



PCI DEVELOPMENTS CORP.

1700 - 1030 West Georgia Street
Vancouver, BC
Canada V6E 2Y3

604 684 1151 tel
604 688 2328 fax
www.pci-group.com

September 18, 2017

Mayor and Council
City of Vancouver
453 W 12th Avenue
Vancouver, BC
V5Y 1V4

Dear Mayor Robertson and Members of Vancouver City Council,

RE: Public Hearing – September 19th, 2017
Item No. 6 – False Creek Flats Plan Implementation

PCI and our partner Low Tide Properties are owners of several properties along Great Northern Way including the building adjacent to Emily Carr at 565 Great Northern Way.

Further to our active participation in False Creek Flats Planning process and May 16th submission to Mayor and Council as enclosed for reference, we have accepted the City's chosen direction and will support its implementation. However, we want to draw your attention to a problematic issue in draft zoning as it relates to prescribed uses.

Overall we (and many others) are disappointed in the lost opportunity to create a vibrant mix of uses in this area that appropriately appeal to innovation industries as frequently referenced in False Creek Flats planning - technology, digital media, design and data businesses for example. The area has great potential to support jobs critical to innovation industries given its educational, transit and location attributes.

However a mix of uses is needed, including retail, restaurants, entertainment and residential, particularly rental housing. We have consistently heard from prospective businesses considering locating to the area that these important features are critical to them within a complete community. In our view the plan as now proposed fails to facilitate this.

Our comments are specific to the Creative Campus area and specifically our property at 901 Great Northern Way which is identified as I-3 sub area A. Regarding the proposed amendments to the I-3 schedule:

- The adjacent properties to the west are zoned CD-1 with broader and for the most part more appropriate uses.

PCI

- The ground floor uses permitted in revised I-3 zoning applicable to 901 Great Northern Way should be broader to encourage a vibrant neighborhood with adequate and interesting goods and services for workers.
- Contrasting to prevailing past feedback to City staff and Council, the proposed I-3 schedule offers no retail and only would allow for a small, 16 seat coffee shop as a conditional use. Such small scale retail is not adequate to support City's ambitions for this neighborhood, and lack of retail amenities will ultimately preclude its growth.
- Office job uses are similarly restricted, with only outright office uses permitted being Digital Entertainment and Information Communication Technology.

In a rapidly changing world do not try to describe uses. We suggest past zoning efforts that did this with restrictions for "bio tech uses" & "chip manufacturing" quickly became outmoded. The positive and continuing transformation of Great Northern Way clearly exemplifies this with demand by "vision aligned" tenants at our 565 Great Northern Way property, including fashion designers, apparel companies, corporate office and shared office users. They are attracted to features previously noted, but would not suit proposed restricted office zoning.

Are current/planned Great Northern Way residents such as lululemon, Kit & Ace, MEC or Nature's Path jobs not innovative, important and relevant? How would precluding them from locating to this area support Vancouver's innovation economy?

Similarly, a traditional business seeking to locate their IT department to the area to advance its internet of things software innovation could be precluded by the company name on their lease. With restrictive zoning, what is threshold to qualify when clerical & corporate functions are also included with IT?

Remove need for clarification by permitting general office. The issue should be about creating job space and the market will fill it with the uses dictated by the economy. Restrictions on office uses would serve to limit the area's growth, not facilitate it.

This would be consistent with other portions of Great Northern Way moving west from 887 Great Northern Way (former QLT Building) within CD-1 zoning.

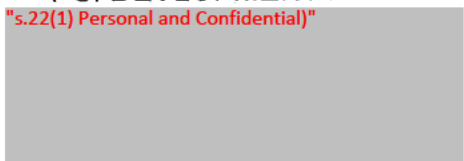
PCI

We therefore request the following amendments to the proposed bylaw:

- Appendix B, Section 2.2.0 - Outright office use be amended to include office uses permitted in the conditional section 3.2.0, specifically:
 - "general office, but not including the offices of accountants, lawyers and notary publics nor offices of real estate, advertising, insurance, travel and ticket agencies
 - Health Care office but only in sub area A as showing figure 1"
- Appendix B, Section 2.2 – add to outright uses "retail uses in conjunction with office tenants, Food and Beverage (quick serve through to full service and pub), grocery and convenience (drug store) uses"
- Appendix B, Section 3.2R - conditional uses to include "Retail".

