

City of Richmond

Report to Committee

To:

Planning Committee

Joe Erceg

To Planning - March 5,2002 Date: February 14, 2002

File:

(RZ 01-195763)

Manager, Development Applications

8060-20-7328

Re:

From:

APPLICATION BY PALLADIUM DEVELOPMENT CORP. FOR REZONING AT

9111, 9131, AND 9151 BLUNDELL ROAD AND 7731, 7771, AND 7831 HEATHER STREET FROM SINGLE-FAMILY HOUSING DISTRICT. SUBDIVISION AREA F (R1/F) TO COMPREHENSIVE DEVELOPMENT

DISTRICT (CD/129)

Staff Recommendation

That Bylaw No. 7328, for rezoning at 9111, 9131, and 9151 Blundell Road and 7731, 7771, and 7831 Heather Street from "Single-Family Housing District, Subdivision Area F (R1/F)" to "Comprehensive Development District (CD/129)", be introduced and given first reading.

Manager, Development Applications

Att. 7

FOR ORIGINATING DIVISION USE ONLY

CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

On October 2, 2001, Planning Committee considered a staff report on development in the McLennan South sub-area of the City Centre. The report identified 12 development sites. Of these, two are redeveloped, two are rezoned, and the rezoning of another four was supported at Public Hearing in January 2002. This report addresses one of the remaining four sites.

The subject site (Attachment 1) is comprised of six lots fronting onto Blundell Road and Heather Street. The applicant, Palladium Development Corp., has applied to rezone the subject site from Single-Family Housing District, Subdivision Area F (R1/F) to Comprehensive Development District (CD/129) for the purpose of constructing 49 three-storey townhouses. In addition, the applicant will be responsible for the establishment of a portion of Keefer Avenue across the north edge of its site (Attachment 2). Palladium intends to construct Keefer Avenue jointly with the developer of an adjacent parcel, Capital West Holdings Ltd. (Attachment 2, #5) Capital West's project, RZ 01-116358, was one of the applications supported at Public Hearing in January and is expected to come forward for the final reading of its rezoning in the summer.

Findings of Fact

ITEM	EXISTING	PROPOSED
Owner	M Patterson K & T Johl L, D & B Pretty A & C Kales 359103 BC Ltd.	Palladium Development Corp.
Applicant	Palladium Development Corp.	No change
Site Size (Source:Applicant)	9,732.78 m ² (104,766.2 ft ² /2.41 ac.)	 8,057.83 m² (86,736.6 ft2/1.99ac.) Reduction due to dedications for widening of Blundell Road and a 15 m (49.21 ft.) wide right-of-way for Keefer Avenue, plus a remnant parcel to be developed by Capital West as per RZ 01-116358
Land Use	Single-family residential	49 townhouse units
OCP Designation • City Centre	Residential	No change
Sub-Area Plan Designation McLennan South	Residential, Townhouse up to 3 storeys over one parking level, Triplex, Duplex, Single Family • 0.75 base FAR	No change
Zoning	Single-Family Housing District, Subdivision Area F (R1/F)	Comprehensive Development District (CD/129) • 3-storey townhouses @ 0.78 FAR

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Surrounding Development & Related Policies

Sub-Area Plan Overview

The McLennan South Sub-Area Plan encourages the development of townhouses, triplexes, duplexes, and single-family homes within a lush, green environment (Attachment 3, Sub-Area Plan "Land Use" map). New roads are proposed in order to provide easier access around the neighbourhood for both pedestrians and drivers, and to enable existing properties to redevelop in a pedestrian-friendly manner that orients most residential units to public streets and walkways. Land has been set aside for future neighbourhood park and school use and the development of a "greenway" has been identified for the east side of Garden City Road (to be constructed by developers on a project-by-project basis). In addition, at the end of 1999, the City completed the installation of sanitary and storm sewers along McLennan South's existing road rights-of-ways to serve the area's existing homes and, to a large degree, future development.

Sub-Area Plan Densities

Building densities under the sub-area plan are intended to be based on site area <u>net</u> of dedications (i.e. roads). The densities specified under the Land Use plan should be considered as guides rather than targets. The term "base density" used in the Land Use plan indicates that additional density may be supported where a project can demonstrate that it is attractive, livable, and consistent with sub-area plan objectives. Substantial increases over a specified base density could be warranted where a project is <u>both</u> attractive, livable, and consistent with the plan <u>and</u> provides a disproportional amount of road or some other feature of benefit to the neighbourhood.

This approach was applied to the existing McLennan South townhouse project on Garden City Road at Jones Road. (Attachment 2, #1) The project, located in an area designated for a base density of 0.75 floor area ratio (FAR), was required to provide land and pay to construct a 20 m (65.62 ft.) wide extension of Jones Road (e.g. an "arterial connector"), together with a portion of the "ring road" (Turnill Street). To help compensate for the project's disproportionately large road requirement, the site was rezoned to permit a density of 0.93 FAR net (e.g. 0.72 FAR gross). Interestingly, however, the eventual developer of the site, Narland Properties Ltd., thought this density was too high for three-storey townhomes with individual garages and instead built at 0.83 FAR net. Staff now consider this density to be a benchmark.

Road Development

As noted above, as a condition of rezoning the "Narland" site (Attachment 2, #1), the developer was responsible for providing land and constructing Jones Road and Turnill Street. Jones Road, which divides Narland's parcel into two parts, was constructed to its full width because Narland controlled the land fronting both sides of the street. Turnill Street, on the other hand, was only constructed as a "half road" because Narland only controlled the land fronting one side of the street. This is generally consistent with Richmond's practise for establishing new roads and with the City's approach to its implementation of the sub-area plan in McLennan South. More specifically, in McLennan South:

on site-specific transportation and servicing requirements.

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• Where, however, a development fronts both sides of a proposed road or two developments front the opposite sides of a proposed road and work cooperatively, a more efficient (e.g. narrower) right-of-way design may be possible, thus, reducing land and construction costs.

In the case of Narland's project, even though the developer controlled both sides of Jones Road, a full 20 m (65.62 ft.) wide right-of-way was required because it had to work as an extension of the existing leg of Jones Road on the west side of Garden City Road. In the case of the subject development, however, Palladium is cooperating with the developer of lands to the north, Capital West Holdings (RZ 01-116358) (Attachment 2, #5), to jointly provide a right-of-way for a new road, Keefer Avenue. As a result of this cooperative approach, it is possible to meet the City's transportation and servicing needs in a right-of-way just 15 m (49.21 ft.) wide.

Development Cost Charges (DCC)

Currently, Heather Street, Ash Street, and Bridge Street are on Richmond's DCC program. However, when the City installed sanitary sewers along these roads, it also removed peat from the rights-of-ways, infilled ditches, and installed storm sewers – works covered under the DCC program. The remaining works are limited to road widening, sidewalks, boulevards, and upgraded street lighting. In the City Centre, such works are commonly undertaken by developers without DCC compensation. On the other hand, the establishment of east-west legs of the "ring road" (i.e. Keefer Avenue) is very costly and must currently be completed without any compensation. Both the City and local developers have expressed concern about this situation.

Subject Site

The subject site is situated along the southern edge of McLennan South in the highest density area designated under the sub-area plan. On the subject site and the properties to its east, west, and northwest the plan permits existing single-family homes to be replaced with three-storey townhouses over a level of parking at a base density of 0.75 floor area ratio (FAR). The property directly north of the subject site is designated for $2\frac{1}{2}$ -storey townhouses and a base density of 0.6 FAR. To date, only the project mentioned above (e.g. Narland) has been constructed in this area. However, the installation of sanitary sewers, recent drops in land prices, low mortgage rates, and a shortage of developable townhouse land elsewhere in Richmond, has resulted in considerable interest in McLennan South, including seven recent rezoning applications for townhouse projects.

