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# RESIDENTIAL INTENSIFICATION CASE STUDIES

## Municipal Initiatives

### MARKETING CITY-OWNED PROPERTIES

### North Vancouver, British Columbia

#### SUMMARY

City-owned lands in a former industrial area of the city are being marketed and redeveloped. A new neighbourhood is emerging.

**Date Implemented:** 1998

**Key Outcomes:** Two projects completed with a total of 114 housing units and another project of 266 units currently underway. Potential for 1,200 units in total.



Figure 1: A view of Lower Lonsdale from the air, 2002.  
Source: City of North Vancouver

#### BACKGROUND

The Lower Lonsdale area is one of the designated nodes for higher-density, mixed-use development in the City of North Vancouver. In 1998, the six-block area had a resident population of about 600.

The area, especially near the waterfront, is characterized by vacant or under-used lands, creating a discontinuous space that is poorly protected at night and lacks vitality during the day. Historically, the waterfront area was largely industrial (mills, ship building, etc.) and the resulting nuisances (noise, smells, etc.) discouraged residential and commercial development in the vicinity. An added concern was the steepness of the slope leading down to the water, which made the site unsuitable for most uses.

The City came into possession of many small properties in the area due to tax defaults in the 1930s and many of these parcels have remained vacant since then. The lack of development potential and correspondingly low land prices discouraged any thought of selling the properties. Some of the parcels, especially the ones on flatter ground, were put to use as parking lots during Expo 86 or as community gardens. In recent years, however, the general area has become more attractive to home seekers due to the proximity of the City of Vancouver (across Burrard Inlet on the SeaBus), where housing costs skyrocketed in the 1990s. As property values began to rise in Lower Lonsdale, so did the City's interest in selling its vacant lands for redevelopment.

## DESCRIPTION AND GOALS

The marketing of City-owned vacant sites in the Lower Lonsdale area was begun in 1998 and will continue until the process is completed around 2007. The goal of the initiative is to help revitalize Lower Lonsdale by selling vacant City-owned sites for redevelopment. The City has not set specific targets for the number of residential units to be built on the sites, but would like to see a large share of the redevelopment in the form of residential and mixed-use development. It hopes to create a high quality urban environment where once was urban blight.

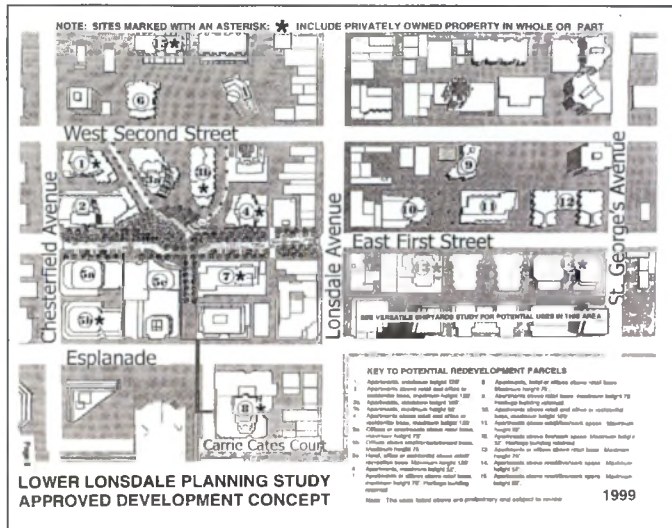


Figure 2: Vacant City-owned sites in the Lower Lonsdale Area.  
Source: City of North Vancouver

There are approximately 75 City-owned properties in the area, which are being gradually assembled into 11 sites for sale and redevelopment (see Figure 2). The process of assembling, planning, and marketing sites for redevelopment is initiated by a team of City staff members, including the Deputy Director of Finance, the Deputy Director of Engineering, the Manager of City Lands, a City planner, and a part-time Project Manager. The team meets regularly and comes forward with recommendations to Council as to which site should be planned and marketed next. If Council approves the recommendation, the team works out a marketing strategy, the development guidelines, and the required zoning changes and then returns to Council for approval.

