



## General Purposes Committee

Date: Monday, July 17, 2017

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Derek Dang  
Councillor Carol Day  
Councillor Ken Johnston  
Councillor Alexa Loo  
Councillor Bill McNulty  
Councillor Linda McPhail  
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 4:00 p.m.

### MINUTES

It was moved and seconded  
*That the minutes of the meeting of the General Purposes Committee held on July 4, 2017, be adopted as circulated.*

**CARRIED**

### FINANCE AND CORPORATE SERVICES DIVISION

1. **AWARD OF CONTRACTS THROUGH RFP TO RADICAL I/O TECHNOLOGY INC.**

(File Ref. No. 04-1300-01/2017) (REDMS No. 543291 v. 4)

With the aid of a PowerPoint presentation (copy on file, City Clerk's Office), Grant Fengstad, Director, Information Technology, provided background information and highlighted that the customer web portal and digital strategy integration will enhance customer service and extend the reach of City services into the digital space.

**General Purposes Committee**  
**Monday, July 17, 2017**

---

In reply to queries from Committee, Mr. Fengstad advised that (i) external customers are currently the focus of the City's digital strategy, (ii) a privacy impact assessment has been conducted and the City will meet all provincial legislative requirements, and (iii) if directed by Council, staff could also examine integrating library services.

It was moved and seconded

- (1) *That the contract for Digital Strategy Integration Services RFP 5951P be awarded to Radical I/O Technology Inc. in the amount of \$670,000 based on the public Request for Proposal (RFP) process;*
- (2) *That the contract for Customer Web Portal Implementation RFP 5952P be awarded to Radical I/O Technology Inc. in the amount of \$495,000 based on the public Request for Proposal (RFP) process;*
- (3) *That an amount of \$100,000 be approved as contingency funding as part of the approved capital funding; and*
- (4) *That the Chief Administrative Officer and the General Manager, Finance and Corporate Services be authorized to negotiate and execute the consulting services contract with Radical I/O Technology Inc.*

**CARRIED**

## PLANNING AND DEVELOPMENT DIVISION

2. **APPLICATION BY ONNI DEVELOPMENT (IMPERIAL LANDING) CORP. FOR A ZONING TEXT AMENDMENT AT 4020, 4080, 4100, 4180, 4280 AND 4300 BAYVIEW STREET (FORMERLY 4300 BAYVIEW STREET) TO AMEND THE "STEVESTON MARITIME MIXED USE (ZMU12)" ZONE AND THE "STEVESTON MARITIME (ZC21)" ZONE**

(File Ref. No. RZ 13-633927) (REDMS No. 5421598 v. 3)

Wayne Craig, Director, Development, accompanied by Sara Badyal, Planner II, presented the application by Onni Development (Imperial Landing) and the following information was noted:

- this application was last presented to Planning Committee in May 2014; at that time, the applicant was seeking a rezoning (i) to permit a wide-range of commercial, retail and service uses in the ground floor of all the buildings and second floor of Building 2 and (ii) to remove certain restrictions related to maritime activities;