The subject site is currently occupied by a number of single-family homes. It also contains a large number of mature trees, many of which will hopefully be retained in order to meet sub-area plan objectives.

Adjacent Development

- North, east, and west of the subject site, most properties are currently zoned Single-Family Housing District, Subdivision Area F (R1/F), and are occupied by a mix of older and newer homes and mature trees and landscaping. Recently, applications have been made to develop lots north, east, and northwest of the subject site with townhouses. These applications were supported at Public Hearing on January 21, 2002. Of these, a 7-unit project to the east of the subject site, across Heather Street and a 21-unit project to the northwest will be three storeys high. (Attachment 2, #7 & 6) A 60-unit project north of the subject site, across the proposed alignment of Keefer Avenue, will be a mix of two- and three-storey townhouses (e.g. referred to as "2½ storeys"). (Attachment 2, #5)
- The subject site wraps around three sides of 7751 Heather Street, a smaller single-family lot occupied by a relatively new home. (Attachment 1) With the planned construction of Keefer Avenue and Palladium's project, this property will be "landlocked" (e.g. it will have no opportunity to assemble). This issue is addressed later in this report.
- Northeast of the subject site, across Heather Street, the City and School District own several lots intended for the future development of a neighbourhood park and elementary school.
- West of the subject site, beyond an existing single-family lot, is a neighbourhood pub. The pub is accessed from Blundell Road and Garden City Road and has no measurable impact on the subject site. (Note: Staff do not consider the intervening single-family lot to be "landlocked" as it could potentially be assembled with the pub site and/or a lot to its north.)
- South of the subject site, across the road, is the Garden City Shopping Centre and a number of recently constructed townhouses.

Development Permit Guidelines

Guidelines for the issuance of Development Permits are contained within Section 2.10 and 2.10D of Bylaw 7100 (City Centre Area and McLennan South Sub-Area Plans).

Staff Comments

Policy Planning

The proposed project is consistent with sub-area, area, and city-wide objectives, and the proposed establishment of Keefer Avenue (e.g. "ring road") will enhance the ability of adjacent sites to redevelop in a cost effective manner. On this basis, staff are supportive of the proposed rezoning and recommend that the portions of Keefer Avenue for which the developer is responsible be added to Richmond's Development Cost Charge (DCC) program in order to offset the developer's land and construction costs. Staff believe this is important as Keefer represents a substantial cost to the developer, over and above that which will be typically expected of developers in McLennan South, and without such credits the project will not be feasible.

The applicant has agreed to contribute \$49,000 towards the development of the proposed McLennan South neighbourhood park (e.g. \$1,000 per dwelling unit). The developer believes that indoor amenity space is not required in all multiple-family projects, and that funding park development will be more beneficial in the case of his project. Staff are supportive of this proposal as it is consistent with several prior rezoning applications in McLennan South and it will free up site area for on-site open space.

It should be noted here that the City has initiated a Richmond-wide study to confirm when and in what form indoor multiple-family residential amenity space should be provided. The results of this study should be available near mid-year and will be used to update the Official Community Plan. Applications received after that time for development in McLennan South will be required to conform to the appropriate standards. Until that time, staff will continue to work with developers on a project-by-project basis to determine a practical approach to this issue.

Staff recommend that processing of a Development Permit (DP) to the satisfaction of the Manager of Development Applications be made a condition of final adoption of the subject application for rezoning. At DP stage, staff recommend that the applicant should:

- Redesign the layout of the site's northwest corner in order that +/- 8 units front Keefer Avenue. This will improve the project's streetscape and better complement development on the north side of the road. It will also enhance the relationship between the subject project and future townhouse development at 7751 Heather Street (at the corner of Keefer Avenue).
- Create more variety between building blocks to provide more visual interest, break up the project into smaller enclaves, and provide those enclaves with identifying features.
- Pay special attention to the design of units fronting onto the project's internal driveway to ensure they have convenient access to their private yards, building design is sensitive to the challenge of creating attractive unit fronts along these driveways, and adequate planting/trees are provided along the driveways to create an attractive, pedestrian-friendly "streetscape".
- Better address the site's prominent Blundell Road frontage. While it is acceptable that the sides of the project's building blocks are oriented to this street, the importance of Blundell Road should not be overlooked. For example, this edge of the site could be greatly enhanced through the addition of more trees/hedging/planting and special architectural features.
- Modify the site layout to increase the opportunity to retain existing mature trees, such as those near the central common open space.
- Reduce the visual impact of the site's visitor parking by reducing the number of stalls provided and distributing them throughout the site (e.g. rather than centralizing them).
- Ensure that landscaping of the site avoids a "manicured" look, in favour one that is more "natural" in terms of both the materials/plants/trees employed and how they are used.
- Ensure that the project's building and landscape design helps to minimize overlook of 7751 Heather Street.
- Make accommodation for a common recycling/garbage area.

Transportation

- Parking Requirements:
 - a) The minimum driveway aisle width should be 6.7 m (22 ft.).
 - b) Zoning bylaw requirement should be 1.5 spaces/dwelling for residents and 0.2 spaces/dwelling for visitors, as per typical City Centre multi-family parking requirement.
 - c) Staff understand that regardless of the proposed bylaw requirement, the developer intends to provide 2 spaces/dwelling for residents. In light of this, staff are willing to vary visitor parking at Development Permit stage from 10 spaces to 7 spaces (based on 49 units).

Land Requirements/Road Design:

- a) Keefer Avenue is to be developed with an 8.5 m (27.89 ft.) wide roadway with two driving lanes and one parking lane. Keefer is to be connected to Turnill Street at its west end via a 30 m (98.43 ft.) radius bend, measured to the front face of the curb. At the bend, the width of the roadway should be increased to ensure that vehicles are able to pass safely. This increase in roadway width will require a corresponding increase in the "typical" right-of-way width noted below for the straight portions of Keefer Avenue.
- b) Near the site's north edge (e.g. running along the north property line of 7751 Heather Street), a 15 m (49.21 ft.) wide right-of-way must be dedicated to accommodate Keefer Avenue's required roadway, sidewalks, and boulevards.
- c) A 0.39 m (1.28 ft.) strip of land must be dedicated along the site's entire Blundell Road frontage, together with a 4 m by 4 m (13.12 ft. by 13.12 ft.) corner cut at Heather Street.

Access:

- a) Vehicular access for residents and visitors shall be provided exclusively via one driveway onto Heather Street.
- b) Shared pedestrian access should be provided to the subject site from all three street frontages.

Staff understand that the applicant, Palladium Development Corp., has reached an agreement with Capital West Holdings Ltd. (RZ 01-116358) to share the cost of land and construction for Keefer Avenue. While staff are very supportive of such a cooperative undertaking, the City is not party to this agreement and, as such, must deal with each application on its own merits. As a result of discussions between the City, Capital West, and Palladium, it has been agreed that the establishment of Keefer Avenue (e.g. dedication and construction of a full 15 m/49.21 ft. wide road) will be a condition of rezoning for BOTH the subject application and that of Capital West. If for any reason one developer does not complete its rezoning, the responsibility for providing Keefer Avenue will fall entirely on the other developer. Staff recognize that this could represent a significant hardship to that developer, but it appears to be the only practical way to reduce the Keefer Avenue right-of-way from 20 m (65.62 ft.) to 15 m (49.21 ft.) and ensure that the road will be wide enough to meet transportation requirements even if just one project goes forward.