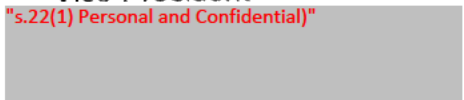
Yours truly,
PCI DEVELOPMENTS CORP.

"s.22(1) Personal and Confidential"



Tim Grant
Vice President

"s.22(1) Personal and Confidential"





PCI DEVELOPMENTS CORP.

1700 - 1030 West Georgia Street
Vancouver, BC
Canada V6E 2Y3

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May 16, 2017

Mayor and Council
City Hall
City of Vancouver
453 W. 12th Avenue
Vancouver, British Columbia
V5Y 1V4

Dear Mayor Robertson and Members of Vancouver City Council,

Re: False Creek Flats Plan for Standing Committee on City Finance and Services of May 17, 2017

We are a landowner in the False Creek Flats, specifically portion of the "Creative Campus" on Great Northern Way. We currently have development underway at 565 Great Northern Way, which will be completed in spring 2018 with 170,000 SF of high quality, creative & innovation-oriented office space with ground floor retail and architecturally significant retail pavilion. Our development also includes completion of public realm for Emily Carr University of Art + Design, which we have worked closely with Emily Carr, the City and Great Northern Way Trust in designing & coordinating. Further, we are in process of planning to improve & add retail to existing office building we own at 887 Great Northern Way and have 4 future development sites that we are hopeful of being able to proceed on in near term. Along with our partner on these properties, Low Tide Properties, we share the City's vision for the Flats as outlined in section 6.1 of the False Creek Flats Draft Area Plan, and believe the largely undeveloped Great Northern Way node in particular provides a unique opportunity to support these objectives.

However, as we have conveyed throughout the Flats planning process, notably with enclosed recommended edits to previous draft plan on February 17, 2017, we are highly concerned and disappointed in the latest Flats plan. It will not support achieving the City's objectives, but rather restrict further development, squander a large land base in close proximity to downtown core well served by existing & future rapid transit and discourage expansion of innovation industries in the City.

In interim since we submitted our comments as enclosed, a Fortune Top 20 company tentatively selected Great Northern Way to pursue large expansion at 2nd Vancouver location to compliment its increasing presence in downtown Vancouver. Primarily based on the area's lack of proximate desirable retail & residential options for its staff, they declined to locate to GNW, but rather further expand their presence in increasingly tightening, more expensive downtown office market. Similar comments have been shared with us by other highly desirable innovation industry companies.

Our primary recommendations are summarized as follows:

- **Need for Complete Community** – efficient land use, particularly in close proximity to downtown core and leveraging of precious existing & future transit infrastructure demands complete communities, including office, retail, residential and community space. The plan as presented is woefully inadequate for viable retail and residential space in particular.

PCI

- **Undesirable for Innovation Businesses** – “9 to 5” isolated communities as presented in latest Flats Plan are not acceptable to innovation users that the City is seeking. In highly competitive marketplace for talent, these businesses are demanding locations desired by their staff in vibrant, complete communities with easy access to variety of interesting retail offerings, amenities and housing in close proximity to their workplace. These preferences are continuously evolving, and as such flexibility in land use needs to be provided for to adapt accordingly. By not seizing opportunity for such communities in the Flats, Vancouver would not have a suitable, lower cost alternative to the downtown core for these businesses and ultimately limit their growth in Vancouver and push them to pursue other cities exhibiting such characteristics.
- **Rental Housing Needed** – in context of Vancouver’s affordability crisis, access to rental housing in proximity to workplaces is a significant limiting factor for further expansion of innovation industries.
- **Restricted Office Uses** – as proven by unsuccessful “I-3 Zoning” restricted offices uses do not work. Office uses of all types need to be encouraged and allowed to grow organically with the local economy, not limited and prescribed.
- **Building Heights** – not adequate for community with 2 existing + 1 planned rapid transit stations, particularly at station nodes.
- **Ground Floor Industrial Not Viable on GNW** – ground floor industrial is not a viable use in mixed-use context on high pedestrian, cyclist and automobile traffic of Great Northern Way in close proximity to 3 rapid transit stations. Transition away from industrial use has already happened – this use is not compatible with Emily Carr University, Centre for Digital Media, our 565 & 887 GNW buildings, MEC and future Nature’s Path building. Ground floor industrial will preclude introduction of much needed retail on precious few remaining good retail locations.
- **Competitive Set** – the Flats is competing with world-leading urban neighborhoods for highly coveted innovation industries, South Lake Union (Seattle) and SoMa (San Francisco) being two examples that we’ve heard from prospective tenants. These municipalities have embraced appropriate transition from low job intensity & inefficient uses and supported vibrant, complete urban neighborhoods demanded by innovation industries. Vancouver has made great strides in attracting these users and several factors are lining up in our favour to further advance this pursuit. The False Creek Flats Plan needs to be a bold move to support expansion of our innovation industries – not hinder it.