## General Purposes Committee

### Monday, July 17, 2017

---

- in 2014, the total area proposed to be rezoned to accommodate the new uses was approximately 59,500 square feet and the applicant proposed to provide the City with an amenity contribution consisting of (i) a \$2 million cash contribution, (ii) three potential lease offers for the City to obtain space in the development, (iii) off-site transportation improvements, (iv) a comprehensive plan to manage commercial parking and loading activities, and (v) payment of the applicable DCCs for the change in land use;
- the 2014 application was referred back to staff for further refinement and the revised current proposal provides (i) a 32-room hotel complete with cooking facilities, (ii) a paired down list of potential commercial uses on the site that would allow Office, Restaurant and General retail in Buildings 1 to 4, Health services in Buildings 1, 2, and 4, Indoor recreation in Buildings 2 and 4, and Grocery store in Building 2;
- the revised proposal also only deals with the ground floors of the six buildings as the second floor of Building 2 was rezoned to permit a child care operation in July 2016;
- in comparison to the 2014 application, the revised current proposal reflects a reduction in the amount of commercial, retail, and service uses from 59,500 square feet to approximately 30,600 square feet;
- staff have focused on the proposed cash amenity contribution and both the City and the applicant retained independent economic consultants to determine an appropriate amenity contribution amount; the consultants could not reach a consensus on the valuation;
- the current site is already subdivided through an airspace parcel subdivision; this subdivision would enable each building to be sold separately; under the existing condition, the valuation of the site would be significantly higher than if the site were under a single ownership scenario; the applicant indicated that they intend to retain ownership of the entire site so it was decided that a legal agreement would be registered, which would ensure that all airspace parcels would remain under a single ownership scenario; however, the economic consultants could still not reach a consensus on the valuation;
- the City's consultant determined the increase to be approximately \$5.5 million and the applicant's consultant determined the increase to be approximately \$4.1 million; both consultants agreed that the hotel use would not increase the value of the site given the high tenant improvement costs;
- the applicant is proposing a cash amenity contribution of \$2.375 million to a Steveston Area account, which represents 50% of the mid-point between the two consultants' valuations; and

## General Purposes Committee

### Monday, July 17, 2017

---

- although the revised amenity contribution is an improvement on the previous offer, the City typically seeks a higher return than 50% of the increase in valuation.

Discussion took place and in reply to queries from Committee, Mr. Craig advised that (i) the current proposed application has not been subject of a public consultation process, however the applicant has engaged with the public in an unofficial capacity, (ii) a hotel is an acceptable use within the existing Steveston Area Plan, and (iii) a potential user for the proposed indoor recreation space has not been identified.

In response to a query regarding the proposed cash amenity contribution amount, Joe Erceg, General Manager, Planning and Development, stated that given that no direction was given to achieve a specific amount, staff cannot comment on the adequacy of the applicant's proposed cash amenity contribution amount.

Discussion further ensued and in response to queries from Committee, Mr. Craig remarked that (i) a marina is beyond the scope of the application, (ii) the City owns the water lots adjacent to the proposed subject site, (iii) Council may utilize the proposed cash amenity contribution at its discretion, (iv) the current allowance for Maritime Mixed Uses will remain in place as the proposed application is seeking to add a range of commercial uses to this definition, and (v) previously, a business licence was refused by Council as the business owner was contending that a seafood restaurant fit within the scope of Maritime Mixed Use.

Also, Mr. Craig noted that the proposed commercial uses were chosen in an attempt by the applicant to respond to stakeholders' wishes and to meet multiple other objectives.

In response to a query from the Chair, Mr. Craig stated that staff could engage with the public on the proposed current application if directed to do so by Council.

Discussion further ensued on the potential for a marine hotel and marina, similar to what is offered at Vancouver's Granville Island. Cathryn Volkering Carlile, General Manager, Community Services, advised that staff have reported to Council on the potential for a City marina at Imperial Landing and that such information can be re-circulated to Council for information.

Chris Evans, Executive Vice-President, Onni Development, commented on the history of the application before Committee and spoke on various efforts by Onni to address the concerns of the City and other stakeholders. Mr. Evans stated that although the proposed amenity contribution amount appears to not have increased significantly since the 2014 offer, it has increased dramatically as the revised current proposal is seeking a reduced overall amount of retail area (30,600 square feet as oppose to 59,500 square feet).

## **General Purposes Committee**

### **Monday, July 17, 2017**

---

Mr. Evans remarked that Onni has met with the Richmond Chamber of Commerce, the Steveston 20/20 group, the Steveston Merchants Association, and other stakeholders and that Onni feels that the proposed application has landed positively with all stakeholders.

In response to queries from Committee, Mr. Evans stated that (i) tenant improvements to Buildings 5 and 6 for the hotel are estimated at \$100,000 per room for a total of 32 rooms, (ii) the operating model for the proposed hotel has not been explored in detail, however as with any business, a flexible model is ideal, (iii) Onni has met with the Steveston Community Association regarding its concerns on the potential use of the proposed indoor recreation space.

Discussion took place regarding the potential rezoning process timeline and the Chair remarked that the proposed application can be forwarded to a Public Hearing date of Council's choice.