In some cases, marketable sites need to be assembled from both City-owned and privately-owned properties in order to make the site feasible for redevelopment. In such cases, the team works cooperatively with relevant property owners, inviting them to join the process.

Once a site has been successfully rezoned, the team announces the availability of the site for sale through daily newspapers and the Internet, and notifies a list of 50 known developers via regular mail. Interested parties are informed of the development guidelines that will govern the building envelopes, densities and other development parameters. For instance, bidders may be told that the site is to be developed as a mixed-use project composed of retail, residential and community uses, to be no more than 12 storeys, have 12,000 ft<sup>2</sup> (1,115 m<sup>2</sup>) of floor space, with setbacks that relate to view corridors, services to the street at certain points, access at certain points, and so on. These parameters are based on the guidelines contained in the City's Official Community Plan for this area (see below).

Up to six bids may be received for a site and the team selects the highest bidder as the winner. A sales agreement is drawn up between the City and the developer, who makes a non-refundable deposit and is given four months to submit architectural drawings for the site. Final approval is given by senior staff after a technical review confirms that the developers' plans correspond to the development guidelines approved by Council. Any variances from the guidelines have to be approved by Council.

The team paces the marketing of the sites so as to have one project on the go all the time, resulting in a steady stream of new units coming onto the market.

## COMPLEMENTARY POLICIES AND PROGRAMS

To ensure that the redevelopment of City-owned and other properties contributes to the attractiveness of Lower Lonsdale, the City has created a set of overall design guidelines governing the physical aspects of new development in the area. The guidelines are in turn based upon an amendment to the City's Official Community Plan that took place in 1998.

The 1992 Official Community Plan encouraged the redevelopment of the area into a medium-density, mixed-use area using a low-rise apartment block pattern. Concerned that this building form would result in a monotonous and nondescript streetscape and skyline, staff persuaded Council to consider an OCP amendment that would allow a variety of building heights, including high-rise type developments. To maintain the views of existing residents living north of the area, the OCP amendment limited the heights

of buildings according to the slope (i.e., the lower on the slope, the greater height permitted). Maximum heights now vary from 60 to 180 feet (18 to 55 metres), with a maximum density of 2.6 times the site area, the highest density allowed in the city.

Besides the marketing of City-owned land, the Lower Lonsdale redevelopment strategy involves a number of other initiatives designed to increase the capacity of the area to accept new development while improving its attractiveness to new residents. This includes:

- a review of underground infrastructure needs in the redevelopment area in order to determine a program of upgrading and rehabilitation;
- the improvement of cultural and human service facilities in the area, including a museum, an arts gallery, live theatre and a community centre;
- improvements to transit facilities such as bus bays and stops;
- pedestrian improvements such as sidewalks and upgraded lighting;
- creating well-designed urban open spaces.

This policy is not linked to any provincial or federal enabling law or program.

## STAKEHOLDER RESPONSE

The OCP amendment mentioned above was the subject of extensive public consultations, including resident surveys, public meetings and public hearings. Because each site-marketing process requires a rezoning, public hearings are also held on a site-by-site basis.

During the OCP amendment process, there was broad public and stakeholder support for redevelopment in the Lower Lonsdale area as this was widely seen as a desirable way to revitalize a dilapidated area of the city. However, disagreements occurred over the scale and type of redevelopment. The public's concern was focused on issues related to views from residences located further up the slope. Other planning issues that typically vex redevelopment processes, such as concern over parking and the increased use of city amenities (like parks), were not major public concerns in this case. This reflects the fact that the Lower Lonsdale redevelopment area is not itself heavily populated. The OCP amendment has apparently resolved the design issues from the point of view of adjacent neighbourhoods and individual site rezonings tend to go ahead with a minimum of public concern over site envelopes.

However, there is a segment of the public that objects to the sale of public property for private development. They feel that the land should be turned over to public use, such as public parks.

The development community strongly supported the OCP and Zoning By-law amendments and is very receptive to the marketing of City-owned sites.

