The Corporation of the
CITY OF WHITE ROCK

Land Use and Planning Committee
AGENDA

On Table Items - Page 111

Monday, November 16, 2020, 6:00 p.m.

City Hall Council Chambers

15322 Buena Vista Avenue, White Rock, BC, V4B 1Y6

***Live Streaming/Telecast:** Please note that all Committees, Task Forces, Council Meetings, and Public Hearings held in the Council Chamber are being recorded and broadcasted as well included on the City's website at: www.whiterockcity.ca

The City of White Rock is committed to the health and safety of our community. In keeping with Ministerial Order No. M192 from the Province of British Columbia, City Council meetings will take place without the public in attendance at this time until further notice.

T. Arthur, Director of Corporate Administration

Pages

1. CALL TO ORDER (Councillor Manning, Chairperson)

1.1. MOTION TO CONDUCT LAND USE AND PLANNING COMMITTEE MEETING WITHOUT THE PUBLIC IN ATTENDANCE

RECOMMENDATION
THAT the Land Use and Planning Committee:

WHEREAS COVID-19 has been declared a global pandemic;

WHEREAS the City of White Rock has been able to continue to provide the public access to the meetings through live streaming;

WHEREAS holding public meetings in the City Hall Council Chambers, where all the audio/video equipment has been set up for the live streaming program, would not be possible without breaching physical distancing restrictions due to its size, and holding public meetings at the White Rock Community Centre would cause further financial impact to City Operations due to staffing resources and not enable live streaming;

WHEREAS Ministerial Order No. 192 requires an adopted motion in order to hold public meetings electronically, without members of the public present in person at the meeting;

THEREFORE BE IT RESOLVED THAT the Land Use and Planning Committee (including all members of Council) authorizes the City of White Rock to hold the November 16, 2020 meeting to be video streamed and available on the City's website, and without the public present in the Council Chambers with the use of electronic means.

2. ADOPTION OF AGENDA

RECOMMENDATION
THAT the Land Use and Planning Committee adopt the agenda for November 16, 2020 as circulated.

3. ADOPTION OF MINUTES

3.1. November 9, 2020 Meeting Minutes 3

RECOMMENDATION
THAT the Land Use and Planning Committee adopt the minutes of the November 9, 2020 meeting as circulated.

4. PAYING FOR THE COSTS OF GROWTH: DEVELOPMENT COST CHARGES AND COMMUNITY AMENITY CONTRIBUTIONS 7

Note*:* The following documents are included for information / reference purposes:

- Corporate report from the Director of Engineering and Municipal Operations (G. St. Louis) dated December 14, 2015 titled "Development Cost Charges Update"; and
- Corporate report from the Director of Planning and Development Services (C. Johannsen) dated June 12, 2017 titled "Proposed Updates to the Density Bonus / Community Amenity Policy (Policy 511)".

5. CONCLUSION OF THE NOVEMBER 16, 2020 LAND USE AND PLANNING COMMITTEE MEETING

Land Use and Planning Committee

Minutes

November 9, 2020, 6:45 p.m.
City Hall Council Chambers
15322 Buena Vista Avenue, White Rock, BC, V4B 1Y6

PRESENT:	Mayor Walker Councillor Chesney Councillor Johanson Councillor Kristjanson Councillor Manning Councillor Trevelyan
ABSENT:	Councillor Fathers
STAFF:	Guillermo Ferrero, Chief Administrative Officer Tracey Arthur, Director of Corporate Administration Carl Isaak, Director of Planning and Development Services Greg Newman, Manager of Planning Stephanie Lam, Deputy Corporate Officer Debbie Johnstone, Committee Clerk

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1. CALL TO ORDER

The meeting was called to order at 6:45 p.m.

1.1 MOTION TO CONDUCT LAND USE AND PLANNING COMMITTEE MEETING WITHOUT THE PUBLIC IN ATTENDANCE

Motion Number: 2020-LU/P-48 It was MOVED and SECONDED

THAT the Land Use and Planning Committee:

WHEREAS COVID-19 has been declared a global pandemic;

WHEREAS the City of White Rock has been able to continue to provide the public access to the meetings through live streaming;

WHEREAS holding public meetings in the City Hall Council Chambers, where all the audio/video equipment has been set up for the live streaming program, would not be possible without breaching physical distancing restrictions due to its size, and holding public meetings at the White Rock Community Centre would cause further financial impact to City Operations due to staffing resources and not enable live streaming;

WHEREAS Ministerial Order No. 192 requires an adopted motion in order to hold public meetings electronically, without members of the public present in person at the meeting;

THEREFORE BE IT RESOLVED THAT the Land Use and Planning Committee (including all members of Council) authorizes the City of White Rock to hold the November 9, 2020 meeting to be video streamed and available on the City's website, and without the public present in the Council Chambers.

