



To: Mayor and Councillors
From: Wayne Craig
Director, Development
Date: May 13, 2016
File: RZ 15-697899
Re: 3735, 3751, 3755 and 3771 Chatham Street (RZ 15-697899)

Background

This memo responds to an April 5, 2016, Planning Committee referral made in relation to a rezoning application for a mixed use development (commercial and parking at grade with residential uses on the second and third storey) in Steveston Village:

That staff:

- (1) review options to install a solar roof on the proposed development at 3735, 3751, 3755 and 3771 Chatham Street; and
- (2) review utilizing developer contributions as incentives for the installation of a solar roof on the proposed development at 3735, 3751, 3755 and 3771 Chatham Street, in keeping with the forthcoming staff report on solar roofs in new developments, and report back.

Staff have met a number of times with the applicant regarding this referral. As a result of these meetings, the applicant has submitted their proposal contained in Attachment 1. The applicant's response is summarized as follows:

- The applicant has decided not to pursue implementation of a solar photovoltaic or other alternative renewable energy system in this project.
- A package of building efficiency measures has been identified by the developer to implement in this project to:
 - Increase the effective wall insulation to R22 levels.
 - Increase air-tightness to an unspecified level.
 - Install low-flow water efficiency devices on faucets and showerheads
 - Install water efficient front-loading washing machines.
 - The applicant estimates the total cost of these measures at \$78,250.
- The applicant has stated that implementation of building efficiency measures is contingent on reducing various amenity contributions identified in the rezoning considerations, which are summarized as follows:
 - Public Art – \$18,335
 - Cash in lieu of indoor amenity – \$16,000
 - Cash in lieu of On-site tree removals – \$20,000
 - Affordable Housing – \$83,892
 - Steveston Village Conservation Grant Program – \$213,167

Analysis

In response to the applicant's start-up costs to implement the noted building efficiency measures, staff have estimated that the total construction costs associated with this building will be in excess

of \$4.1 M based on construction industry guidelines and comparable developments. As a result, the \$78,250 cost of building efficiency measures identified by the applicant represents approximately 2% of total estimated construction value of the project, which does not take into account the economic benefits that arise from implementing efficiency measures by reducing costs to the owners of the building and residential units.

Staff advise that while the measures proposed by the proponent will reduce overall energy demand compared with the same building built to minimum code standards, these gains shall fall short of the approximate 20% energy efficiency performance gains achieved by new townhouse developments in Richmond under the City's Official Community Plan (OCP) townhouse energy efficiency rezoning policy. No compensation is provided to applicants that implement energy efficiency measures in accordance with this OCP policy.

In response to the applicant's request to reduce the amenity contributions associated with the rezoning, staff note that the Affordable Housing (AH) and Steveston Village Conservation Grant Program (SVCGP) contributions are secured through density bonus provisions contained in the proposed new zoning district (Commercial Mixed Use (ZMU32) – Steveston Village) and cannot be revised on a case-by-case basis. If Council wished to revise AH and/or SVCGP contribution amounts, the following would need to occur in coordination with the subject rezoning application (RZ 15-697899) on Chatham Street:

- Council resolutions to revise the Affordable Housing Strategy and Steveston Village Heritage Conservation Grant Program (Policy 5900) specific to this project;
- Amend the Steveston Area Plan Official Community Plan to adjust the Steveston Village Heritage Conservation Area Plan density provision; and
- Revise Richmond Zoning Bylaw 8500, Amendment Bylaw 9541.

The above would require Richmond Zoning Bylaw 8500, Amendment Bylaw 9541 to be referred back to staff for further review of the identified issues.

Other amenity contributions (Public Art, Indoor Amenity Space, On-site trees) could be revised at the direction of Council without having to refer the Richmond Zoning Bylaw, Amendment Bylaw 9541 to staff for further review.


Wayne Craig
Director, Development

WC:ke

pc: Joe Erceg, MCIP, General Manager, Planning and Development
John Irving, P.Eng. MPA, Director, Engineering
Peter Russell, Senior Manager, Sustainability and District Energy
Kevin Eng, Planner 2



T I E N S H E R
G R O U P O F C O M P A N I E S

T I E N S H E R C H A T H A M D E V E L O P M E N T L T D .

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Policy Planning
City of Richmond
6911 No.3 Road
Richmond, BC

May 11, 2016

Dear Sir/Madam:

**Re: Lot 4 to 7, BL 22, Section 3 Block 3N Range 7W NWD Plan 249
3735,3751,3755,3771 Chatham Street
Energy Modelling for Mixed Use Development**

We have completed our review on the feasibility of energy efficiency measures with taking a great deal of consideration to implement renewable energy for this project regardless of the Heritage design constriction and lack of space. We opted to propose and implement better and higher standards of construction than BC Building Code requirements. The measures we plan on incorporating are:

1. Improve air tightness and thermal performance of the North and South facades from the standard rating of effective R17.89 to effective R22.
2. Improve air tightness and thermal performance of the East and West faces from the effective R11.4 to effective R22.
3. Reconfigure DHW (Domestic Hot Water) operating conditions to establish energy improvements in the residential units with the use of low flow faucets, showerheads and front load washing machines. This will establish energy improvements for the system connected to a central boiler.

The cost for the above proposed measures to be implemented are \$78,250.00. We look forward to offsetting measures in a reduction of the voluntary contributions as outlined in the Rezoning Considerations from the City of Richmond and discussed at the Planning Committee.

If we are unable to come to an agreement of a reduction or exchange for these improvements we are unable to proceed with the energy efficiency measures noted above due to financial constraints, however we are still committed to the voluntary contributions as follows:

- \$20,000.00 Tree Compensation Fund for the planting of replacement trees
- \$7,800.00 Tree Compensation Fund for the planting of replacement trees on City Land
- \$18,335.00 Public Art Reserve Fund
- \$83,892.00 Affordable Housing Fund
- \$213,167.00 Density Increase for the Steveston Village Conservation Grant Program
- \$343,194.00**

Yours truly,
T I E N S H E R C H A T H A M D E V E L O P M E N T G R O U P L T D


Franco Gimenez
VP of Construction