We have actively participated throughout the False Creek Flats Planning process, including frequent meetings and correspondence with staff. We are disappointed that feedback from ourselves and other organizations actively engaged with desired users have not been considered. After an extensive process, we also believe it inappropriate that latest draft plan was posted on Thursday evening for presentation to Council on following Wednesday morning. We are unsure as to what the rush is, particularly with anticipated construction of rapid transit extension in near term. The Flats is a unique opportunity critical to Vancouver’s future – we need to get it right.

Sincerely,

PCI DEVELOPMENTS CORP.

"s.22(1) Personal and Confidential)"

Dan Turner, Executive Vice President

"s.22(1) Personal and Confidential)"

"s.22(1) Personal and Confidential)"

Tim Grant, Vice President

"s.22(1) Personal and Confidential)"

Bonnie Cheng

From: Tim Grant
Sent: February-19-17 3:40 PM
To: Dobson, Cory; falsecreekflats@vancouver.ca
Cc: Andrew Grant; Dan Turner; David Ferguson; Andrew Chang; Bragg, Ryan
Subject: False Creek Flats Plan Comments - PCI & Low Tide
Attachments: FCF Creative Campus - PCI & Low Tide Recommendations Feb17-17.pdf

Cory,

Thank you to you and your colleagues for your availability and efforts throughout the False Creek Flats planning process.

As you are aware, PCI and Low Tide in partnership own a number of properties on Great Northern Way. Over the next several years, it is our intention to redevelop and improve these properties to create successful, Innovation Economy job space along with associated public realm improvements, which aligns closely with our understanding of the City's objectives for this area. However, we are concerned and disappointed in the City's draft vision for this area as has been presented, which contemplates an isolated, restricted commercial use campus that our and the City's targeted innovation and creative users will simply not accept. Not to mention the limited consideration of anticipated transit extension, which as has been illustrated on existing rapid transit lines throughout our region needs to significantly influence land use planning.

Further to you and your group's discussions with several members of PCI & Low Tide teams throughout our active participation in False Creek Flats planning process, please see our summary comments attached. For simplicity, we have presented as a markup of the City's Creative Campus draft plan.

Exciting and important things for the community and City at large are happening on Great Northern Way. It is our hope that the City will recognize the adverse impacts its current draft plan would have on this area and revisit to support a complete community that will further stimulate its positive transformation, rather than halt it.

Please let us know if we can clarify or provide anything further. Thank you to you and your colleagues for your consideration of our feedback.

Regards,

Tim

Tim Grant, CPA, CA
VICE PRESIDENT

PCI

PCI DEVELOPMENTS CORP.

1700 – 1030 West Georgia Street, Vancouver, BC Canada V6E 2Y3

604 684 1151 tel | 604 331 5247 direct

778 568 7024 cell | 604 688 2328 fax

tgrant@pci-group.com

www.pci-group.com

FLATS PLAN URBAN DESIGN

CREATIVE CAMPUS



The Creative Campus, located in the south-western corner of the Flats is defined by the relocation of Emily Carr Art + Design University and the future Innovation Hub at the City-owned blocks at Main and Terminal. With distinct street grids and a unique mix of industrial, office, IT, and creative industries, this transit rich sub-area will be the new 'public face' of the Flats, the City's creative arts & culture centre, and will provide a point of convergence where new connections link amenity and public spaces in this new connected employment node, with primary focus on creating vibrant job space within a complete community preferred by innovation economy including creative, digital media and technology industries.