Motion CARRIED

2. ADOPTION OF AGENDA

Motion Number: 2020-LU/P-49 It was MOVED and SECONDED

THAT the Land Use and Planning Committee adopt the agenda for

November 9, 2020 as circulated.

Motion CARRIED

3. ADOPTION OF MINUTES

3.1 October 26, 2020 Meeting Minutes

Motion Number: 2020-LU/P-50 It was MOVED and SECONDED

THAT the Land Use and Planning Committee adopt the minutes of the October 26, 2020 meeting as circulated.

Motion CARRIED

4. CORPORATE REPORTS

4.1 REZONING AND MINOR DEVELOPMENT PERMIT APPLICATION - 15570 OXENHAM AVENUE (ZON/MIP 19-008)

Motion Number: 2020-LU/P-51 It was MOVED and SECONDED

THAT the Land Use and Planning Committee recommend that Council:

- Give first and second readings to "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (RT-1 – 15570 Oxenham Avenue) Bylaw, 2020, No. 2365 as presented, and direct staff to schedule the required Public Hearing; and
- Recommend that Council direct staff to resolve the following issues prior to final adoption, if Bylaw No. 2365 is given Third Reading after the Public Hearing;
    1. Ensure that all engineering requirements and issues, including completion of a servicing agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations;
    2. Registration of a Section No. 219 Covenant to restrict basement suites; and
    3. Demolition of the existing home.

Motion CARRIED

4.2 REZONING AND MINOR DEVELOPMENT PERMIT APPLICATION - 15496 THRIFT AVENUE (ZON/MIP 19-018)

Motion Number: 2020-LU/P-52 It was MOVED and SECONDED

THAT the Land Use and Planning Committee recommend that Council:

- Give first and second readings to "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (RT-1 – 15496 Thrift Avenue) Bylaw, 2020, No. 2366 as presented, and direct staff to schedule the required Public Hearing; and

- Direct staff to resolve the following issues prior to final adoption, if Bylaw No. 2366 is given Third Reading after the Public Hearing;

  1. Ensure that all engineering requirements and issues, including completion of a servicing agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations;

  2. Registration of a Section No. 219 Covenant to restrict basement suites; and

  3. Demolition of the existing home.

Motion CARRIED

Councillors Johanson and Kristjanson voted in the negative

5. CONCLUSION OF THE NOVEMBER 9, 2020 LAND USE AND PLANNING COMMITTEE MEETING

The Chairperson concluded the meeting at 7:10 p.m.

Mayor Walker	Tracey Arthur, Director of Corporate Administration

THE CORPORATION OF THE

CITY OF WHITE ROCK

CORPORATE REPORT

DATE: **December 14, 2015**

TO: **Mayor and Council**

FROM: **Greg St. Louis, Director, Engineering and Municipal Operations**

SUBJECT: **2015 Development Cost Charges Update**

RECOMMENDATION

THAT Council receives for information the December 14, 2015, corporate report from the Director of Engineering and Municipal Operations titled, "2015 Development Cost Charges Update."

INTRODUCTION

The purpose of this report is to provide Council with an update to the findings of the 2015 Development Cost Charge (DCC) Program. Since the previous Corporate Report dated October 5, 2015, the City has completed the purchase of the water utility from EPCOR and completed preliminary cost estimates for extension of the promenade. There is significant new development interest in the City, which affects the multi-family, commercial, and institutional development projections and therefore the associated DCC calculations. Staff have also received feedback from Council and the public following the October 5, 2015 Council meeting and the October 29, 2015 DCC Open House held at the White Rock Community Centre. Based on this new information and feedback, staff have worked with the Consultant to revise the DCC calculations, incorporating changes to future development projections and capital construction, planning, and design projects.

The Province of British Columbia has developed a guide to assist municipalities in completing a DCC program, which staff has consulted. In addition to consultation with the public and council, the proposed DCC updates will be provided to the Urban Development Institute (UDI) for comments from the development community prior to approval by the Inspector of Municipalities before coming into force. The Inspector may refuse approval of a DCC bylaw under section 937(3) (b) of the *Local Government Act* if the DCCs are excessive, deter development or discourage construction of reasonably priced housing.