John Roston, 12262 Ewen Avenue, referenced the staff report with regard to the public input and remarked that 96 pieces of correspondence received from 120 Richmond residents / business owners indicate that 73 writers did not support the proposal; therefore, the public is not as in favour of the proposal as indicated by the applicant. He added that many of the writers indicated their desire to see the subject site developed similar to what is offered at Granville Island and the proposal before Committee does not reflect that vision. Mr. Roston distributed his remarks (attached to and forming part of these Minutes as Schedule 1). He drew attention to anticipated lease rates for each building based on use, and was of the opinion that regardless of what is permitted in each building, the space will likely be occupied by the service that yields the highest lease. Mr. Roston then commented on the proposed community amenity contribution amount and was of the opinion that Council should insist on 100% of the land lift value and not 50% as being offered by the applicant.

Jeff Jones, 12333 English Avenue, queried who was being consulted by the applicant as he has lived adjacent to the subject site since 2004 and has yet to be approached. Mr. Jones remarked that the site has remained vacant for far too long and at this point, he would simply like to see something there to vitalize the area.

Rob Akimow, Chair, Richmond Chamber of Commerce, remarked that the Chamber is pleased to see some movement with regard to the proposed application and wishes to see a timely resolution. In reply to a query from Committee, Mr. Akimow stated that any types of business would be welcome on the subject site as the market will address any concerns on what is most needed.

**General Purposes Committee**  
**Monday, July 17, 2017**

---

It was moved and seconded

- (1) *That Official Community Plan Amendment Bylaw 9062, to amend the land use definition of "Maritime Mixed Use" by adding a range of commercial uses in Appendix 1 (Definitions) to Schedule 2.4 of Official Community Plan Bylaw 7100 (Steveston Area Plan), be introduced and given first reading;*
- (2) *That Bylaw 9062, having been considered in conjunction with:*
  - (a) *the City's Financial Plan and Capital Program; and*
  - (b) *the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;**is hereby found to be consistent with said program and plans, in accordance with Section 477(3)(a) of the Local Government Act;*
- (3) *That Bylaw 9062, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, is hereby found not to require further consultation;*
- (4) *That Richmond Zoning Bylaw 8500, Amendment Bylaw 9063, to:*
  - (a) *amend the "Steveston Maritime Mixed Use (ZMU12)" zone by widening the range of permitted commercial uses at 4020, 4180, 4280 and 4300 Bayview Street; and*
  - (b) *amend the "Steveston Maritime (ZC21)" zone by widening the range of permitted commercial uses at 4080 and 4100 Bayview Street;**be introduced and given first reading;*
- (5) *That the Application by Onni Development (Imperial Landing) Corp. for a Zoning Text Amendment at 4020, 4080, 4100, 4180, 4280 and 4300 Bayview Street (formerly 4300 Bayview Street) to Amend the "Steveston Maritime Mixed Use (ZMU12)" Zone and the "Steveston Maritime (ZC21)" Zone be considered at the October 16, 2017 Public Hearing;*
- (6) *That staff be directed to consult with affected stakeholders, including the Steveston 20/20 group, the Steveston Merchants Association, and the Steveston Community Association;*
- (7) *That staff be directed to provide previous materials regarding the potential for a City marina at Imperial Landing;*
- (8) *That the amenity contribution for the Application by Onni Development (Imperial Landing) Corp. be dedicated to the eventual improvement of the Steveston Community Centre; and*

**General Purposes Committee**  
**Monday, July 17, 2017**

---

- (9) *That staff continue to discuss the amount of the community amenity contribution with the applicant.*

The question on the motion was not called as discussion ensued and Committee expressed concern regarding the applicant's proposed community amenity contribution amount and it was noted that the amount should better reflect 100% of the land lift value. Also, Committee wished to see neighbours of the subject site engaged as they will be the ones most directly impacted by the proposal.