OVERVIEW OF ZONING APPROACH

Allow additional building heights and densities while encouraging general office, streetfront retail and desirable public spaces on High Streets of Main and Great Northern Way, while retaining appropriate light industrial uses in other areas. ~~the retention and reintroduction of light industrial uses at grade.~~ Introduce a variety of new uses that support complete communities preferred by the innovation economy and achieve public amenities. Seek new models of housing and ~~additional~~ including rental in locations where residential uses are allowed within regional policy. Emphasize transit stations both existing and proposed as nodes identified with a mix of uses accompanied by density and height to mark their location, notably within 150m of the station. This includes the future Thornton Station which is designated General Urban and VCC-Clark suitable to be re-designated to General Urban in City's discretion.

Encourage connections to adjacent neighbourhoods.

Extract from:

THE FLATS The Draft Plan
 #falsecreekflats Page 25

HEIGHT & DENSITY WITHIN THE CREATIVE CAMPUS

Increase heights and densities while seeking a flexible and diverse building typology. Avoid narrow use definitions and offer bonus for innovative design. ~~New-use introduced including Creative Products Manufacturing and Digital Entertainment and Information-Communication Technology (ICT) use based intensify employment for additional information.~~ Promote commercial uses to encourage organic, job-creating growth and redevelopment.

Residential will be considered within 150 meters of rapid transit station and above 5.0 FSR commercial outside. Convenience retail, including grocery, is encouraged to contribute to a complete community.

Height: ~~Retain outright maximum of 60 ft.~~ Introduce conditional to 150 ft. 250ft or more at transit stations and stepping down moving away from the stations.

Density: Retain outright maximum of 3.0 FSR, with conditional to 5.0 FSR commercial with potential additional residential density.

Conditional Requirements: Conditional heights and densities achieved through delivery of rental housing certain uses, as well as urban design considerations

Retain existing LC-3 zoning: General office and retail including grocery with allowance for additional height and density for delivery of rental or social housing

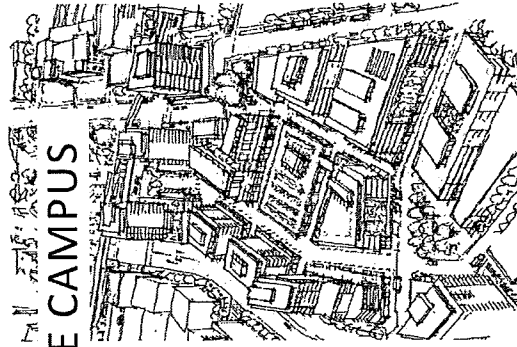
Height: Maintain outright maximum of 60 ft, conditional to 100 ft

Density: Outright maximum of 3.0 FSR, and introduce conditional to 4.0 FSR

Conditional Requirements: Conditional heights and densities achieved through delivery of rental or social housing, as well as urban design considerations.

Retain existing CD-1 with no change. Anticipated transit station warrants adaptation of existing CD-1 for complete community.

- Rental and student housing will be considered in support of proximate post-secondary institutions and innovation economy job space.
- General Office permitted.
- Arts & culture, daycare and public space amenities are desired.
- Convenience retail, including grocery, is encouraged.
- Internal Road alignment will be revisited, including pedestrian/cyclist overpass on Thornton Street to Industrial Avenue and extension of East 1st Avenue.
- Improved connections north and south.



PROPOSED LAND USES

Life Sciences; Laboratories; Creative Products Manufacturing; Traditional Light Industrial; Office; Arts & Cultural Uses; Community facilities; Food economy; Services; Start-ups; Digital and High-Tech; and Limited Residential.

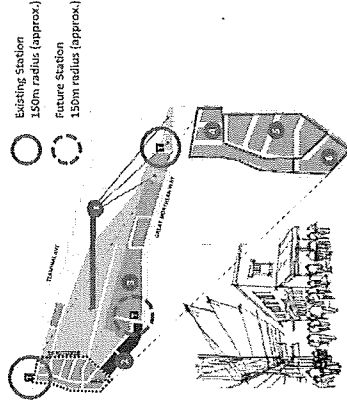
Streetfront retail and food services with patio opportunities are encouraged on Main Street and Great Northern Way.

Residential is only permitted in specific areas. Medical offices are restricted.

Pedestrian and cyclist experience will be priority on Great Northern Way including traffic calming, pedestrian crossing and connection to Mount Pleasant. Arts & Culture amenities and public space will be encouraged as Community Amenity Contributions.

- Height: 250 ft or more at transit stations and stepping down moving away from the stations.
- Additional height and increased residential density with active ground floor uses.
- Height: Up to underside of View Cone Z2: approximately 140-150 ft (42-46m)
- Density: From 5.0 existing to 7.5 FSR

Conditional Requirements: Increased heights and densities intended to achieve a variety of business amenities. A minimum of one rental building is required.



