



City of Port Moody

Report/Recommendation to Council

Date: September 12, 2023
Submitted by: Community Development Department – Development Planning Division
Subject: Second Reading – Rezoning (CD89) – Coronation Park (Wesgroup Properties)

Purpose

To provide Council with a bylaw for consideration of second reading to rezone 59 lots in a portion of the Coronation Park Neighbourhood from Single Detached Residential (RS1) to Comprehensive Development Zone 89 (CD89) to allow a high-density mixed-use transit-oriented development.

Recommended Resolution(s)

THAT City of Port Moody Zoning Bylaw, 2018, No. 2937, Amendment Bylaw No. 79, 2023, No. 3407 (Coronation Park) (CD89) be read a second time as recommended in the report dated September 12, 2023, from the Community Development Department – Development Planning Division regarding Second Reading – Rezoning (CD89) – Coronation Park (Wesgroup Properties);

AND THAT Bylaw No. 3407 be referred to a Public Hearing;

AND THAT the Key Expectations set out in Inclusionary Zoning – Affordable Rental Units Corporate Policy (10-5080-2022-01) be waived for this rezoning application based on the Flexibility clause in the policy;

AND THAT the document titled “Coronation Park Term Sheet Outline (Draft)” (Attachment 5) be used as the basis for preparation of a development agreement setting out the applicant’s obligations as part of the redevelopment of the subject lands.

Executive Summary

Wesgroup Properties (Wesgroup) submitted a rezoning application in July 2022 for a portion of the Coronation Park neighbourhood to facilitate a high-density transit-oriented development (TOD) with a mix of residential, commercial, office, public park, childcare and civic uses. The rezoning application conforms with the Official Community Plan (OCP) and would be facilitated through a Comprehensive Development zone. Bylaw No. 3407 (**Attachment 1**) was given first reading by Council on May 23, 2023. Council resolved at that time that a number of topics be addressed prior to Council consideration of second reading of the bylaw. Those topics have now

been addressed and the bylaw is presented to Council with a recommendation of second reading and referral to public hearing.

Background

The OCP was amended by the City in 2017 to designate the Coronation Park Neighbourhood as “Mixed Use – Inlet Centre” to allow high density mixed-use transit-oriented development. Wesgroup applied in July 2020 to further amend the OCP for a portion of the neighbourhood, which includes 59 single detached residential lots. That OCP amendment was approved by Council in April 2022.

Wesgroup applied in July 2022 to rezone all 59 single detached residential lots based on the OCP policies adopted in April 2022. An Application Fact Sheet is provided as **Attachment 2**.

Council gave first reading to Bylaw No. 3407 at its meeting on May 23, 2023. Council also resolved the following at that meeting:

RC23/117

THAT prior to consideration of second reading of Bylaw No. 3407, the following items be completed to the satisfaction of Council:

- the independent financial review of the application being undertaken for the City to determine if the Key Expectations set out in Inclusionary Zoning - Affordable Rental Units Corporate Policy (2022-01) should be waived, as the applicant has requested, based on the Flexibility clause in the policy;
- the detailed design guidelines for the entire development;
- the pedestrian overpass design, funding and timing;
- a Transportation Demand Management package in support of the applicant's requested reduction in residential parking spaces and the applicant's commitment to required off-site street and traffic improvements, including the Barnet Highway/loco Road and Murray Street/loco Road intersections;

AND THAT prior to consideration of second reading of Bylaw No. 3407, a term sheet be prepared and presented to Council, which will form the basis for a development agreement, setting out the applicant's obligations as part of the redevelopment of the subject lands, including the details of public amenity contributions and timing;

AND THAT, when developing the landscaping plan at the Development Permit stage, urban heat island mitigation, such as tree canopy, be addressed;

AND THAT staff review the proposed bedroom distribution and report back at second reading on any suggested changes that could better meet housing needs per our housing needs report;

AND THAT the development prioritize locating larger units on lower floors to support greater affordability of these units.

Discussion

Inclusionary Zoning - Affordable Rental Units Corporate Policy

Wesgroup's proposal does not meet the stated policy requirement that 15% of the residential Floor Area Ratio (FAR) be for below-market rental housing. However, the policy includes provisions for flexibility to be given where the proposal includes other community benefits. The policy also allows for a financial analysis to be conducted for a proposed development to determine the appropriate amount of affordable housing to be included.

Wesgroup submitted a financial analysis report prepared by an independent consulting firm which concluded that the development cannot provide any below-market housing given project costs and other amenity contributions and doing so would make the project financially unfeasible. The report also concluded that in order to provide 15% below-market housing significantly more residential density would need to be added to the site to offset the cost. The current OCP policies for Coronation Park do not allow additional residential density beyond what has been applied for in this rezoning submission.

