

Circulated by the office of the City Clerk for information to the Mayor, Councillors, City Manager and referred to the Director of City Plans for a response. File#1755 Oct 7, 2003 bss
writer ack

INTRACORP
DEVELOPMENTS LTD.

ACKNOWLEDGED

OCT 10 2003

October 6, 2003

VIA COURIER

Mayor Campbell & Council
City of Vancouver
457 West 12th Avenue
Vancouver, BC
V5Y 1V4

Attention: Mayor Campbell & Council

Dear Mayor Campbell & Council:

Re: Financing Growth – Request to Reconsider February 1, 2004 Implementation Date for New Rates for the Vancouver Development Cost Levy

We request Council reconsider the very short implementation timeline for the new Development Cost Levy (DCL) rates. Intracorp purchased property in the City of Vancouver in early 2003 with the understanding that anticipated changes in DCL rates would be made 12 months following adoption of the bylaws by Council. We felt the 12 month grace period was reasonable because a developer would be able to process most applications fully within the 12 month grace period.

The unexpected change to the implementation date to February 1, 2004 is unreasonable and unfair to applicants with major projects in process. We are requesting that Council change the date of implementation for new DCL rates from February 1, 2004 to that of June 24, 2004. This date would be consistent with the Staff recommendation to "provide a grace period of one year from approval of these recommendations before DCL rate increases come into effect".

We sincerely want to work with Staff and Council to continue to build a vibrant and extraordinary city. It is in this spirit of cooperation, we request that Council make June 24, 2004 the effective date for new DCL rates.

Yours truly,
INTRACORP DEVELOPMENTS LTD.


Don Forsgren
Senior Vice President

cc. Joe Houssian

© 2003 Intracorp Developments Ltd. All rights reserved.





THIRD FLOOR • 717 WEST PENDER STREET
VANCOUVER • BRITISH COLUMBIA • CANADA V6C 1G9

TELEPHONE 604/669-9585 FACSIMILE 604/689-8691
E-MAIL menscr@udi.org WEBSITE www.udi.bc.ca

Circulated by the office of the City Clerk for information to the Mayor, Councillors,
City Manager, General Manager of Community Services and Director of City Plans for a response.
File#1755Oct 15, 2003 bss writer ack

ACKNOWLEDGED

OCT 15 2003

October 14, 2003

Mayor Campbell & Members of Council
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Dear Mayor & Members of Council:

**Re: Financing Growth – Request for reconsideration of February 1, 2004
implementation date for New Rates for the Vancouver Development Cost
Levy**

The Urban Development Institute and its members, many of whom are very active in the City of Vancouver, are eager to work with the elected officials and staff towards the goal of making our great City an even better place in which to work and live.

We regard ourselves as partners in community building, both in terms of helping to shape the City's vision for the future, and in implementing that vision.

A significant part of the vision is ensuring that collectively we are able to provide much needed housing for our residents and at a price that is affordable for the average family. The supply of land has become a serious challenge, particularly with respect to multi-family housing. Overall, the price of housing in Vancouver is rising dramatically, in most part due to the escalating cost of land, labour and material.

However, municipal fees and charges are also significantly impacting the end price of a home. Clearly we appreciate the pressures on the City of Vancouver to provide services and infrastructure for a growing population and understand the desire to keep tax rates low. We know that the provision of infrastructure, parks and amenities is expensive and we are willing to fairly contribute to the associated costs.

Although we believe the recently approved Development Cost Levy of \$6.00/square foot for multi-family residential will have the unintended consequence of increasing the cost of housing and will undermine our mutual goal of creating affordable housing for the residents of our City, our specific concern here relates to the very short implementation timeline for the new Development Cost Levy (DCL) rates.

The requirement that both development permit and building permit approvals be achieved before the new DCL rates take effect February 1, 2004 will mean that many projects currently working their way through the approval process will not receive building permit approval by that date and will therefore be adversely impacted by these additional cost pressures.

The typical time frame of the development permit and building permit approval process can often take well take over a year, and even longer in the case of contentious or major developments. For example, for any development which is located in an area covered by an official development plan, or is deemed by the Planning Department to have a significant impact on its surroundings, the process is complex, detailed and drawn out.

In summary, the spiraling costs of land, labour and building materials is already undermining the ability to accurately calculate proforma costs. The prospect of now having to accommodate substantially higher DCL rates due to the February 1, 2004 timeline for implementation will significantly increase the risks and costs of projects. Accordingly, we are requesting that Council change the date of implementation for the new DCL rates from February 1, 2004 to that of June 24, 2004. This date would be consistent with the staff recommendation to, "provide a grace period of one year from approval of these recommendations before DCL rate increases come into effect."

The development industry sincerely wants to work as a partner in community building with the City of Vancouver. It is in this spirit of partnership and in our mutual goal of creating affordable housing for the residents of our city that we respectfully request that Council make June 24, 2004 the effective date for new DCL rates.

Your consideration is greatly appreciated.

Yours truly,



Ward S. McAllister
President
Urban Development Institute



October 23, 2003

ACKNOWLEDGED

Vancouver City Hall
453 West 12th Avenue
Vancouver, BC
V5Y 1V4

NOV 17 2003

Attention: Mayor Larry W. Campbell and Council

Re: Proposed Development Cost Levy (D.C.L.) increase

Dear Mayor Campbell and Councillors:

We are writing to voice our concern regarding the proposed increase to the City-wide Development Cost Levy to become effective February 1, 2004. Our company, as a result of being the “guinea pigs” for the new process for higher buildings in the Downtown, is being caught by the shortened timeline for implementation of the proposed increase.