- Additional height and density to deliver active ground floor, plaza space and innovation economy supports
- Height: Currently 60 ft; change up to underside of View Cone Z2: approximately 140-150 ft (42- 46m)
- Density: Range on sites from 1.0-7.0 FSR depending on urban design considerations

Addition of housing or general office above existing job space with industrial retail at grade

- Height: Currently 60 ft; change up to underside of View Cone Z2: approximately 140 ft (42m)
- Density: Currently 3.0 FSR; change to include job space at 3.0 FSR + 3.5 FSR of housing in the form of either 50% social housing & 50% strata, or 100% rental housing



Isfeld, Lori

From: Ben Temple "s.22(1) Personal and Confidential"
Sent: Monday, September 18, 2017 11:26 AM
To: Mayor and Council Correspondence
Subject: Proposed CACs Bonus Density False Creek

Categories: Purple Category

To Whom It May Concern:

I believe the proposed \$120 per square foot fee on residential rental projects in False Creek for bonus density above the base density will act as a disincentive for developers to build new supply this city desperately needs. Residential vacancy rates are the lowest in the country and rental rates continue to rise due to limited of supply. The lack of affordable housing options in Vancouver is a huge problem for residents in all of the demographics segments.

I understand not having the CAC might reduce the tax revenue in the short term, but the city needs to address the housing crisis as quickly as possible, and I think increasing supply is the best way to go about it. Overall, the city should remove the CACs on residential rental or significantly reduce it to keep cost low and increase supply.

Thank you,
Ben Temple



Mayor and Council Feedback

Case number: 101010179855

Case created: 2017-09-18, 11:36:00 AM

Incident Location

Address: 311 UNADDRESSED LOCATION, VANCOUVER, VAN 311

Address2:

Location name:

Contact Details

Name: Mike Gill

Address:

Address2:

Phone:

Alt. Phone:

"s.22(1) Personal and Confidential"

Preferred contact method: Either

Request Details

1. Comment:*

To Mayor Gregor Robertson and Council;

The proposed CAC charge by the City of Vancouver to developers of \$120 per buildable square foot in exchange for additional density to construct new residential rental product in the False Creek Flats goes against the grain of the City's policy to increase rental product and will only result in the renter having to pay more rent due to the increased costs to build the rental project because of the CAC charge .

?The CAC charge is a disincentive, not an incentive. The CAC should be removed altogether and if not, drastically reduced.?

Sincerely

Mike Gill

3. Department:

MayorandCouncil

6. Did caller indicate they want a call back?

Unknown

11. Name:

Mike Gill

Isfeld, Lori

From: Bob Levine (Avison Young) "s.22(1) Personal and Confidential)"
Sent: Monday, September 18, 2017 11:52 AM
To: Mayor and Council Correspondence
Subject: Residential rental CAC's False Creek Flats

Categories: Purple Category

I'm having a lot of trouble reconciling Council's desire for more and affordable residential rental with Staff's recommendation to charge \$120 per buildable in False Creek Flats for CAC's for residential rental projects. Assuming a developer requires a 5% return on his capital costs and the rentable area of the project to the gross area is 86% efficient, the rent would have to be about \$7 psf per year higher to pay for the CAC's. That is an additional \$408 per month for a 700 square foot unit, hardly helping the affordability issue.

Bob Levine

"s.22(1) Personal and Confidential)"

Isfeld, Lori

From: Michael Emmott "**s.22(1) Personal and Confidential**"
Sent: Friday, September 15, 2017 10:41 AM
To: Mayor and Council Correspondence
Subject: False Creek Flats proposed CAC's - public hearing Sep 19

Categories: Purple Category

To Mayor and Council,

I am aware that the City of Vancouver is considering charging CAC's of \$120 per buildable square foot, over and above the cost of land, to a developer that is proposing to build much-needed rental accommodation in an ideal transit-oriented location, at Main Street and First Avenue.

This is short sighted, counter-productive and greedy. The COV should be looking at ways to encourage and incentivise the construction of rental accommodation, instead of increasing the cost of development, and in turn, the rents that Vancouverites will be forced to pay.

