

VanRIMS No.: 01-9000-20

## MEMORANDUM

February 23, 2015

TO: Mayor and Council

CC: Penny Ballem, City Manager  
Sadhu Johnston, Deputy City Manager  
Janice MacKenzie, City Clerk  
Lynda Graves, Manager, Administration Services, City Manager's Office  
Rena Kendall-Craden, Director, Communications  
Mike Magee, Chief of Staff, Mayor's Office  
Kevin Quinlan, Director, Policy and Communications, Mayor's Office  
Brenda Proskan, General Manager, Community Services  
Richard Newirth, Managing Director, Cultural Services  
Anita Molaro, Assistant Director of Planning, Urban Design  
Marco D'Agostini, Senior Heritage Planner

FROM: Brian J. Jackson, General Manager, Planning and Development Services

SUBJECT: Hollywood Theatre and St. James Community Square - Updates

Dear Mayor and Council,

This memo was prepared to inform Council about the current status of these two sites in Kitsilano.

### Hollywood Theatre

In the latter part of 2014 an informal proposal to rehabilitate the Hollywood Theater to accommodate a new church use was submitted to city staff. It proposed to retain and rehabilitate the principal façade including the marquee and the signage. In the proposal the interior of the church would be extensively altered through removal of the raked (sloped) floor, the stage area would be reconfigured to accommodate garbage/recycling area, a new below grade floor would be created and new partial addition on top of the building to accommodate administrative space would be constructed. The church group proposed to offer, on a limited basis, the building for community use. Finally, the proposal included a request for a heritage density amenity transfer.

- Staff supported the effort to retain the building but noted there were a number of challenges, including:
  - the degree of alteration to the interior;
  - the need to increase the amount of time available for community use and that it permit non-religious programming and activities by local non-profit organizations;
  - the amenity density transfer is not permitted under existing Council policy, parking and loading.

In summary, while the retention and rehabilitation are supported, a number of major issues requiring to be resolved were identified.

- In early 2105, the church group decided to no longer pursue the proposal.

The Save the Hollywood Theatre Coalition is an advocacy group which has been seeking to rehabilitate the Hollywood as a community-based arts and culture facility. The Coalition has recently approached several Councillors and has written emails requesting information and support from the City. Staff met with Coalition representatives on several occasions last year and have responded to their requests via phone. In these discussions staff have confirmed the availability of incentives in the form of development options, including potential relaxations to regulations and a possible density transfer to the neighbouring site through a Heritage Revitalization Agreement.

The Coalition has specifically requested information about a variety of financial tools. Staff responded as follows:

- *Can the City provide a property tax exemption for a lease holder of a property?*

The owner of a designated heritage property in the Downtown Eastside can be eligible for property tax exemptions; however, the Hollywood Theater is not located in an area where such an incentive is available. A leased property cannot be exempted from property tax, and, in 2009, Council adopted a policy not to grant permissive property tax exemptions to non-profit charities that own their building, but to have any support towards this relief in the form of a grant approved by Council.

- *Can the City provide a loan guarantee to assist with financing the purchase?*

Although this was a recommendation from Artscape, our consultant, who developed the Cultural Facilities Priorities Plan, the Vancouver Charter prohibits loan guarantees.

- *Can the City provide a time limited property tax exemption for developers offering long term leases to not-for-profits arts and cultural organizations? Or What if we get a one year lease with option to buy?*

As noted above, this is counter to the Vancouver Charter provisions.

- *Can the City receive our first donations (and issue tax receipts) if we start fundraising before we get Charitable status?*

This cannot be considered as it contravenes federal tax law.

- *Can the City help us with a co-fundraising effort once we get an agreement with the owner?*

The City has on occasion issued letters of support to higher levels of government when an organization is seeking funding from either the Province, Federal Government or both. This is the only avenue of fundraising support that can be provided by the City.

The Coalition also requested clarification on the range of permissible uses that can be considered under *Theatre* use. The License By-law defines theatre use as a building or premises used or intended to be used for the purposes of theatrical, operatic, or dramatic performances, vaudeville or similar exhibitions, or for the projection or display of moving pictures.

Staff have indicated that modest alterations to accommodate new uses could be considered in order to be consistent with the encroachment agreement. Previous application to convert the theatre to a gym and the proposal to convert it to a church were considered to be extensive alterations.

At present, neither the current owner nor any potential new lessee has not contacted staff to discuss a new proposal/use for this site.

### St. James Community Square

St James Community Square (church) in Kits is a well-used and much loved community facility and it is currently for sale. Should the site transfer to a new owner, it is possible that the existing non-profit community program will lose access to the space.

St. James Community Square Society currently runs the site and are exploring options to buy the site.

#### Current Community Use:

- 12 cultural groups consistently use the space for rehearsals, performances, office space and more
- 200 hours of community per month (estimate)
- 5000 participants per month (estimate)
- Numerous small promoters and artists utilizing the space on an ad hoc basis for fund raising and special events
- Seasonal visual arts programs, classes, rehearsals and auditions booked by the arts community

#### Site Overview:

- Address: 3214 W 10th Ave
- Neighbourhood: Kits
- Primary Use: Theatre/Performance
- Ownership: Church
- Size: 4000 sq. feet
- Website : [www.sjcommunitysquare.org](http://www.sjcommunitysquare.org)

- There are no religious services offered at this facility
- Rezoning potential is limited (expansion of institutional uses, social housing, with heritage retention) and any rezoning would need to create enough value to compete with the high property value of six RS-5 lots, the current zoning being RS-5.

Should you have any questions, please contact myself or Marco D'Agostini, Senior Heritage Planner, at 604-873-7172 or [marco.dagostini@vancouver.ca](mailto:marco.dagostini@vancouver.ca).

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BJ/md