Engineering

Prior to final reading of the rezoning, the following shall be in place:

- Consolidation of the subject lots into one parcel, with the exception of the portion of 7731 Heather Street that will be situated north of Keefer Avenue and is to be consolidated with land to the north.
- Dedication of:
 - a) A 15 m (49.2 ft.) wide strip of land along the north edge of 7751 Heather Street for the establishment of the full width of Keefer Avenue, together with a 4 m x 4 m (13.1 ft. x 13.1 ft.) corner cut at the northwest corner of Heather Street and Keefer Avenue and additional land as required to accommodate the intersection of Keefer and Turnill;
 - b) A 0.39 m (1.28 ft.) wide strip of land along the site's entire Blundell Road frontage; and
 - c) A 4 m x 4 m (13.1 ft. x 13.1 ft.) corner cut at the northwest corner of Blundell Road and Heather Street.

- Entering and registration of a restrictive covenant ensuring that vehicular access for residents and visitors shall be provided exclusively from Heather Street at a specified location (e.g. access shall not be permitted from Keefer Avenue or Blundell Road).
- Enter into the City's standard Servicing Agreement for the design and construction of:
 - a) The entire width of Keefer Avenue from Heather Street to Turnill Street, complete with an 8.5 m (27.89 ft.) wide roadway, storm sewer, curbs and gutters, 1.35 m (4.43 ft.) wide treed/landscaped boulevards, 1.75 m (5.74 ft.) wide sidewalks, and decorative "Zed" street lights;
 - b) The west side of Heather Street from Blundell Road to Keefer Avenue, complete with road widening, curb and gutter (with the back of curb to be set 6.16 m/20.21 ft. off the property line), 1.5 m (4.92 ft.) wide treed/landscaped boulevard, 2.6 m (8.53 ft.) wide utility corridor, 1.75 m (5.74 ft.) wide sidewalk, and decorative "Zed" street lights; and
 - c) Improvements along the subject site's entire Blundell Road frontage, including the removal of the existing sidewalk and the installation of a new landscaped/treed 1.5 m (4.92 ft.) wide boulevard at the back of curb and a new 1.5 m (4.92 ft.) wide sidewalk at the site's new property line.

Analysis

Overview

Rezoning of the subject site, as proposed, is consistent with Richmond's goals and objectives for the City Centre and the McLennan South sub-area, and with Official Community Plan projections for population growth. The sub-area plan envisions that the subject site and its neighbours would ideally be developed with three-storey townhouses over a common parking garage, which would help facilitate extensive landscaping. However, construction costs and current market preferences for units with private garages makes this approach impractical. Nevertheless, the applicant has proposed a site layout that, with some modification, can accommodate a number of the site's significant trees, provide an adequate amount of common open space, and create an attractive streetscape along the site's three road frontages. In addition, the project will construct the west half of Heather Street between Blundell Road and Keefer Avenue and establish Keefer Avenue west of Heather Street, which will not only enhance the subject project, but also the ability of adjacent properties to redevelop in a cost-effective manner.

Road Strategy

Due to the substantial amount of roadwork required of the subject development, the applicant and staff explored various means to offset costs. Three key strategies were identified in order to make the project financially feasible:

- The developer, with the assistance of staff, has entered into an agreement with Capital West Holdings Ltd., the developer of an adjacent site (Attachment 2, #5), to share the cost of providing the land for Keefer Avenue and constructing it to City standards;
- The developer will contribute money towards neighbourhood park development in lieu of providing on-site indoor amenity space, thus, reducing the project's development costs and increasing on-site open space opportunities; and

• Staff will recommend that Keefer Avenue, between Turnill Street and Heather Street, be added to Richmond's Development Cost Charge (DCC) program, in order that the developer may receive DCC credits towards Keefer Avenue's land and construction costs.

Comparable Development

With regard to the site's proposed zoning, Comprehensive Development District (CD/129) is a new zone created specifically for the subject site, but with the aim of providing a measure of consistency between McLennan South's higher density townhouse projects. As mentioned earlier, five such projects are currently under review. Of these, two are for just seven units and involve sites of less than 1,350 m² (0.33 ac.). The other three range upwards from a minimum of 27 units and a site area of 4,707.53 m² (1.16 ac.) to 94 units and 2.12 ha (5.24 ac.). Following is a comparison of the area's three large scale rezoning applications for higher density townhouses and Comprehensive Development District (CD/76), which was applied in the development of the "Narland Properties" site at Garden City Road and Jones Road.

ITEM	#6 RZ 01-185781 "490375 BC Ltd" Garden City Road CD/127	#10 RZ 01-195763 "Palladium" Heather/Blundell CD/129	#8 RZ 01-191442 "Polygon" Heather Garden City CD/128	#1 RZ 97-115914 "Narland" Jones Garden City CD/76
Density (FAR)	0.78	0.78	0.80	0.93 (0.82)
Lot Coverage	40%	40%	33.5% (40%)	42%
Minimum Setbacks - Garden City Rd	9 m (29.53 ft.) including "greenway" 6 m (19.69 ft.) including "greenway"	N/A	6 m (19.69 ft.) including "greenway"	3 m (9.84 ft.) in addition to "greenway"
- Arterial Connectors - East/West "Ring Road" -Other Roads	N/A N/A 6 m (19.69 ft.)	N/A 4.5 m (14.76 ft.) 4.5 m (14.76 ft.) & 6 m (19.69 ft.)	4.57 m (14.99 ft.) 4.57 m (14.99 ft.) 6 m (19.69 ft.)	4.57 m (14.99 ft.) N/A 6 m (19.69 ft.)
- Side & Rear	+/-1.5 m (4.92 ft.)	6 m (19.69 ft.)	5.5 m (18.05 ft.)	5.5 m (18.05 ft.)
Maximum Heights - Dimension - No. of Storeys	11 m (36.09 ft.) 12 m (39.370 ft.) 3	12 m (39.370 ft.)	12 m (39.370 ft.)	12 m (39.370 ft.)
Parking Spaces/Unit - Residents - Visitors	2.0 (1.5) 0.2	2.0 (1.5) 0.2	1.5 0.2	1.5 0.2

NOTE:

- 1) "#" in project heading refers to location on Attachment 2.
- 2) Only CD/76 has been adopted. The other three applications are all currently under review.
- 3) Figures in normal typeface are the developer's, while figures in **bold** are staff's proposal for Comprehensive Development District zoning (or, in the case of CD/76, actual construction figures).
- 4) "Arterial connectors" (i.e. Bennett Road and Jones Road) link the "ring road" (i.e. Turnill Street) with Garden City Road.
- 5) The "greenway" is to be provided along the east side of Garden City Road within the existing road right-of-way and a 3 m (9.84 ft.) wide Public Rights of Passage right-of-way secured across private property along the Garden City Road frontage.

7751 Heather Street

At the Public Hearing held on January 21, 2002, regarding the Capital West development on Heather Street (RZ 01-116358), the owners of 7751 Heather Street, Man and Helena Leung, expressed concern that their property was not part of either Capital West's or Palladium's proposal. (Attachment 1, 2 & 5) As Capital West's development is separated from 7751 Heather Street by the proposed alignment of Keefer Avenue, it was decided that the Leungs' concerns should be addressed in the context of Palladium's application.

Council directed staff to ensure that Palladium meet with the Leungs to discuss combining their two properties. A meeting was held at City Hall on January 28, 2002, and on January 30, 2002, Palladium made an offer to purchase the Leung's property. Unfortunately, while Palladium's offer was in excess of what it paid for the lots in its current assembly, it was lower than the estimated value of the Leung's property due to the high value of their home. Staff understand that the Leungs considered Palladium's offer to be too low, but that Palladium is unwilling to increase its offer. Staff believe it is unlikely that the two parties will reach an agreement.