The financial analysis submitted by Wesgroup was reviewed for the City by a separate consulting firm with extensive experience in real estate finance. The firm reached the same conclusion as the analysis submitted by Wesgroup, which is that the project cannot bear the costs of providing an affordable housing component under the current maximum allowable residential density.

Staff are therefore recommending that the Key Expectations set out in Inclusionary Zoning - Affordable Rental Units Corporate Policy (10-5080-2022-01) be waived based on the Flexibility clause in the policy.

Detailed Design Guidelines

Per OCP policy for Development Permit Area 3 (Inlet Centre), site specific design guidelines are to be established by developers at the time of rezoning. Wesgroup has submitted a comprehensive set of design guidelines that are currently being reviewed by staff. The table of contents for the draft guidelines are attached to demonstrate the range of topics addressed (**Attachment 3**). These guidelines are progressing through the review process and will be finalized as one of the conditions of fourth reading of the rezoning bylaw. If supported by Council at that time, the design guidelines will be adopted to supplement the DPA guidelines that are in the OCP.

Pedestrian Overpass

The pedestrian overpass design has significantly advanced from what was presented to Council at the time of first reading of the rezoning bylaw. Refinement of the design continues, but staff believe that what is now being contemplated is relatively close to the final design in terms of the overpass alignment and structural engineering elements (**Attachment 4**). The key outstanding issue is the width of the overpass. Staff identified that to achieve the active transportation goal and meet the British Columbia Active Transportation guidelines ideally it should be 5.5m (18 ft) wide given that it is intended to provide separated pathways for pedestrians and cyclists. However, the cost of the overpass increases as the width increases and ultimately it may need to be somewhat narrower (e.g., 4 m / 13 ft), depending on the City's ability to secure additional funding for the overpass, per the discussion below.

As seen in **Attachment 4**, there are options for the City's consideration in terms of the railing design artistic elements, lighting features and other details. Decisions on what elements are preferred by the City can be made at the time of final design, which is at least several years away.

At present, Wesgroup is proposing that the overpass be constructed as part of Phase 3 of development when the public park is also constructed. Based on the pedestrian capacity at the loco Road intersection, staff requested the overpass be constructed as part of Phase 1 to facilitate the safe and efficient flow of pedestrian and cycling traffic across loco Road, but there are technical challenges, including grading, to doing so. The timing of the overpass delivery is still being explored with Wesgroup, but delivery of this amenity as early as possible and feasible is the City expectation. Staff have requested further analysis on delivering the overpass as part of Phase 2. The final overpass delivery timing will be included in the development agreement.

Wesgroup has committed \$6.0 million (plus CPI) to the construction of the overpass. Costing is still being refined, but it is anticipated that the cost of the overpass will be significantly higher than \$6.0 million. City staff are exploring ways in which additional funding can be secured to ensure that this important piece of public infrastructure is constructed. Examples include adding it to the capital works program as part of the City's Development Cost Charge Bylaw (which is scheduled to be updated in 2024), latecomer contributions from other proposed developments in the area (e.g., the remainder of the Coronation Park neighbourhood), and senior government infrastructure funding assistance programs.

Transportation Demand Management

Wesgroup has prepared a Transportation Demand Management (TDM) plan in support of its proposed reduction of about 6% in the number of residential parking stalls, from the Zoning Bylaw requirement of 3,011 stalls to 2,845 stalls, a difference of 266 stalls.

In summary, the draft TDM plan, which is subject to possible further minor refinement, includes the following:

- On-site wayfinding;
- Car share parking;
- Preferential location for bicycle parking (residents and employees);
- Secure bicycle parking for all residents;
- Visitor bicycle parking;
- Enhanced transit shelters; and
- A comprehensive communications strategy to inform residents on alternative modes of transportation.

Given that vehicle trip generation for the site is based on having effective TDM measures, the most efficient means to gauge the TDM plan will be to undertake vehicle counts for the residential component of the development over time. As each phase is constructed and occupied, peak period vehicle traffic volume counts will be undertaken. Upon completion of the monitoring conducted at the end of the build-out of each phase, the TDM measures will be evaluated by the City and Wesgroup to determine their effectiveness and the measures will be adjusted as deemed necessary.

Term Sheet

A term sheet (**Attachment 5**) has been drafted that sets out Wesgroup's amenity contributions and other obligations as part of the proposed development. This term sheet will form the basis for the preparation of a development agreement that will be registered on title for the subject lands as one of the conditions of fourth reading of the rezoning bylaw.

