

JOURNAL OF COMMERCE

April 21, 2010

Vancouver heritage-building developers left in the lurch by city

JEAN SORENSEN
correspondent

The City of Vancouver's Heritage Management Plan has yielded an inventory of privately-developed heritage buildings that is the envy of North American municipalities, but one developer says the city isn't meeting its incentive commitment to developers.

"The city has to make a decision whether it values these buildings' heritage or, if not, collapse the program. They have to start dealing with all the people that they have made promises to," said Robert Fung, Salient Group president, who has spent eight years developing many of the downtown core's older buildings into condominiums.

The city's plan includes a program of incentives and protective measures aimed at promoting the conservation of heritage resources.

The city's transfer of density (ToD) program allows developers to transfer density to another site for rehabilitating a heritage building.

These transfers have resulted in landmark structures such as the Wall Centre and Shangra-La.

Fung said the program's hiccup has come when developers, who gained bonus square footage that they couldn't use on site, found they can only transfer them to projects in the downtown peninsula and the Broadway corridor.

While developers in these areas want to purchase such bonuses for extra square footage, it is the city dictates whether developers can use them.

So far, it has favoured developers, who purchase amenities packages for density concessions, rather than those who pay developers for bonuses.

"That's been the mindset of staff over the past five years," Fung said.

Last summer, council tabled a report looking at ways and means to reduce the inventory of banked density.

There is about 1.5 million square feet not transferred with one million square feet on hold or in transfer with 500,000 square feet available for sale.

Fung said there is still no action on the recommendations.

He said he is hopeful that the city will move forward with strategies to reduce the backlog.

"This council has been more open to finding solutions and understanding the issues. I think they realize there is a strong message from the citizens that they value the history and the buildings of the city," said Fung, who now has over 200,000 bonus square feet of space in his inventory that he's trying to sell or transfer.

He said the program has worked because private developers have footed the up-front costs of tackling these structures.

"It has been extremely successful for the people of Vancouver and the City of Vancouver in achieving the

rehabilitation of an unprecedented inventory of heritage buildings by the private sector that exceeds the level of rehabilitation that has been achieved in any jurisdiction in North America," said Fung, who often speaks about the program in major Canadian cities.

The city's incentive program began in the 1980s and has steadily grown.

"What we have done is increase the tools in the tool box to encourage more and more rehabilitation," said Marco D'Agostini, the city's senior heritage planner.

Developers have been quick in the past to grab up these credits realizing their potential, said D'Agostini, adding glitches have occurred.

"It has created some challenges for us with the number of density transfers (developers have banked). We are trying to find ways to increase the absorption on developments," he said.

Hal Kalman, an architect and lecturer on conservation of buildings at Victoria and Hong Kong universities, first introduced the transferable bonuses (borrowed from the U.S.) in the 1970s.

"The first transfer was to Park Place (from the Christ Church Cathedral)," he said.

It was a city approved exception that became an adopted program.

Kalman, who heads the Vancouver branch of Commonwealth Historic Resource Management Ltd., said the program has made a huge difference in preserving many old Vancouver structures turning them into an asset rather than a liability in the eyes of the owners and developers.

The policy has spawned millions of dollars of contracts and recognition for contractors.

VPAC Construction Group won recognition under the city's 2009 heritage award program for work on the Arts and Crafts Building on Seymour.

It has also converted an old meat packaging facility on Terminal Avenue to Rex Dog Hotel and Spa, Canada's first exclusive dog hotel.

VPAC president Ben Bakk wants more heritage work.

"You can feel a sense of history when you walk into these buildings," he said adding that often the walls have story yielding old newspapers or old equipment sealed away.

However, he said, such projects are tricky and only go forward if there is the right kind of owner or developer.



101-4299 Canada Way, Burnaby, BC V5G 1H3
Phone: 604-433-8164 | Fax: 604-433-9549
Toll free: 888-878-2121
E-mail: jocinfo@reedbusiness.com

© [Reed Business Information](#) a division of [Reed Elsevier Inc.](#) All rights reserved.