As standard practice across Richmond, where a property such as 7751 Heather Street is not consolidated with an adjacent development, staff seek to ensure that the site's future development opportunities are comparable with those of its surroundings and that, in the interim, its livability will not be unduly compromised. Staff's findings in this regard are as follows:

Redevelopment Potential:

The establishment of Keefer Avenue along the north side of 7751 Heather Street greatly enhances the lot's ability to be developed with a small townhouse project, and the fact that Capital West and Palladium will pay to build Keefer Avenue and upgrade the lot's Heather Street frontage will make such a project more affordable than would otherwise have been the case. With regard to the scale of project that could be anticipated, Palladium's architect has provided several options for the independent development 7751 Heather Street at a density of 0.75+ FAR (the base density stipulated under the area plan). In addition, a 7 unit stacked-townhouse project proposed for a similarly sized lot nearby was recently supported at Public Hearing. (Attachment 2, #7, RZ 01-112474) Based on this information and experience elsewhere, staff feel confident that not only can 7751 Heather Street be redevelopment in a form that is comparable to its neighbours, but that it may be able to do so at a lower per unit cost.

Interim Livability:

Construction of Keefer Avenue and the development of the Palladium and Capital West sites will mean the 7751 Heather will be less private and more exposed to street noise. To help address this situation, Palladium's townhouses will be setback 6 m (19.685 ft.) from the property line they share with 7751 Heather Street, and an existing cedar hedge will be maintained along this edge and a row of trees will be planted to screen views between the two properties. Along Keefer Avenue, the sidewalk will be located at the back of curb rather than along the property line (e.g. the standard approach applied in the City Centre). This will allow for the retention of an existing tree and the provision of a 1.35 m (4.43 ft) wide landscape strip between the Leung's property line and the sidewalk. In light of the low volume of traffic anticipated on Keefer Avenue and the fact that this area is designated under the sub-area plan for multiple-family development, staff believe that the mitigating measures proposed are reasonable and adequate.

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Summary

Overall, the project appears to be well thought out and it will help to facilitate the redevelopment of adjacent properties and the proposed park/school site in a manner that is consistent with the sub-area plan. The proposed zoning district, CD/129, is well suited to the subject site and is comparable with that applied to other higher density townhouse projects in McLennan South.

Financial Impact

In addition to the \$49,000 that Palladium will contribute towards the development of the McLennan South neighbourhood park (in lieu of indoor, on-site amenity space), the developer has agreed to contribute \$40,000 to the City. Like other recent residential developers in McLennan South, Palladium originally earmarked this money for public art. However, in light of Council's recent direction that Richmond's public art, affordable housing, and childcare programs be reviewed, Palladium asked that staff direct its contribution in a manner consistent with City policy. Staff plan to bring a review of the City's program funding forward in March for consideration by Council. The appropriate allocation of Palladium's contribution will be determined, in consultation with the developer, following this review.

Staff recommend that Keefer Avenue, between Turnill Street and Heather Street, be added to Richmond's Development Cost Charge (DCC) program in order that credits may be provided towards the cost of land and construction incurred by the subject development.

Conclusion

This application is in conformance with city-wide, City Centre, and McLennan South objectives for residential growth and development. Proposed roadworks and various contributions will enhance the livability of the site and its neighbours and help to support a high quality of development. Rezoning of the subject site to Comprehensive Development District (CD/129) merits favourable consideration.

Suzanne Carter-Huffman

Senior Planner/Urban Design

michaelit theller.

SPC:cas

There are requirements to be dealt with prior to final adoption of rezoning:

Legal requirements, specifically:

- Consolidation of the subject lots into one parcel, with the exception of the portion of 7731 Heather Street that will be situated north of Keefer Avenue and is to be consolidated with land to the north.
- Dedication of:
 - a) A 15 m (49.2 ft.) wide strip of land along the north edge of 7751 Heather Street for the establishment of the full width of Keefer Avenue, together with a 4 m x 4 m (13.1 ft. x 13.1 ft.) corner cut at the northwest corner of Heather Street and Keefer Avenue and additional land as required to accommodate the intersection of Keefer Avenue with Turnill Street;

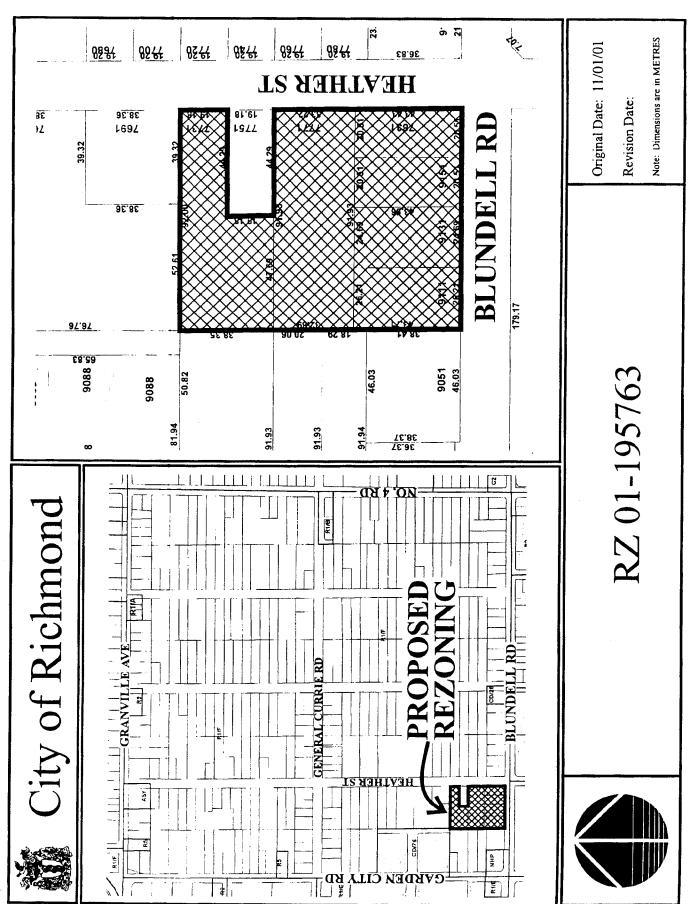
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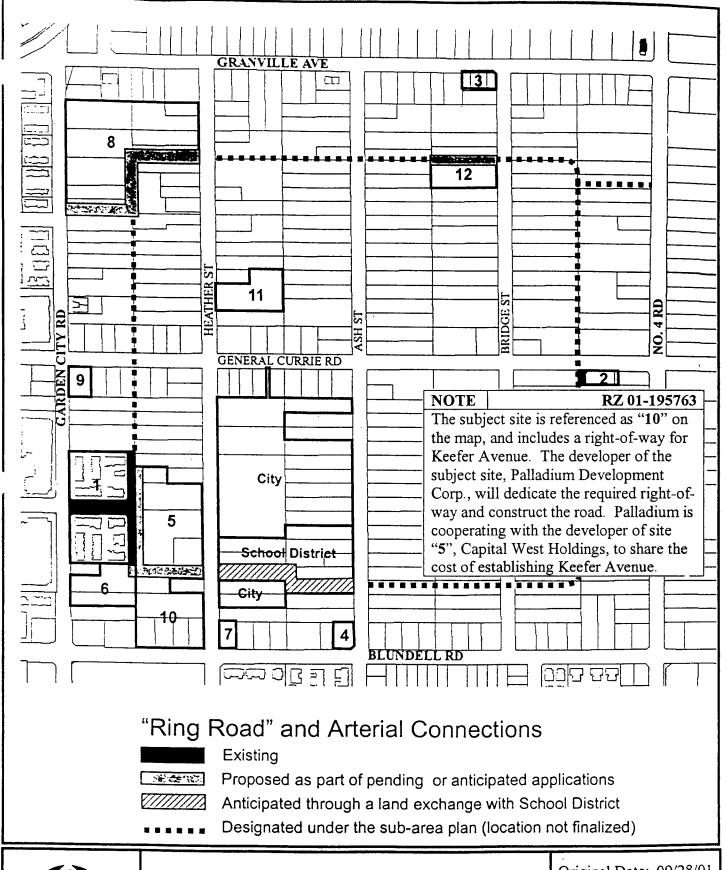
- b) A 0.39 m (1.28 ft.) wide strip of land along the site's entire Blundell Road frontage; and
- c) A 4 m x 4 m (13.1 ft. x 13.1 ft.) corner cut at the northwest corner of Blundell Road and Heather Street.
- Entering and registration of a restrictive covenant ensuring that vehicular access for residents and visitors shall be provided exclusively from Heather Street at a specified location (e.g. access shall not be permitted from Keefer Avenue or Blundell Road).
- Enter into the City's standard Servicing Agreement for the design and construction of:
 - a) The entire width of Keefer Avenue from Heather Street to Turnill Street, complete with an 8.5 m (27.89 ft.) wide roadway, storm sewer, curbs and gutters, 1.35 m (4.43 ft.) wide treed/landscaped boulevards, 1.75 m (5.74 ft.) wide sidewalks, decorative "Zed" street lights;
 - b) The west side of Heather Street from Blundell Road to Keefer Avenue, complete with road widening, curb and gutter (with the back of curb to be set 6.16 m/20.21 ft. off the property line), 1.5 m (4.92 ft.) wide treed/landscaped boulevard, 2.6 m (8.53 ft.) wide utility corridor, 1.75 m (5.74 ft.) wide sidewalk, and decorative "Zed" street lights; and
 - c) Improvements along the subject site's entire Blundell Road frontage, including the removal of the existing sidewalk and the installation of a new landscaped/treed 1.5 m (4.92 ft.) wide boulevard at the back of curb and a new 1.5 m (4.92 ft.) wide sidewalk at the site's new property line.