ANALYSIS

Public consultation is required as part of the approval process of the DCC bylaw. Since the previous corporate report was completed, the Consultant for the DCC Update, Urban Systems, gave a presentation to Council at the regularly scheduled Council meeting on October 5, 2015. A Public Meeting was also held October 29, 2015 at the White Rock Community Centre. Feedback from the Public Open House and from Council was mainly related to the proportioning of the existing "user benefit" between future development and existing residents. As certain infrastructure projects may benefit existing residents as well as future residents, a benefit factor related to the projected growth was calculated using the population projections and anticipated development interest.

In response to the October consultation, the benefit factor for most capital projects was increased from 10% to 25% where the project mostly benefitted existing residents, while park land acquisitions were reduced from 100% to a 50% benefit factor if there was still a greater, but not complete, benefit to new development. The proposed benefit factors are in line with other cities in the region which vary from as low 1% up to 100% for projects directly related to new development.

Typically municipalities revise their DCC bylaws every 5 years, with some as often as yearly. Revising the DCC bylaw after 10 years, and adding sanitary sewer and water systems into the DCC bylaw has resulted in a larger than typical increase in rates. Since 2006, construction and land costs have also increased significantly, creating upward pressure on the City's capital budget. Increased interest in White Rock has also affected development projections and the DCC rates have been increased to accommodate the expected capital upgrades needed to support this growth.

Despite the increase, the proposed DCC in White Rock will remain lower than many cities in the region as shown in Appendix A , and overall municipal fees paid by builders and developers will remain competitive with other similar municipalities*.

FINANCIAL

The basic DCC financial model is that the total program costs are calculated and the portion related to existing development is removed as well as the portion related to the Municipal Assist Factor. The remaining costs are recoverable through the DCC program.

The following table is an updated summary of DCC related costs until 2031.

Proposed DCC Recoverable Costs and City Responsibility ($ millions)

DCC Program	Municipal Costs	DCC Recoverable Costs	Funding by Others	Total Capital Costs
Transportation	$15.5	$5.1	$0.0	$20.6
Stormwater	$14.0	$4.6	$0.0	$18.6
Parks	$25.9	$10.5	$0.0	$36.4
Sanitary	$4.3	$1.4	$0.0	$5.7
Water	$6.2	$2.0	$0.0	$8.2
Total	**$65.9**	**$23.6**	**$0.0**	**$89.5**

*Commercial Real Estate Development Association 2014 Development Cost Survey

The following tables list the updated proposed DCC rates. Appendix A, illustrates the City's proposed DCC rate compared to other municipalities, including Metro Vancouver's DCC.

Proposed DCC Rates

	Roads	**Drainage**	**Parks**	**Sanitary**	**Water**	**Total Development Cost Charges**
Residential (Single Family)	$2,857.85	$6,882.32	$7,080.26	$1,017.48	$1,456.85	$19,294.76 Per unit
Residential (MF-Townhouse or Apt)	$2,229.13	$1,858.23	$5,310.19	$763.11	$1,092.64	$11,253.29 Per unit
Commercial	$34.29	$13.76	$0.00	$6.61	$9.47	$64.14 Per sq. metre building
Institutional	$17.15	$13.76	$0.00	$5.60	$8.01	$44.52 Per sq. metre building

Existing/Proposed DCC Rates
CITY OF WHITE ROCK – 2015 DCC SUMMARY

Land Use	**Unit**	**Transportation**		**Drainage**		**Park**	
		Current	**Proposed**	**Current**	**Proposed**	**Current**	**Proposed**
One-unit Residential	Per Unit	$805.66	$2,857.85	$1,936.48	$6,882.32	$2,860.12	$7,080.26
Multi-Unit Residential	Per Unit	$628.41	$2,229.13	$522.85	$1,858.23	$2,860.12	$5,310.19
Commercial	Per Sq.m of Building	$9.67	$34.29	$3.87	$13.76	$0.00	$0.00
Institutional	Per Sq.m of Building	$4.83	$17.15	$3.87	$13.76	$0.00	$0.00

CITY OF WHITE ROCK – 2015 DCC SUMMARY CONTINUED

Land Use	**Unit**	**Sanitary**		**Water**		**Total**	
		Current	**Proposed**	**Current**	**Proposed**	**Current**	**Proposed**
One-unit Residential	Per Unit	n/a	$1,017.48	n/a	$1,456.85	**$5,602.26**	**$19,294.76**
Multi-Unit Residential	Per Unit	n/a	$763.11	n/a	$1,092.64	**$4,011.38**	**$11,253.29**
Commercial	Per Sq.m of Building	n/a	$6.61	n/a	$9.47	**$13.54**	**$64.14**
Institutional	Per Sq.m of Building	n/a	$5.60	n/a	$8.01	**$8.70**	**$44.52**