In summary, Wesgroup's obligations are as follows:

Obligation	Value / Comments
Community Amenity Contributions , per City's corporate policy	Wesgroup to contribute approximately \$8.1 million
Overpass – Phase 2 or 3	Wesgroup to contribute \$6.0 million, plus CPI*
Public Park (1ha / 2.52ac) – Phase 3	At Wesgroup's cost (currently estimated at \$8.9 million) Partial DCC credit to be granted to Wesgroup by City for community level park elements (elements to be determined)
Other Open Space – public right-of-way over a minimum of 0.6ha (1.5ac) of private lands adjacent to park – Phases 1 to 4	At Wesgroup's cost (currently estimated at \$3.5 million)
Intersection improvements - Barnet Highway & Ioco Road - Ioco Road & Murray Street/Guildford Way study on intersection planning and detailed design - Balmoral Drive & Guildford Way	- Wesgroup to contribute \$648,845, plus CPI - Wesgroup to contribute \$100,000, plus CPI, towards study - At Wesgroup's cost (currently estimated at \$1.5 million)
Rental Housing – about 101 units, of which 10% allocated to seniors (age 55+) – Phase 2	At Wesgroup's cost
Civic Facility – 186m ² (2,002ft ²) – Phase 4	At Wesgroup's cost (currently estimated at \$1.7 million)
Public Art	Wesgroup to contribute \$4.8 million, plus CPI (distribution of this contribution to be determined)
Step Code – City's BC Energy Step Code Rezoning Applications Corporate Policy	Wesgroup will comply with the policy, which exceeds BC Building Code requirements
Detailed Design Guidelines – to be adopted as City Corporate Policy	Wesgroup to prepare guidelines
Transportation Demand Management (TDM) Plan	Wesgroup to commit to TDM plan

* CPI refers to Consumer Price Index for Vancouver, with 2023 as the base year

In addition to the obligations set out in the term sheet, Wesgroup will also be required to pay DCCs, per the City's Development Charges Bylaw. Based on the current bylaw, these DCCs are estimated at about \$25.6 million, of which \$22.8 million (89%) is parkland acquisition DCCs that can be used by the City to acquire parkland elsewhere in the community. However, as noted, a DCC credit is proposed to be granted by the City to Wesgroup for certain community

level elements of the public park, which will be designed and constructed by Wesgroup at its cost. The elements that will qualify are still being determined by staff and will be included in the development agreement for Council's consideration.

Heat Island Mitigation

Council expressed a desire to ensure that urban heat island mitigation, such as tree canopy, be addressed, when developing landscaping plans at the development permit stage. Heat island mitigation is being addressed as part of the detailed design guidelines that includes the landscaping concept plans, including tree planting, for the entire site. It is also noted that actions such as removal of the internal road network, the planned one hectare (2.52 acre) central park, and the City's Step Code requirements will also contribute to heat island mitigation.

Road Network

As previously reported, all the existing road within the proposed development parcel will be removed and incorporated into the development. These roads will be disposed of as per legislative requirements.

Bedroom Distribution

The City's Family Friendly Units Policy requires a minimum of 20% two-bedroom units and 10% three or more bedroom units. Wesgroup has committed to exceeding these minimums and, for the development overall, the CD 89 zone requires a minimum of 30% two-bedroom units and 12% three or more bedroom units. This aligns with the City's desire to create more family-friendly housing as part of new developments, including in the Coronation Park neighbourhood.

The number of two and three-bedroom units delivered is an overall site requirement. The distribution between the buildings will be determined through the development permits. The full development will provide the share of two and three or more bedroom units noted above.

Council directed that staff review this proposed bedroom distribution and report back at second reading on any suggested changes that could better meet housing needs per the City's housing needs report. Staff have concluded that what is being proposed is generally consistent with the community's needs in terms of providing a mix of unit sizes.¹ No changes to the bedroom mix set out in the CD 89 zone are therefore recommended.

Larger Units on Lower Floors

Council directed that the development prioritize locating larger units on lower floors to support greater affordability of these units. This is being addressed as part of the detailed design guidelines, although it is unlikely that all of the larger units can be placed on lower floors given space requirements and building structure design constraints. The design guidelines will direct that particular attention be paid to, where possible, placing larger units on lower floors adjacent to the public park.

¹ The *Housing Action Plan* targets for 31% two-bedroom and 18% three-bedroom units.

Other Option(s)

Staff are satisfied that all of Council's resolutions as part of first reading of Bylaw No. 3407 have been addressed and recommend second reading of the bylaw (**Attachment 1**) and referral to Public Hearing. Alternative resolutions are as follows:

1. THAT the applicant be advised to consider the following items and that a revised Bylaw No. 3407 be brought back for Council consideration of second reading:

>insert items<

2. THAT Council receive the report dated September 12, 2023, from the Community Development Department regarding Second Reading – Rezoning (CD89) – Coronation Park (Wesgroup Properties) and not give second reading to Bylaw No. 3407.