CAC's for condo developments are one thing, and there are benefits to the wider population through amenities that can be provided through charges to those developers. The profits available from condo sales ensure that developers can still make these projects profitable. The provision of rental accommodation, however, should be encouraged, and the City should work with developers to ensure costs remain low, so that rents can also be so.

Please reconsider this proposal.

Your sincerely

Michael Emmott

Isfeld, Lori

From: Emily Howard "s.22(1) Personal and Confidential"
Sent: Monday, September 18, 2017 5:59 PM
To: Mayor and Council Correspondence; Public Hearing
Subject: Public Hearing Comments - False Creek Flats Plan

Dear Mayor and Council,

I live in Chinatown, close to the False Creek Flats neighbourhood, so I'm very interested in the City's vision for the area and what future development and amenities might be planned. I'm unable to attend to the Public Hearing for the False Creek Flats Plan but wanted to share my comments as a local resident.

I'm very happy about many aspects of the Plan, particularly that it identifies areas for new market and rental housing. I was a renter (until recently) for about 10 years in Vancouver, and I know how hard it is to find good quality, well-located, and secure rental housing. Although I just managed to squeak into the market when I bought a small condo with my partner about a year ago, I still think that the creation of rental housing is very important and should continue to be a top priority for the City.

I understand that the Plan includes a proposed bylaw that is intended to encourage the development of rental residential uses in specific areas that would typically be for non-residential uses. Although I applaud measures to encourage the creation of rental housing, I was surprised to learn that an additional \$120/sq. ft. fee would be applied to any builder wanting to build rental housing in the designated Bonus Density area.

Knowing that rental vacancy rates have hovered at essentially 0% for the last several years, and that the average, market rent of a 1-bedroom apartment in Vancouver is now over \$2,000/month, I feel uneasy with the idea of proposing any measures to make the development of rental housing more difficult.

I hope the City will reconsider this measure and look into other options before implementing a fee that could actually discourage the creation of more, badly needed rental housing.

Warm Regards,

Emily Howard
"s.22(1) Personal and Confidential"

Ludwig, Nicole

From: Jennefer "s.22(1) Personal and Confidential"
Sent: Tuesday, September 19, 2017 9:53 AM
To: Mayor and Council Correspondence; Public Hearing
Subject: False Creek Flats Implementation

The False Creek Flats is in exciting area in the City. It is planned to be an innovative hub where educational institutions are located and high tech jobs are focused, alongside the development of St Paul's hospital precinct.

The area provides the City with a real opportunity to establish workforce housing; an ideal location that not only has jobs, but also immediate access to rapid transit.

The False Creek Flats Plan identifies areas for market housing and rental housing, which is a good thing, however there is an area of rental housing that is designated as a Bonus Density area and the City is seeking \$120 per square foot to realize the development of rental.

This fee appears to counter the current housing crisis that that City is facing, and it would serve as a disincentive to the realization of rental development.

Vacancy rates are critically low and average rents continue to rise in Vancouver; this fee will continue to exacerbate the rental crisis that is currently the reality of the City.

Mayor and Council should reassess this value and consider ways to provide incentives for the development of rental housing considering the needs of residents now.

--

Jennefer Chen, BA, Dip Accounting (UBC)

s.22(1) Personal and Confidential

Ludwig, Nicole

From: k s "s.22(1) Personal and Confidential"
Sent: Tuesday, September 19, 2017 9:41 AM
To: Mayor and Council Correspondence
Cc: Public Hearing
Subject: Re: proposed amendments to False Creek area plan

Hello,

As a resident of mt pleasant, I'm writing just to say that i am in favour of plans to allow residential opportunities within the false creek flats area. However, i understand that there is a proposal to charge a fee for increasing the density. I am not in favour of the fee as it could well deter those who might otherwise be willing and able to contribute increased residential space into the area.

Regards
Kieran Smith

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Ludwig, Nicole

From: Mah, Haley on behalf of Carr, Adriane
Sent: Tuesday, September 19, 2017 11:19 AM
To: Public Hearing
Subject: FW: RE ITEM # 6: REZONING: False Creek Flats Plan Implementation: Policy and By-law Amendments

From: grnmac "s.22(1) Personal and Confidential"
Sent: Monday, September 18, 2017 5:40 PM
To: Affleck, George; Ball, Elizabeth; Carr, Adriane; Deal, Heather; De Genova, Melissa; Jang, Kerry; Louie, Raymond; Stevenson, Tim; Robertson, Gregor; Reimer, Andrea
Subject: RE ITEM # 6: REZONING: False Creek Flats Plan Implementation: Policy and By-law Amendments

RE ITEM # 6: REZONING: False Creek Flats Plan Implementation: Policy and By-law Amendments -September 19, 2017 - Public Hearing

I am opposed to allowing strictly residential buildings on industrial and manufacturing lands. The two uses are not compatible.