## IMPACT

The first City-owned site (site 4 on the map in Figure 2) was rezoned and sold in 1998. This project resulted in a 12-storey apartment building with ground floor retail uses and 72 residential units (see Figure 3).



Figure 3: The "Q", the first completed project on formerly vacant City-owned lands.

Source: City of North Vancouver

Subsequently, another site (number 6) was rezoned and a four-storey apartment building with 42 units, known as The Quay View, was completed in 2001. The building targets seniors, families and people with disabilities. Currently, construction has started on a third site (combining numbers 5a, 5b and 5c). The project will include a mix of uses, such as a municipally-funded community centre, more than 266 condominiums, and a major grocery store.

Eight other sites remain to be assembled and sold for redevelopment, a process that is anticipated to take until about 2007, depending on market conditions.

A total of approximately 1,200 dwelling units will have been created on the 11 redevelopment sites once they are fully built out. About two-thirds of these units will be located on land that was City-owned and the remainder will be on adjoining private parcels that were assembled into the marketed properties. The population of the area has already doubled (to about 1,200) since the initiative was inaugurated in 1998 and is expected to climb to 3-4,000 once all the available lands are built upon.

## FINANCIAL ISSUES

The staff resources for the administration of this initiative are largely confined to the planning and marketing team mentioned above, comprised of four City staff persons and one outside consultant. Taken together the four City staff people commit about 80 per cent of a full time position preparing and participating in team meetings where the key decisions are made. The consultant is employed for about 16 hours a week. Other City staff are involved in the typical planning application and inspection procedures that characterize any major development project.

Revenue from the sale of property is used to update the infrastructure and install new services, such as a community energy system, or to improve cultural and recreational facilities in the area. This investment not only improves the attractiveness of the area to prospective new developers and residents, it increases land values (which benefits the City in terms of future sales of City-owned land) and sends the signal that the City is not just a land developer but a partner in building a new community.

To date, City revenues from the sale of properties in the area have amounted to \$11.3 million. Approximately \$50 million is expected to have accrued to the City once all the sites have been sold.

## EVALUATION

To date, the marketing and redevelopment of City-owned lands in Lower Lonsdale has been extremely successful. Several sites have been sold and redeveloped and developer interest in the remaining sites is high. The City's primary goal of revitalizing the area is being realized as a diverse urban neighbourhood takes shape in an area that was traditionally a "no man's land."

From an administrative point of view, the current team approach seems to work well. Prior to the hiring of the outside consultant as Project Manager, there was some concern that the program was "no one's job" because each member of the team spent less than 20 per cent of their working time on this portfolio.

The current system of pre-zoning the site before seeking a purchaser also seems to be working well. Prior to this arrangement, sites were zoned following lengthy negotiations with developers, which introduced an element of uncertainty for everyone involved in the process. Furthermore, because the City owned these sites, there was a public perception that Council was agreeing to developer demands in order to clinch the sale of the sites. The new system injects more predictability into the process for the developer and adjacent communities, raises the value of the land and minimizes the political aspects involved in the transaction.

## FOR MORE INFORMATION

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### DOCUMENTS:

John Talbot and Associates report entitled "Proposed Development Options for the Lower Lonsdale Planning Study Area"; October 1997.

City of North Vancouver. January 22, 2003. Lower Lonsdale Project Report. (Community Development Department report to Council).

City of North Vancouver. 2002. Lower Lonsdale Design Guidelines and Architectural Controls. Community Development Department.

### WEB SITES:

[www.cnv.org](http://www.cnv.org)  
(City of North Vancouver)

[www.cnv.org/Projects/LowerLonsdale/Activities.htm](http://www.cnv.org/Projects/LowerLonsdale/Activities.htm)  
(Planning and development activities in Lower Lonsdale).

[www.bchousing.org/Whats\\_New/News\\_Releases\\_2001/news10280101.asp](http://www.bchousing.org/Whats_New/News_Releases_2001/news10280101.asp)  
(information about the Quay View project).

**OUR WEB SITE ADDRESS:** [www.cmhc.ca](http://www.cmhc.ca)

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