendation: There is no recommendation for changes since the FIPPA Act prescribes the process for FOI requests.

6. Site Complexity

The location of the George on the waterfront and over a sensitive area of the Gibsons Aquifer added complexity to the review. The initial geotechnical investigations and independent peer reviews by the Town raised additional questions about the aquifer and aquitard location and thickness. A hydrogeologist was added by the applicant geotechnical team to address peer review concerns. Additional investigations and sonic testing were completed to determine aquifer protection measures and maximum excavation depths for the proposed development. The project design was revised to implement the recommendations.

The information and level of detail of the geotechnical review was much greater than would normally be expected at the time of a rezoning application. However, given the importance of the Gibsons Aquifer as the Town's drinking water source, this topic became a key site constraint that needed to be addressed in great detail. This topic took up most of the time of the review process. Further site investigations and further peer reviews have been identified as a requirement before Building Permit.

Other items that, combined in a single application, result in added complexity are still subject for further review, such as water lease changes, waterfront rights-of-way, site contamination, foreshore habitat protection, legal instruments and marine environment protection. This complexity will continue through the project review and construction process.

In conclusion, the location of the George on the waterfront and over sensitive areas of the Gibsons Aquifer required detailed geotechnical and hydrogeological reviews by the applicant, reviewed by peer review experts for the Town. The design was updated in response to the results.

Recommendation: No recommendation for other applications because the complexity is unique to the project and site characteristics.

7. Conclusion: Strengths and Weaknesses

Overall, staff is satisfied with the review process for the George Hotel. A deliberate approach with an interdisciplinary Review Team and a step-by-step project management approach resulted in an orderly, thorough review process culminating in well-informed decisions by Council. Due to its contentious nature the application did require substantial resources of the Town's small organisation. This was in part addressed by mobilizing additional resources and by recovering significant costs from the applicant.

Strengths

Staff sees the following strengths in the review process that was followed for the George Hotel:

- Step-by-step review process by Council regarding key aspects, resulting in design changes to improve form and character and to protect the Gibsons Aquifer.
- Interdepartmental Review Team with support from additional expertise, with costs largely recovered through an arrangement with the applicant.
- Additional efforts through webpage updates, explanatory videos, Council meetings at larger venues and an Information Meeting to inform the public about the George Hotel development application.

Weaknesses

Staff identified the following weaknesses in the review process:

- Application review process by its nature is developer driven and offers only limited opportunity for community involvement in the design process.
- Consideration of the George Hotel proposal was contentious and this required significant Town resources to address the interest of the community (FOI requests, questions and commentary at Council meetings). The contention also influenced the Official Community Plan Update project.
- The complexity of the project could not readily be supported by the Town's regular review process and required customization and mobilisation of additional expertise.

Next Steps

In March 2016 Council discussed the matter of exceptions to the height policies in the Official Community Plan. Following the discussion, Council set a policy for the remainder of the Council term (ends October 2018) that new applications that include a request to amend the OCP policy regarding the number of storeys first be forwarded to Council for an initial review.

THAT for the remainder of this Council term any new OCP amendment applications for additional height under "OCP Harbour Area Plan Policy 5. 1. 2" be forwarded to Council upon receipt for initial review and Council direction regarding the application. (part of R2016-070, March 15, 2016)

In conclusion: Staff has suggested a number of improvements that could be made. Council can take additional steps in response to the experience of processing a complex development application by formalising the successful parts of the review process into relevant bylaw, policy and manual updates.

RECOMMENDATIONS / ALTERNATIVES

Staff recommendations are listed on page 1. Alternative / additional recommendations are listed below.

Alternatively, Council may leave out one or more of the staff recommendations on page 1.

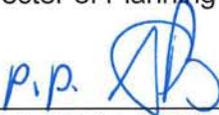
Additionally, if Council would like to extend the March 2016 policy of early Council review of requests for increased height beyond this Council term:

That the "Development Applications Procedures Bylaw No. 1166, 2012" be revised to include an early Council review for any requests of increased height in the Harbour Area.

Respectfully Submitted,



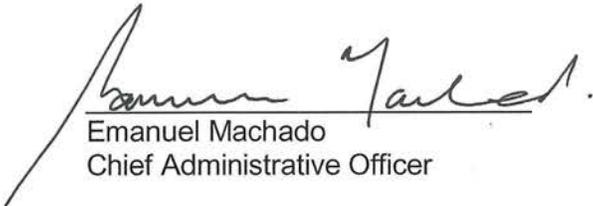
André Boel, RPP
Director of Planning



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