The shortened implementation horizon of the increased D.C.L. impacts our proposed development at 550 Bute Street, occurring mid-stream through the project. This project is the single largest undertaking in our company’s 35-year history in Greater Vancouver. The development will comprise a 42-storey apartment tower and 12-storey hotel located at the northeast corner of Bute and Melville Streets in the Coal Harbour area of Downtown Vancouver.

Our site was one of the handful of sites that was identified as being suitable for an “overheight” building. In this case, this meant that we would be allowed to build to 400 feet rather than the regular 300-foot maximum, in exchange for meeting certain requirements imposed by the Planning Department to “earn” the height. The key requirement was the formation of a special Higher Buildings Advisory Panel that would scrutinize the architecture, with the benchmark being that the building be a landmark of “highest excellence in world terms”. This significantly raised bar for design would naturally entail a longer approvals process. It will, however, result in a building that meets the desire of the Planning Department to have a new landmark on the skyline that is several steps above the norm for a new Downtown residential highrise. Our instructions from Planning staff early on were that significantly higher-cost materials would be required for the exterior of the building than would normally be provided in such a development.

The critical decision to proceed with a 400-foot tower was made in April 2002, prior to the commencement of design drawings. We anticipated that certain additional costs would be reflected by this decision, including a requirement for significantly higher-cost exterior materials than would normally be utilized in this location and the time cost of the

additional process that would be required. What was not anticipated was the increase in the D.C.L. as a result of this lengthened process. It was anticipated that Council would follow staff's recommendation (and the historical precedent) of a one-year implementation horizon and hence our project would come in "under the wire" notwithstanding the expected longer approval time.

In addition to providing the City with its landmark of "highest architectural excellence in world terms", we are providing the City with a social amenity space in the form of a permanent home for Volunteer Vancouver on the ground floor of the project. At the same time, we are providing housing opportunities for purchasers across the social spectrum, with many homes priced under \$200,000 (in contrast with other projects in this neighbourhood which cater exclusively to the uppermost end of the market). The increased scale of the project will create thousands of extra man-hours of employment, at a time when construction costs have increased some 40% over last year's prices due to a shortage of labour.

The project will comprise a Gross Floor Area (G.F.A) of 313,713 sq.ft. The proposed D.C.L. increase of \$3.50 per sq.ft. will increase our project costs by some \$1,100,000.

A brief history of this project is presented as follows:

- February, 2002: City of Vancouver introduces Special Review Process for Higher Buildings in the Downtown, which outlines the creation of the Higher Buildings Advisory Panel for developments on City-identified sites which significantly exceed the maximum height that would otherwise be permitted (in the case of 550 Bute Street, 300 feet). This Panel specifies that the project's architecture must achieve a standard of "highest excellence in world terms".
- April, 2002: Amacon decides that, notwithstanding the lengthened planning process, significantly increased construction cost and unspecific criteria represented by the phrase "highest architectural excellence in world terms", the site merits a landmark building and hence Amacon will pursue the development of a 400-foot tower.
- April-October, 2002: Design of 550 Bute Street tower; submission of Preliminary Application drawings under DE407110 to City October 24, 2002.
- December 11, 2002: Urban Design Panel, unanimous support for design (8-0).
- February 17, 2003: Development Permit Board, Approval in Principle with conditions.
- March-July, 2003: Meetings with Planning Staff and neighbours to discuss design response to conditions; production of revised design for Complete Application. Submission of Complete Application drawings to City July 18, 2002.

June 24, 2003: Decision by Council to implement increased D.C.L. February 1, 2004.

September 4, 2003: Higher Buildings Advisory Panel review, non-support (16-0).

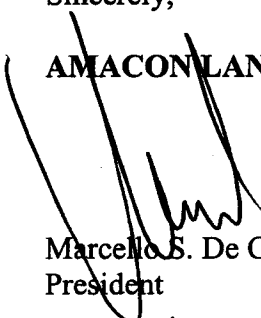
As a result of this extended process, we are currently in the process of producing revised drawings for resubmission to the City. We anticipate appearing before the Higher Buildings Advisory Panel in November, Council in January and the Development Permit Board in February. We will be unable to achieve our Building Permit before February 1st, 2004.

Ours is the first project to proceed under a Development Permit application through the Higher Buildings review policy; as per Planning Staff we are the "guinea pigs". In the future, it is anticipated that Development Applications will move through the Higher Buildings Advisory Panel at an earlier stage than we did. Had we appeared before the Panel at the Preliminary Application stage would likely have saved us one redesign and hence sped the entire process up by six months.

Amacon has throughout its 35-year history been committed to developing quality homes in Greater Vancouver and would like to continue to be active in the City. Amacon furthermore has established a good rapport and relationship with City staff as being a developer who is interested in helping the City achieve its planning and social goals. This imposition of a tax mid-stream in one of our projects, most particularly one whereby if we had taken the easy route of a 300-foot tower we would have achieved all the necessary approvals and would not have been subject to the increased levy, sends a very negative message to anyone looking to do business and create employment in the City. We respectfully ask that Council reconsider the date of implementation of the increased D.C.L. and restore the implementation date to reflect staff's proposed one-year phase-in period, or, that we be grandfathered given the extended process that we have had to participate in.

Sincerely,

AMACONLAND CORPORATION


Marcello S. De Cotiis
President

cc.: ✓ Larry Beasley, Director of Planning
Cameron Thorne, Urban Development Institute