Development requirements, specifically:

- Demolition of any existing structures on the subject properties.
- \$49,000 towards development of the proposed McLennan South neighbourhood park.
- \$40,000 towards Richmond's public art, affordable housing, or childcare programs, to be determined by the City in consultation with the applicant.
- Processing of a Development Permit application to a satisfactory level, as determined by the Manager of Development Applications.

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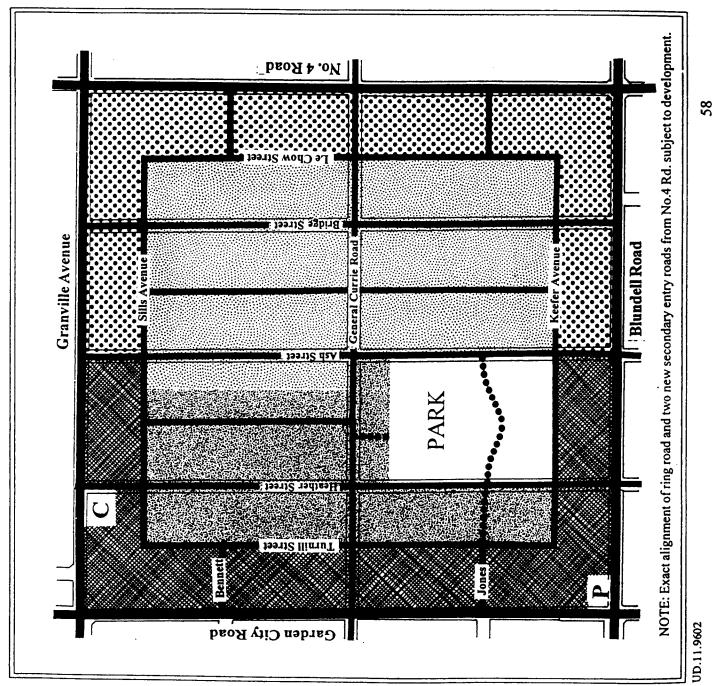
McLennan South 15-4-6 175

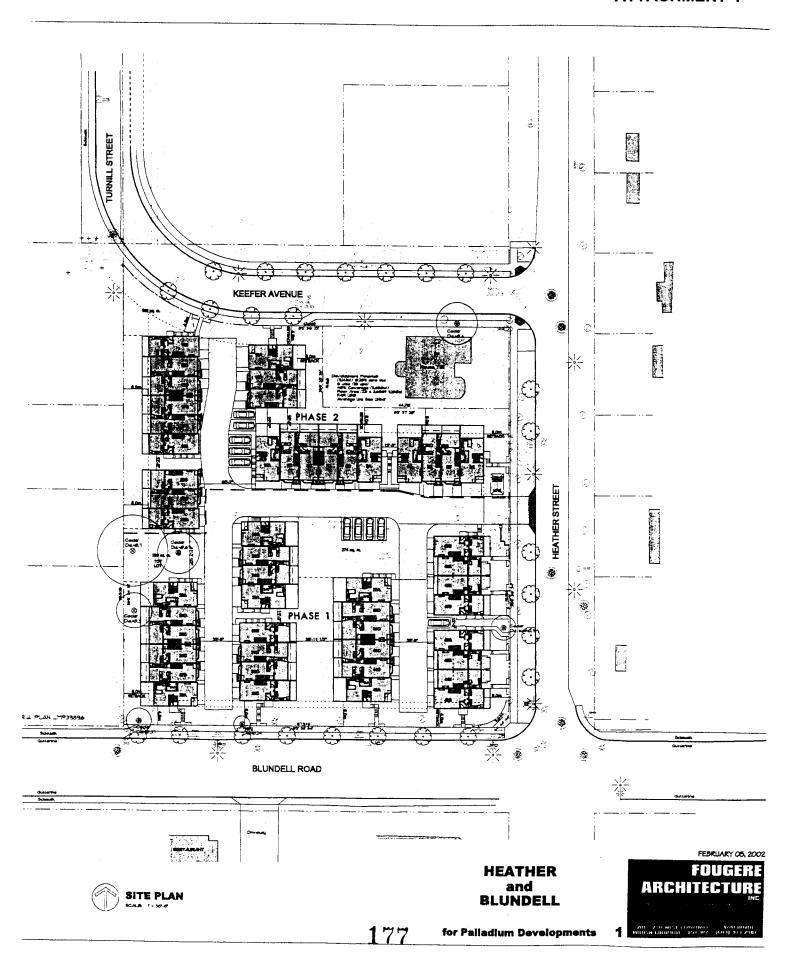
Original Date: 09/28/01

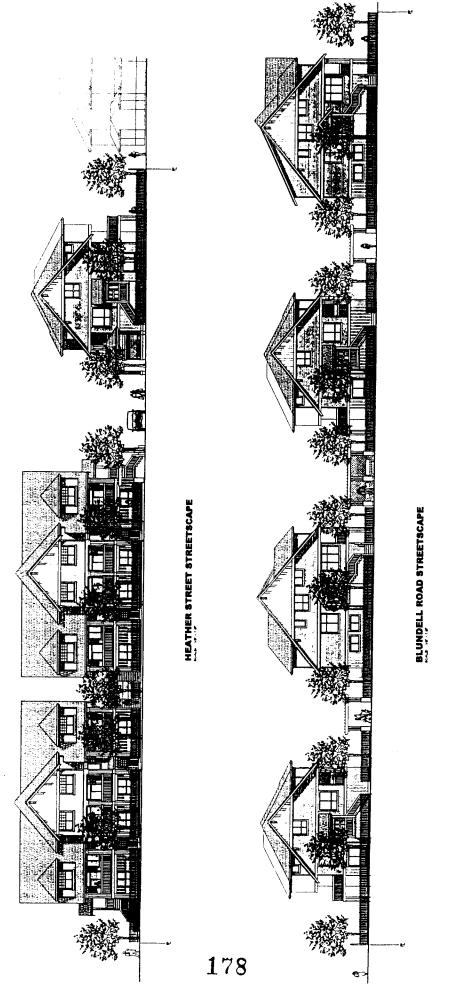
Revision Date:

Note: Dimensions are in METRES

Residential, 2111 storeys Triplex, Duplex, Single Family 0.55 base F.A.R. Residential, Townhouse up to 3 storeys over 1 parking level, Triplex, Duplex, Single Family 0.75 base F.A.R. Residential, 2 112 storeys Townhouse, Triplex, Duplex, Residential, Historic Single Family, 2^{1/2} storeys McLennan max. 0.55 base F.A.R. Sub-Area **Neighbourhood** Pub Single Family 0.60 base F.A.R. Attachment •••• Trail / Walkway Land Use Church







HEATHER and BLUNDELL

7751 Heather Street Richmond, BC V6Y 2P8 January 21, 2002

Sozanne Carter - Huttman copy to Clerk's Office Urban Development Division City of Richmond Richmond City Hall 6911 No.3 Road

Dear Sir,

Richmond, BC V6Y 2C1

Re: Zoning Application RZ 01-195763

Being owners of property 7751 Heather Street we like to voice our strong concern and put on record of our objection to the above application as it is going to cause us serious economic hardship.

- 1. Applications RZ01-116358 and RZ01-195763 should be considered together as the properties they covered are adjacent to each other and and both cover No.7731 which forms 2 sides of the boundaries of No.7751. The two applications together is going to cause an extremely serious economic impact on the value of No.7751.
- 2. No.7751 is a relatively new single-family house of over 3,700 square feet. Being the only single house left in the middle of the development and surrounded on all 3 sides by over 111 townhouses will not only reduce the value of the property it will also make it extremely difficult to sell in the future. (See map attached)
- 3. Being owners of No. 7751 we have not been approached or contacted by the developers to participate in these developments. (We understand that there were rumors that we have been approached and we like to have evidence to substantiate that claim.)

We therefore formally request that:

- 1. The City to instruct the developer to initiate negotiations with our lawyer with a view to incorporate our property as part of the proposed development. The fair market value should be a good starting point.
- 2. Should this request be declined by the developer or agreement has not being reached on the fair market value of the house can the City ask the developer to demonstrate how our property can be developed in the future and that there will be no economic loss to us as a result of these future redevelopments.

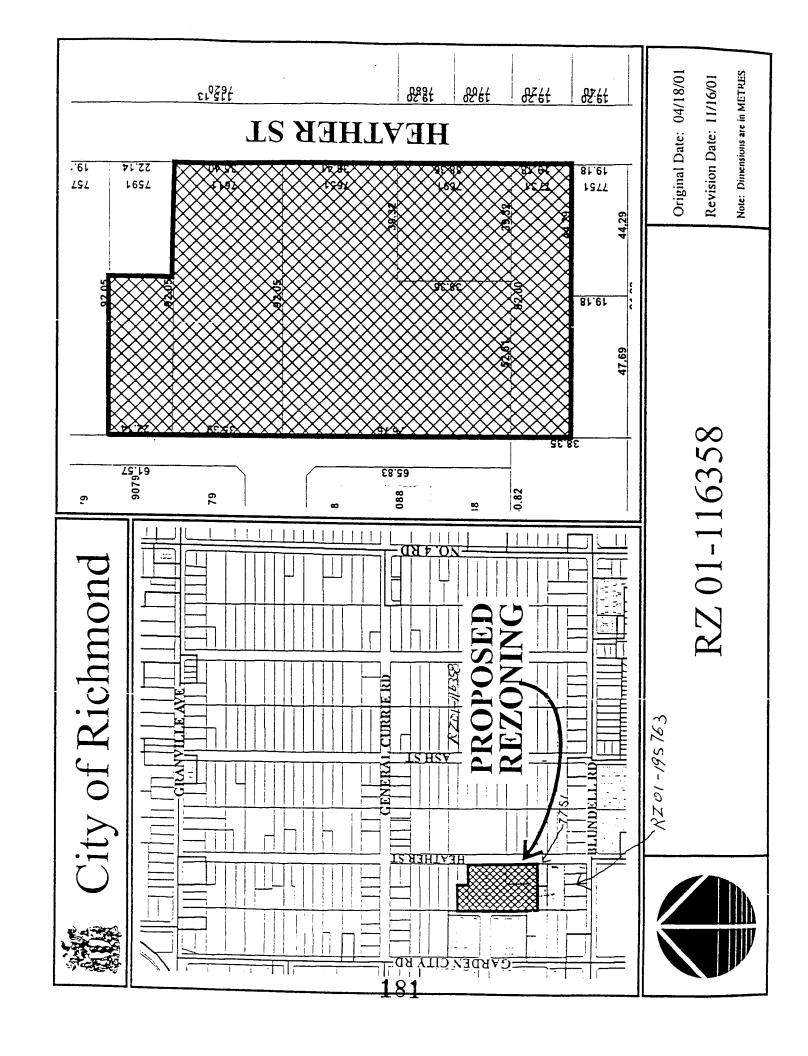
3. And as a result of No 3 above can the City also do a buffering screening in relation to the existing development to ensure that future development on No 7751 is not adversely affected.

Yours truly

Man Yiu Leung

Allera Zeug Helena Chiu Hing Leung

Owners of 7751 Heather Street, Richmond



7751 Heather Street, Richmond, BC V6Y 2P8 January 30, 2002

Ms Suzanne Carter-Huffman, Urban Development Division, City of Richmond, Richmond City Hall, 6911 No. 3 Road, Richmond, B.C. V6Y 2C1

Dear Madam,

Re: Zoning Application RZ01-195763

Further to our discussion this morning we have enclosed 2 copies of the minutes of the meeting held on Monday, January 28. Please forward a copy to Mr. Joe Erceg. We will fax a copy to the developer.

Please include this as an addendum to the letter of objection dated January 21 (hand-delivered to your office on January 22).

We would like to stress that there is a difference between "potential development value" and "viable potential development value". Our point is that while our property has potential development value, considering the fact that we are not professional builders, it may not be a financially viable business preposition for us.

We understand that the City has a computer search engine that could pull up any documents related to our address. We like to request a copy of all such documents. We understand that there will be cost incurred.

Yours truly.

Man Yiu Leung

Helena Chiu Hing Leung

-lelene Tene

Encl..

Minutes of Meeting at Richmond City Hall

Date:

Monday, January 28, 2002

Time:

8:30 am to 9:30 am

Place:

Room 103, 3rd floor, Richmond City Hall

Subject:

Development RZ 01-195763 (hereinafter referred to as proposed

development) & 7751 Heather Street

Attendance: Joe Erceg, Manager, Development Applications, City of Richmond

Nelson Chan, President, Palladium Development Corp.

Reza Salehi, Development Manager, Palladium Development Corp. Thomas Morton, VP - Development, Palladium Development Corp.

Wayne Fougere, Fougere Architecture Inc.

Scott Peters, Colliers International

Geoffrey Man Yiu Leung, Joint Owner of 7751 Heather Street, Richmond Helena Chiu Hing Leung, Joint Owner of 7751 Heather Street, Richmond

Helena Leung asked whether she could take notes. There was no objection.

Tropics Discussed:

Introduction: Joe Erceg addressed the meeting by introducing the parties and explained that as a result of the public hearing on January 21 he was asked to initiate talks between Palladium and the Leungs. He said that from the City's point of view there were 2 possibilities: (1) to incorporate 7751 into Palladium's proposed development, (2) to develop 7751 separately in the future.