The land in the flats is polluted. Research yourself the City's old policy of dumping toxic waste into the flats in the late 1940's and 1950's. They dumped motor oil from the works yards, pesticides and herbicides, paint, rubble containing asbestos on to the flats to build up land there. This land has NEVER been decontaminated.

Once the City allows residential and also increases height and density on these lands the BC Assessment Authority will be forced to increase the land values of the lots here. This is because developers will pay more for the newly up-zoned lots. BC Assessment increases the land values of ALL lots in the area of a sale. So even though we want to stay here and not develop our taxes will increase to unaffordable. Maybe this is what the City wants; to get rid of us so they can increase the population of Vancouver so they can receive more money from Federal and Provincial governments. Federal and Provincial moneys to the City are per capita.

All the recent up-zoning in the City increases land values beyond what Vancouverites can afford. Up-zoning is the reason land values are increasing. The City must stop up-zoning if they want to control land values.

Further, there was no real consultation with the property owners in the area. At least I now know why Bob Rennie kept phoning me last year to buy my land.

I am completely confident the ruling party at Council has made up their minds to accept this report on the Flats as it stands and that no citizens input will be taken into consideration, so I can only hope this information helps other citizens who oppose this up-zoning.

Truly
G. R. N. Mac

September 7th, 2017

City of Vancouver
453 West 12th Ave
Vancouver, BC V5Y 1V4

Attention: Bill Aujla, and Gil Kelley

Dear Sirs:

Re: Response to Proposed Rental CAC in False Creek Flats

This letter reflects the opinion of a group of rental providers and the Urban Development Institute in the City of Vancouver who, combined, represent 8,000 existing rental units and approximately 2,400 units in process. The purpose of this letter is to address the \$120 per square foot share amenity contribution proposed by staff for bonus rental density in FC-2: Sub Area E of the False Creek Flats. As a group, we are concerned with the direction that the share amenity contribution discussion is heading both within the False Creek Flats and as a precedent for future development of rental in the general Vancouver market.

As we are all aware, there is currently a housing affordability crisis in the City of Vancouver. Over 50% of Vancouver's population is comprised of renters and, as stated on the City of Vancouver's website, "Vancouver has the tightest rental market and one of the lowest vacancy rates in Canada, which over the last three years has averaged 0.9 per cent."

In principle, the share amenity contribution ("SAC") for market rental housing should be zero. The supply of market rental in itself is the amenity contribution. After decades of virtually no rental development, we are experiencing an environment of low interest rates, compressed cap rates and high rental rates, which, combined with policies such as Rental 100, make the development of new rental once again feasible. However, this window of opportunity will not last. As interest rates rise (evidenced by the Bank of Canada interest rate hike yesterday) and cap rates follow suit, we will once again see rental providers shift their attention to other opportunities and asset classes. Introducing a restrictive SAC for rental will effectively accelerate the closure of this window of opportunity. Furthermore, it seems counter-productive that the same formula that has been used to determine CACs for market condo (approximately 75% of any increase in land value from additional density) should be used for rental, if the City wishes to encourage the creation of more rental housing supply.

All levels of government have stated that housing affordability is a critical issue to Vancouver and that additional supply of new market rental housing in Vancouver is required. A SAC on rental is in complete contrast to these goals. In an effort to get as many units to the market as possible while current conditions last, the City should be providing incentives for the

development of market rental, not introducing further barriers. Additionally, we are concerned that the City will use the SAC in the False Creek Flats as a stepping stone to even higher CACs in other bonus density areas.

We are firm in our position that any share amenity contribution amount is detrimental to increasing the supply of purpose-built market rental housing in Vancouver. For rental projects that do proceed, another layer of costs will only put upward pressure on rents.