Discussion further ensued and the following **referral** motion was introduced:

It was moved and seconded

*That the Application by Onni Development (Imperial Landing) Corp. for a Zoning Text Amendment at 4020, 4080, 4100, 4180, 4280 and 4300 Bayview Street (formerly 4300 Bayview Street) to Amend the "Steveston Maritime Mixed Use (ZMU12)" Zone and the "Steveston Maritime (ZC21)" Zone be referred back to staff to examine a marine-based hotel, services for boaters, and options for a marina.*

**DEFEATED**

Opposed: Mayor Brodie  
Cllrs. Au  
Dang  
Johnston  
Loo  
McPhail  
McNulty

The question on the main motion was then called and it was **CARRIED** with Cllrs. Day and Steves opposed.

## ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (5:48 p.m.).*

**CARRIED**

**General Purposes Committee**  
**Monday, July 17, 2017**

---

Certified a true and correct copy of the Minutes of the meeting of the General Purposes Committee of the Council of the City of Richmond held on Monday, July 17, 2017.

---

Mayor Malcolm D. Brodie  
Chair

---

Hanieh Berg  
Legislative Services Coordinator



**City of Richmond, Planning Committee, Meeting July 17, 2017.**  
**Remarks on Agenda Item 2 – Onni Imperial Landing Proposal**  
**John Roston, 12262 Ewen Ave.**

**Proposed Additional Uses**

1. The desired type of development most frequently mentioned by local residents, including those in favour of re-zoning, has been Granville Island which has the objectives: “a retail mix that focuses on unique, high quality and locally based product offerings,” and “arts, crafts and cottage industries where the public may view and purchase products produced on the premises.” Granville Island has artist studios, art galleries, gift shops, small food shops and small restaurants. The Imperial Landing buildings are ideally suited to these additional uses, but many such activities can only afford industrial lease rates.
2. A prime waterfront location is no place for a large grocery store. There will now be at least two elsewhere in Steveston where there is also enough commercially zoned land available for a third.
3. Rental accommodation in central Steveston has been restricted to upper levels of buildings to allow for services at ground level. Short term motel style rental accommodation at ground level is inappropriate at this location and competes with local homeowners who are legally renting short term accommodation to help with mortgage payments. A second hotel to compete with the existing Steveston Hotel should be located elsewhere in Steveston where commercially zoned land is available.
4. The allowed uses which bring in the highest lease rates are the ones which will eventually dominate the Imperial Landing buildings. If one wants artist studios in a building at low lease rates then that must be the only allowed additional use. If one wants small shops then a maximum square footage must be set for each type of use.
5. Around 18 months ago, Onni submitted its anticipated lease rates for each building based on use:

Building 1	General Retail	\$28.00	6,868 sq.ft.
Building 2			
Ground Level	Grocery	\$29.50	15,921 sq.ft.
Building 3	Restaurant	\$33.00	1,789 sq.ft.
Building 4	Financial Services	\$38.50	5,952 sq.ft.
Building 5	Indoor Recreation	\$25.00	13,803 sq.ft.
Building 6	Offices and Minor Health	\$15.00 (industrial rate)	9,391 sq.ft.

Whatever Onni may say about the initial use in each building, if financial services are permitted in Buildings 1 and 4 then that is what will eventually be there. Buildings 2 and 3 will eventually have restaurants with perhaps some grocery and general retail.

6. Councillors should consider stating verbally some of the uses that they would consider for Imperial Landing in return for an appropriate amenity contribution. Simply turning down each Onni proposal without comment allows Onni to continue telling local residents that Councillors are opposed to anything other than maritime use.

**Community Amenity Contribution**

1. As the staff report points out, "The most similar comparable is where there is an increase in density, the City looks to receive as close to 100% of the land lift value before development." The City should insist on 100% here and reject Onni's 50% offer which Onni calculates to be \$2,375,000. In the form letter of support which Onni distributed to visitors at its last Open House, Onni stated that it had offered \$3 million.
2. The land lift value calculations done by the consultants hired by Onni and the City were based on the anticipated lease rates for each building. The lease rate for each building should be the highest rate for the allowed uses in the building, not the rate for the use that Onni says it intends to initially install in the building. A purchaser of the property would base the value on what it could do, not what Onni happens to be doing. The lease rates should be re-calculated once the additional uses have been determined.
3. There is no reason to take the Onni consultant's low-ball lease rate estimates into account when Onni itself submitted much higher anticipated lease rates 18 months ago.
4. Onni has stated that there would be no land lift value for buildings 5 and 6 if only hotel use is added. This would also be true if only artist studio use is added in those buildings.
5. The City should either hire another consultant or supply the existing consultant with additional information since the consultant has not used the highest lease rate for allowed uses, nor taken account of the lease rates that Onni itself stated it expected to achieve 18 months ago:

	Highest Lease Rate Use	Previous Onni Submission	City Consultant	Onni Consultant
Building 1	Financial Services	\$38.50	\$33.00	\$32.00
Building 2 Ground Level	Restaurant	\$33.00	\$24.00	\$22.00
Building 3	Restaurant	\$33.00	\$33.00	\$32.00
Building 4	Financial Services	\$38.50	\$30.00	\$28.00

**Alternative Proposal**

Although there is no chance that Onni would agree, there is a simple way to arrive at a fair land lift value for the property based on the principle that it is worth what a buyer is willing to pay. Let Onni pick any new value for the property with the additional allowed uses. The City then has the choice of buying the property at that value or using that value in the land lift calculation for the required community amenity contribution. The City then gets either a fair amenity contribution or a nice profit on re-selling the property.

Steveston  
Retail vs MMU Rent Summary  
"APPENDIX A"

LEASE DATA:	AMOUNT	PSF
Square Feet (Input)	59,488	
Rental Steps		
Base Rate	\$11.27	
Step 1	\$6,705,005	
Step 2	\$0	
Step 3	\$0	
Step 4	\$0	
Average Annual Rate PSF (calc.)	\$11.27	
Number of months in lease (calc.)	120	
Monthly Payment (calc.)	\$55,882.54	
Annual Discount Rate (Input)	7.00%	
Monthly Rate comp. semi-annually (calc.)	0.57500%	
PRESENT VALUE OF LEASE PAYMENTS	\$4,862,179	\$8.17
Per Year	\$670,581	\$55.883
		10 years

LANDLORD COSTS (Input)	AMOUNT
Free Rent	\$222,383
Tenant Improvement Allowance	\$1,521,320
Landlords Work	\$89,280
Commission	\$600,131
Fixturing	\$168,058
Lease Up	\$29,955
Vacancy	\$335,295
<b>TOTAL LANDLORDS COSTS</b>	<b>(\$2,866,423)</b>
<b>DISCOUNTED LEASE VALUE</b>	<b>\$1,995,756</b>
	<b>\$3.35</b>

	Ground Floor	Second Floor	Total	Anticipated Lease Rate	Anticipated Industrial Lease Rate	Difference	Annual Rent	Lease Up (Days)	Lease Up (Value)	Fixturing (Days)	Fixturing (Value)	Free Rent	TI Allowance	LL Work	Commission
Building 1	6,888			\$28.00	\$15	\$13.00	\$192,304	90	\$22,015	120	\$29,354	\$-	\$17,100	\$-	\$61
Building 2	15,921			\$28.50	\$15	\$14.50	\$469,870	0	\$-	135	\$85,385	\$-	\$388,025	\$-	\$150,284
Building 3	1,789	5,764		\$22.00	\$15	\$7.00	\$125,809	0	\$-	0	\$-	\$21,134.67	\$-	\$-	\$40,579
Building 4	5,952			\$33.00	\$15	\$18.00	\$99,037	90	\$7,840	60	\$7,940	\$9,840	\$44,725	\$-	\$18,892
Building 5	13,803			\$36.50	\$15	\$23.50	\$229,152	0	\$-	0	\$-	\$76,384	\$10,000	\$89,280	\$73,329
Building 6	9,391			\$26.00	\$15	\$11.00	\$345,075	0	\$-	120	\$45,380	\$115,025	\$345,075	\$-	\$110,424
Building Total	53,724	5,764	59,488	\$16.00	\$15	\$1.00	\$1,400,865	180	\$29,955	90	\$168,058	\$222,383	\$1,521,320	\$89,280	\$600,131
Industrial Lease Rate	\$15.00 /sf														
Difference in Retail Vs. Industrial	\$														