Land Assembly: Scott Peters gave a brief history of the land assembly. It was first started in Spring of 2001, first on the 4 small lots along Blundell Road and 1 property on Heather Street (the adjacent property south of 7751). The inclusion of the Kale property (7731) only came into play because of the ring road. He claimed he made a couple of calls to the Leungs but was unable to talk to the Leungs because no one answered the phone. He said he knew how much the Leungs paid for the property and he knew that the assessed value of the property last year was \$355,000. Geoffrey Leung corrected him that the current assessed value was \$391,000. Scott Peters claimed that it was not economically viable to include the property (7751) in the land assembly because of its value. Scott Peters stated that price paid for the rest of the land assembled varied from \$27 to \$32 per square ft. Scott Peters claimed that in May 2001 when the plans were finalized he did try to call the Leungs once but was unsuccessful. He also stressed that the call was not with any intention of buying but just to inform them of the situation. Scott Peters also stated that he did not consider the Leungs' property because in his opinion, the price the developer was prepared to offer (just under \$300,000) would be an

insult to the Leungs. Geoffrey Leung asked again and Scott Peters confirmed that the Leungs were never approached. Scott also confirmed that the only reason for not approaching the Leungs and not including the Leungs' property was purely for economic reasons.

Development of 7751: Both Nelson Chan and Scott Peters claimed that it was not economical to include 7751 in the proposed development because the portfolio was very tight. They however claimed that there would be future development prospects for 7751 as the roads would all be built. Nelson Chan presented a plan of 5 houses on the Leungs' site but refused to provide any financial numbers. Geoffrey Leung stated that if it was not economically viable for Palladium to include 7751 as part of the proposed development it would be difficult to convince him that it would be viable for him to develop it separately in the future. Nelson Chan said that with the Keefer Avenue already completed and other services in place it would be beneficial if the Leungs decided to develop their land in the future. Geoffrey Leung asked Nelson Chan to demonstrate the benefits of the Leungs developing their own land. Nelson Chan declined to provide such information and suggested that the Leungs "have to do their own numbers". Helena Leung questioned the benefits in short-term development. Joe Erceg agreed that it was not viable to develop the land in the short term but there should be benefits in the medium and long term as the land structure has been provided and developed to fine standard with roads being built north of the Leungs' site. Any future plan obviously would be subject to the City's approval.

Palladium's proposed development: Geoffrey Leung asked Nelson Chan about the proposed development and was told that there would be 49 units, with an asking price of over \$200,000 per unit. Geoffrey Leung made a comment that it was difficult to believe that for a development of over \$10 million it would be unable to absorb the cost on the Leungs' house. Scotts Peters claimed that the profit margin of the proposed development was very tight. He insisted that including the Leung's property would erode the bottom line of the proposed development no longer making it a viable business proposition. Geoffrey Leung re-iterated that being a professional accountant, managing over a 400 million-dollar budget, he found it difficult to agree to Scott Peters's statement. Geoffrey Leung also queried the development potential claimed by the developer on the Leungs' land. His logic was that if the developer was not prepared to incorporate the Leungs' property in the proposed development because of economic reason, he wondered why the Leungs should be expected to take the business and financial risks in the future.

Other Matters:

The Leungs established that the developer had not approached them for this proposed development.

Geoffrey Leung stated that being a single-family house in the middle of 2 developments (with 3 sides of the house surrounded by over 100 town houses) would make it extremely difficult for him to sell the property as is in the future. Scott Peters disagreed and said that he believed that this would be compensated through future development as a corner

plot. Geoffrey Leung replied that it was his intention to hire an appraiser to assess the impacts to the Leungs' property as a result of the developments around his property.

It was established that the developer declined to include the Leungs in the proposed development purely because of economic reasons. Geoffrey Leung stated that he could not see why, as a result of this, the Leungs would have to take the risk.

Helena Leung questioned why the Leungs have to suffer economic loss so that the developer could maintain its economic gain.

Helena Leung also made the statement that the Leungs came with good faith to try to resolve this situation but since the developer was unwilling to discuss the fair market value of the property, they would have no choice but to consult their lawyer.

Geoffrey Leung stated that he came to the meeting with a view to understand the intent of the developer. It appeared to him that the developer was not interested in discussing the fair market value other than promoting the development potential of the Leungs land.

Conclusion of Meeting: Because the Leungs mentioned consulting their lawyer, Joe Erceg called the meeting to a close. No agreement has been reached.

ATTACHMENT 7



Palladium Group

Suite 2248 13353 Commerce Parkway Richmond, B.C. Canada V6V 3A1

Tel: (604) 273-1221 Fax: (604) 273-5112

February 1, 2002

City of Richmond 6911 No. 3 Road Richmond, BC V6Y 2C1

ATTENTION: SUZANNE CARTER-HUFFMAN

Dear Suzanne,

RE: 7751 HEATHER STREET, RICHMOND, BC

Please find attached a hard copy of the e-mail that we sent to Geoffrey and Helena Leung (copied to you, Joe Erceg, and Scott Peters) regarding the minutes of the meeting held at the City of Richmond on January 28, 2002.

Regards,

Nelson

Encl.

cc: Joe Erceg (City of Richmond)



Nelson Chan

From:

"Nelson Chan" <nelson@palladium.ca>

To:

"Geoffrey & Helena Leung" <GMLeung@direct.ca>

Cc:

"Suzanne Carter-Huffman" <scarter@city.richmond.bc.ca>; "Scott Peters"

<scott_peters@colliers.com>; "Erceg, Joe" <Jerceg@city.richmond.bc.ca>
Friday, February 01, 2002 11:27 AM
7751 Heatherr Memo.doc

Sent:

Attach:

Subject:

Minutes of Meeting (Jan 28) - 7751 Heather Street

Please find attached our comments on the minutes of the meeting held on January 28, 2002 at the City of

Richmond.

Regards/Nelson

MEMORANDUM

TO:

Geoffrey & Helena Leung (GMLeung@direct.ca)

FROM:

Nelson Chan, Palladium Development Corp.

CC:

Scott Peters, Colliers International (scott.peters@colliers.com)

Joe Erceg, City of Richmond (jerceg@city.richmond.bc.ca)

Suzanne Carter-Huffman, City of Richmond (scarter@city.richmond.bc.ca)

DATE:

February 1, 2002

RE:

Minutes of the Meeting Held on January 28, 2002 at Richmond City Hall as Recorded and Provided by Mr. and Mrs. Leung

Thank you for your copy of the above. We wish to correct for the record some of the comments you attribute to our Agent and myself and to differ with some of the conclusions you draw, as follows:

"Land Assembly"

1) The minutes stated that "the inclusion of the Kale property (7731) only came into play because of the ring road."

Correction

"the inclusion of the Kale property (7731) only came into play because of the need to incorporate the ring road at the request of the City"

The minutes have Scott Peters stating that it was "...not economically viable to include the property (7751 Heather Street) in the Land Assembly because of its value."

Correction

What Scott Peters actually said was that the size and relative newness of the house on the property (7751 Heather Street) gave the property a higher market value than its land-only value as part of an assembly for townhouse development. This was borne out by the year 2001 assessed value (since increased, as noted in the minutes) for the property, which translated to approximately \$39.00 per square foot of land, compared to the \$28.62 average cost per square foot of land paid by Palladium for the other six assembled lots, a price per square foot that is in the upper range of current market value for

townhouse land in central Richmond. As mentioned by Scott in the meeting but not noted in the minutes, such market value for townhouse land is confirmed by the average prices per square foot paid by Capital West Projects and Polygon for their two similar land assemblies nearby on the block.

The minutes have Scott Peters stating that his call to the Leungs when the plans were finalized "...was not with any intention of buying but just to inform them of the situation."

Correction

What Scott Peters actually said was that he called not to present an offer but to inform the Leungs of the situation and to determine their asking price if they were sellers.