Furthermore, in an attempt to understand the rationale behind the proposed \$120 per square foot SAC, we have analyzed the Coriolis Consulting financial analysis commissioned by the City of Vancouver. The contribution amount was apparently derived from 75% of the land residual value from this report. Upon review, we have found that the report contains assumptions that materially diverge from current market constraints, costs and real estate comparables. Below are the line items that are incorrect or were missing entirely from the report:

Proforma Line Item	Coriolis Consulting *	Rental Housing Builders
Rental Rates (per sq. ft.)	\$3.22	\$3.25
Cap Rates	3.75%	4.25%
Operating Expenses Per Unit	\$5,000	\$5,500
Efficiency	85%	80%
Hard Costs (per sq.ft.) *	\$268	\$315
Soft Costs **	9% of Hard Costs	Range
Environmental Remediation	\$0	\$800,000
Demolition & Hazmat	\$0	\$150,000
Rental Residential DCL's (per sq.ft.)	\$0	\$15.62
Contingency on hard costs	3.50%	5.00%
Contingency on soft costs	0.00%	2.00%
Leasing Costs & Marketing (per unit)	\$1,000	\$3,418
Management Fees	3.00%	4.00%
Legal Fees	\$0	\$350,000
FF&E	\$0	\$125,000
Off-Site Costs	\$0	\$150,000 - \$500,000
Property Taxes Carrying Cost	1 Year	4 Years
Interest During Lease Up	0	2 months at full cons. loan
Financing Fees - Construction	1.00%	1.50%
Loan to Cost - Construction	75.00%	80.00%
Financing Fees - Land Loan	0.00%	1.00%

* Report does not acknowledge the various factors that have a material impact on the cost of construction including: construction type (concrete or wood), parking requirements, site conditions, excavation and shoring costs, and the increasing requirements in the Zero Emission Building Plan.

** It is unclear what has been accounted for in the Coriolis analysis and what has not. Percentage is contingent upon breakdown of what is included in Coriolis' lump sum Soft Costs figure.

As active rental housing providers with current and intimate knowledge of the various development costs, we are very confident in our corrected assumptions, and would encourage the city to verify these assumptions with cost consultants or other developers.

If the Coriolis financial analysis is re-run with the corrected inputs, it would result in an SAC of \$0 per square foot. However, the certainty and time savings provided by rezoning does create value that needs to be recognized. Assuming that rezoning reduces a development's schedule by two years, and using the hypothetical one acre site as an example, we estimate the savings to be equal to approximately \$3 million. The savings are made up of, among others, the following:

- Property Taxes
- Financing Costs
- Insurance
- Rezoning Costs

In addition to the above savings, value is created by reducing the project's market exposure. All of these combined would result in a significantly lower SAC.

In conclusion, the \$120 per square foot SAC is based on incorrect data and would be harmful to the city's objective of bringing additional purpose-built rental units to market. Rezoning and allowing additional density for rental is an absolute positive and is supported by the authors of this letter. However, we recommend the City re-evaluate their data and present a new SAC.

Thank you for the opportunity to review and discuss this matter. We look forward to continuing the dialogue to ensure that the city's policies are in line with current market conditions going forward.

Respectfully,

Boffo Properties

Coromandel Properties

Edgar Development

The Molnar Group

Orr Developments

Prima Properties

QuadReal

UDI

Ludwig, Nicole

From: Tavis MacCallum "s.22(1) Personal and Confidential)"
Sent: Tuesday, September 19, 2017 12:11 PM
To: Public Hearing
Subject: Text Amendment for False Creek Flats Plan Implementation

Hello,

I'm supportive of encouraging rental housing over condos for the limited areas of residential allowed the Flats, however I wonder if the height bonuses proposed for IC-3 are in conflict with the vision for the area expressed in the Mount Pleasant Community Plan.

The Mount Pleasant Community Plan vision for the Lower Main area called for a terraced "hilltown" identity where buildings stepped down in height down the hill.

If buildings North of 2nd Ave, developed with the new maximum height of 30.5m proposed in the IC-3 rezoning, would be taller than the buildings South of 2nd higher on the hill, then I think that would be out of alignment with the vision and goals of the Mount Pleasant Community Plan and that maximum height value should be reconsidered.

In my opinion as someone that participated in the Mount Pleasant Community Planning process, the maximum heights for buildings North of 2nd Ave that would be most in alignment with the Mount Pleasant Plan would be if they were equal to the heights of the buildings South of 2nd. This way the terraced "hilltown" is respected. This reduces impacts on Mount Pleasant residents and is consistent with the existing Mount Pleasant Plan.

Thank you for your consideration,

Tavis MacCallum