Financial Implications

There are no immediate financial implications associated with the recommendation in this report. An amenity package that includes substantial financial and in-kind contributions to the City has generally been agreed upon between the City and Wesgroup. However, as noted in the Term Sheet summary table above, for some of the infrastructure improvements, the applicant is paying a portion of the costs. Funding of the remaining costs is to be determined and is anticipated to be paid with a combination of grants, DCCs, capital funding, and other contributions.

Communications and Civic Engagement Initiatives

Notification signs informing the public of the rezoning application have been placed on the subject site in accordance with City of Port Moody Development Approval Procedures Bylaw, 2023, No. 3417.

Developer Public Information Meeting

On April 5, 2023, Wesgroup held two open house sessions to update the community on the development application. The first session occurred online via a Zoom webinar, while the second session occurred in person. A total of 105 people participated in the sessions, 49 participants during the online open house and 56 participants during the in-person session. While there were some concerns on issues such as traffic and parking, the overall mood of the sessions was positive.

Engage Port Moody

This rezoning application is posted on Engage Port Moody, the City's online public engagement hub.

From November 9, 2022, to August 23, 2023:

- 37 engaged participants contributed to one or more feedback tools on the project.
- 321 informed participants visited multiple project pages, contributed to a tool, or downloaded documents.
- 744 aware visitors viewed the project page.

The overall feedback showed that 25 participants supported the project, nine opposed it, and five had mixed opinions.

Key themes in support of the project included that this is an appropriate location for higher density development given proximity to the Inlet Centre SkyTrain station, it delivers more housing for the community, it includes commercial space, and it includes a large public park. Concerns included that it is too dense, there is a need for more rental housing (market and below-market), there will be traffic impacts, and trees will be removed. Further details are contained in **Attachment 6**.

The comment card on Engage Port Moody will remain open for public input until the application is referred to Public Hearing.

Public Hearing

If the proposed rezoning proceeds through second reading of the bylaw, the public will have a final opportunity to comment at the Public Hearing, for which notification will be provided in accordance with Development Approval Procedures Bylaw, 2023, No. 3417.

Council Strategic Plan Objectives

The proposed rezoning aligns with the following Strategic Plan objectives:

- Prioritize transit-oriented development and diverse and equitable housing options.
- Improve neighbourhood connections and identify unique neighbourhood needs, including commercial/retail services.
- Implement best practices that result in growth that is consistent with community needs.
- Embrace a multi-modal approach for mobility.
- Provide safe and comfortable transportation options for all ages and abilities.
- Strategically plan for the City's transportation networks.
- Provide recreation services and access to indoor and outdoor amenities for all ages and abilities.
- Increase, expand and enhance urban parks.
- Optimize park-user experiences.
- Focus on growth of priority business areas.

Attachments

1. Draft City of Port Moody Zoning Bylaw, 2018, No. 2937, Amendment Bylaw No. 79, 2023, No. 3407.
2. Application Fact Sheet – Coronation Park.
3. Coronation Park Design Guidelines (Draft) – Table of Contents.
4. Coronation Park Pedestrian Overpass Design (Draft).
5. Coronation Park Term Sheet Outline (Draft).
6. Engage Port Moody Summary Report – Coronation Park.

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Report Approval Details

Document Title:	Second Reading – Rezoning (CD89) – Coronation Park (Wesgroup Properties).docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 - Draft City of Port Moody Zoning Bylaw, 2018, No. 2937, Amendment Bylaw No. 79, 2023, No. 3407.pdf- Attachment 2 - Application Fact Sheet - Coronation Park.pdf- Attachment 3 - Coronation Park Design Guidelines (Draft) - Table of Contents.pdf- Attachment 4 - Coronation Park Pedestrian Overpass Design (Draft).pdf- Attachment 5 - Coronation Park Term Sheet Outline (Draft).pdf- Attachment 6 - Engage Port Moody Summary Report – Coronation Park.pdf
Final Approval Date:	Sep 6, 2023

This report and all of its attachments were approved and signed as outlined below:

Kate Zanon, General Manager of Community Development - Sep 1, 2023 - 12:09 PM

Tracey Takahashi, Deputy Corporate Officer, for Stephanie Lam, City Clerk and Manager of Legislative Services - Sep 1, 2023 - 1:54 PM

Lindsay Todd, Manager of Communications and Engagement - Sep 4, 2023 - 2:17 PM

Paul Rockwood, General Manager of Finance and Technology - Sep 4, 2023 - 4:58 PM

Kate Zanon, General Manager of Community Development, for Tim Savoie, City Manager - Sep 6, 2023 - 4:26 PM