Addition

As discussed in the meeting, simultaneous analysis of the original purchase price of the property, the assessed value of the property, and the relative newness of the house on the property vis-à-vis Palladium's existing land cost and the marginal return of their development pro-forma already projected, led to the conclusion that the highest price Palladium could have economically offered for the property would have been well below the expectations of the Leungs.

This was effectively confirmed when Mr. Leung stated in the meeting that "Palladium should just pay \$150,000 more than the assessment to include their property in Palladium's assembly" implying it would have insignificant economic impact on Palladium's development. This was also not noted in the minutes.

"Development of 7751" Clarification

Clarification needs to be made as to the record of this section. The point that was made by both Nelson Chan and/or Scott Peters in regards to present vs. future development of the property was that a) presently it is not economically viable for Palladium or anyone else to acquire the Leung's property for townhouse development in accordance with the Community Plan, since the age and quality of the house on it makes it more valuable to be retained for that purpose for the foreseeable future but that b) in the years to come, as the home begins to depreciate, the independent development of the lot will become more viable with the adjoining roads and services already in and the surrounding market becoming more mature.

"Other Matters"

Several statements in this section were responded to at the meeting but those responses are not included in the minutes and therefore should be summarized here:

1) "Helena Leung questioned why the Leungs have to suffer economic loss so that the developer could maintain its economic gain":

Additions

The response was that a) Palladium is simply seeking to develop the adjoining lands in accordance with the McLennan South Official Community Plan, which was adopted in 1997 after several years of considerable neighbourhood input; and b) it is not Palladium's desire, or expectation, that the Leungs will suffer economic loss.

Incidentally, it should also be noted in the minutes that Scott Peters asked Mr. Leung during this stage of the meeting what involvement the Leungs had in the lengthy public process that resulted in OCP adoption in the mid 1990s. Mr. Leung's response was that they were aware of the McLennan South Official Community Plan, and during the public process they attended one meeting and voted against the Community Plan.

The minutes stated that "it was established that the developer declined to include the Leungs in the proposed development purely because of economic reasons."

Correction

"it was commented that the developer declined to include the property in the proposed development because of economic reasons attributable to the relative newness of the house on the property"

3) The final two paragraphs of this section quote Mr. and Mrs. Leung as suggesting that "the developer was unwilling to discuss the fair market value of the property"

Clarification

Nothing could be further from the truth, as the bulk of the meeting was in fact spent discussing the fair market value of 7751 Heather for the developer's purpose – townhouse development – and the disparity between the property's current single family home value and its current

value as land for the maximum development allowable.

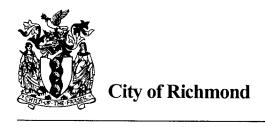
4) It is also stated that the Leungs "came in good faith to try to resolve this situation".

Clarifications

Yet no solutions were suggested by the Leungs during the meeting other than, as previously noted herein, that Palladium should buy the Leungs' property at their price expectation.

Our attempts to re-iterate the economic realities were then met with your statement that you would consult your lawyer, effectively ending further discussion at the meeting.

Regards, Nelson Chan



Richmond Zoning and Development Bylaw 5300 Amendment Bylaw 7328 (RZ 01-195763) 9111, 9131, AND 9151 BLUNDELL ROAD AND 7731, 7771, AND 7831 HEATHER STREET

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning and Development Bylaw 5300 is amended by inserting as Section 291.129 thereof the following:

"291.129 COMPREHENSIVE DEVELOPMENT DITRICT (CD/129)

The intent of this zoning district is to accommodate townhouses.

291.129.1 PERMITTED USES

RESIDENTIAL, limited to Townhouses;
BOARDING & LODGING, limited to two persons per dwelling unit;
HOME OCCUPATION;
COMMUNITY USE;
ACCESSORY USES, but excluding secondary suites.

291.129.2 PERMITTED DENSITY

.01 Maximum Floor Area Ratio:

0.78, together with 0.03 which must be **used** exclusively for covered areas of the principal **building** which are open on one or more sides; AND FURTHER an additional 50 m² (538.21 ft²) per **dwelling unit** (either for the exclusive use of individual units or for the total development) which must be **used** as off-street parking;

PROVIDED THAT any portion of floor area which exceeds 5 m (16.404 ft.) in height, save and except an area of up to 10 m² (107.643 ft²) per **dwelling unit used** exclusively for entry and staircase purposes, shall be considered to comprise two floors and shall be measured as such.

291.129.3 MAXIMUM LOT COVERAGE: 40%

291.129.4 MINIMUM SETBACKS FROM PROPERTY LINES

- .01 Heather Street: 6 m (19.685 ft)
- .02 Blundell Road: 4.5 m (14.764 ft)
- .03 Keefer Avenue: 4.5 m (14.764 ft)
- .04 All Other Setbacks: 6 m (19.685 ft)
- .05 Notwithstanding the limitations imposed above:
 - a) Porches, balconies, bay windows, entry stairs, and cantilevered roofs forming part of the principal **building** may project into the required setbacks, but in no event shall be closer to a **property line** than 4 m (13.123 ft); and
 - b) Gateways, pergolas, and similar landscape **structures** that do not form part of the principal **building** may be located within the required setbacks, but shall be no closer to a **property line** than 2 m (6.562 ft).

291.129.5 MAXIMUM HEIGHTS

- .01 **Buildings**: 12 m (39.370 ft), but containing no more than three storeys.
- .02 **Structures**: 12 m (39.370 ft).
- .03 **Accessory Buildings**: 5 m (16.404 ft).

291.129.6 MINIMUM LOT SIZE

.01 A **building** shall not be constructed on a **lot** which is less than 0.3 ha (0.741 ac) in size.

291.129.7 OFF-STREET PARKING

- Off-street parking shall be provided in accordance with Division 400 of this Bylaw, EXCEPT THAT:
 - a) Off-street parking shall be provided at the rate of:
 - (i) For residents: 1.5 spaces per dwelling unit; and
 - (ii) For visitors: 0.2 spaces per dwelling unit.
 - b) Where two parking spaces are intended to be **used** by the residents of a single **dwelling unit**, they may be provided in a tandem arrangement with one parking space located behind the other and, typically, both spaces set perpendicular to the adjacent manoeuvring aisle.

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CITY OF RICHMOND APPROVED for content by originating

2. The Zoning Map of the City of Richmond, which accompanies and forms part of Richmond Zoning and Development Bylaw 5300, is amended by repealing the existing zoning designation of the following area and by designating it COMPREHENSIVE DEVELOPMENT DISTRICT (CD/129).

P.I.D. 011-211-661

West 86 Feet Lot "A" Section 15 Block 4 North Range 6 West New Westminster District Plan 6832

P.I.D. 004-503-651

Lot "A" Except: West 86 Feet, Section 15 Block 4 North Range 6 West New Westminster District Plan 6832

P.I.D. 006-949-258

West Half Lot "B" Section 15 Block 4 North Range 6 West New Westminster District Plan 6832

P.I.D. 011-492-031

Lot 1 Section 15 Block 4 North Range 6 West New Westminster District Plan 78290

P.I.D. 007-468-750

Lot C Section 15 Block 4 North Range 6 West New Westminster District Plan 6832

P.I.D. 011-211-679

East Half Lot "B" Section 15 Block 4 North Range 6 West New Westminster District Plan 6832

3. This Bylaw may be cited as "Richmond Zoning and Development Bylaw 5300, Amendment Bylaw 7328".

FIRST READING		
A PUBLIC HEARING WAS HELD ON		
SECOND READING		
THIRD READING		
OTHER REQUIREMENTS SATISFIED		
ADOPTED		
MAYOR	CITY CLERK	