Next Steps

- Repeal First reading of previous DCC Bylaw passed on October 5, 2015.
- DCC Bylaw for Council consideration (First reading) December 14, 2015.
- Consultation and Engagement with Urban Development Institute Dec 2015.
- DCC Bylaw for Council consideration (Second and third readings) January, 2016.
- Provincial Approval.
- Council Adoption of DCC Bylaw.
- Completion – early 2016.

CONCLUSION

Development cost charges are only one of the financial tools and mechanisms available to the City to have new development assist in funding infrastructures needed to accommodate growth in the community. An update was conducted on the existing DCC program using information from the new Master Plans and other reports. This report provides a further update which incorporates revised costs and feedback from the consultation program. The updated DCC program provides overall rates that are consistent with other Lower Mainland municipalities. It is recommended that the council approves proceeding with the new proposed DCC rates.

Respectfully submitted,

Greg St. Louis, P.Eng.
Director Engineering and Municipal Operations

Comments from the Chief Administrative Officer:

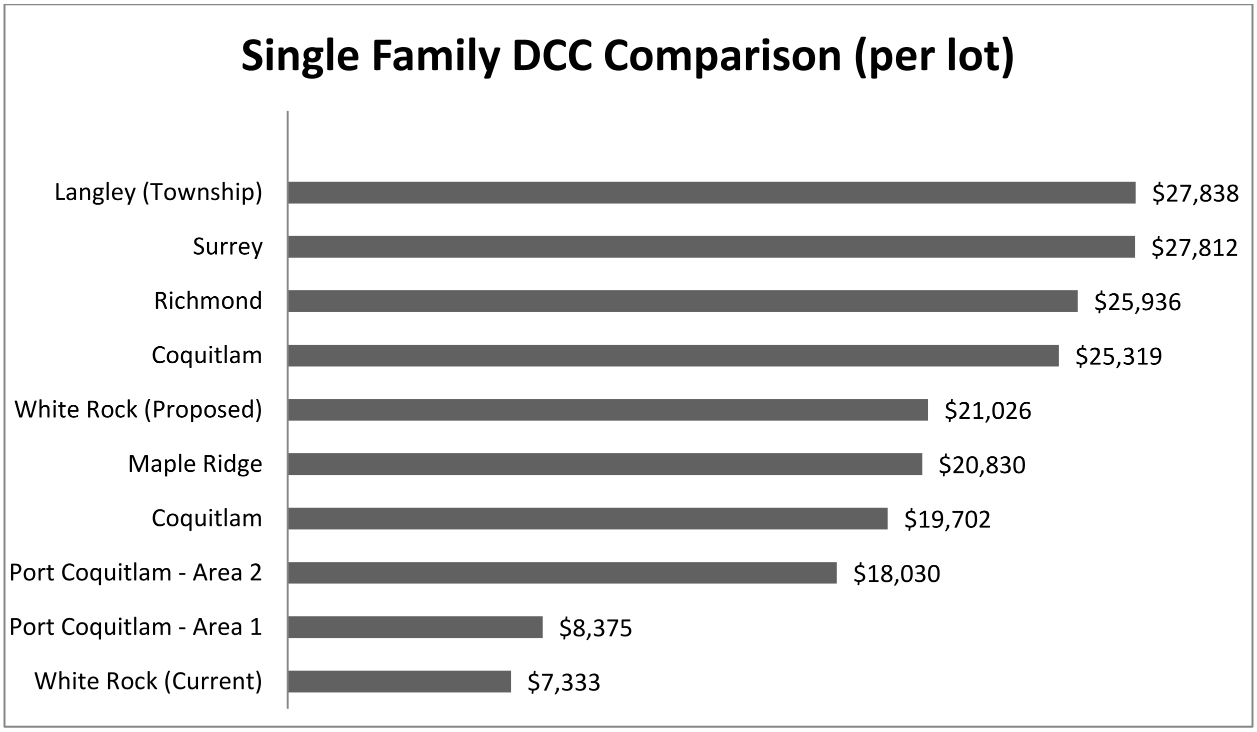
I concur with the recommendation of this corporate report.

Dan Bottrill
Chief Administrative Officer

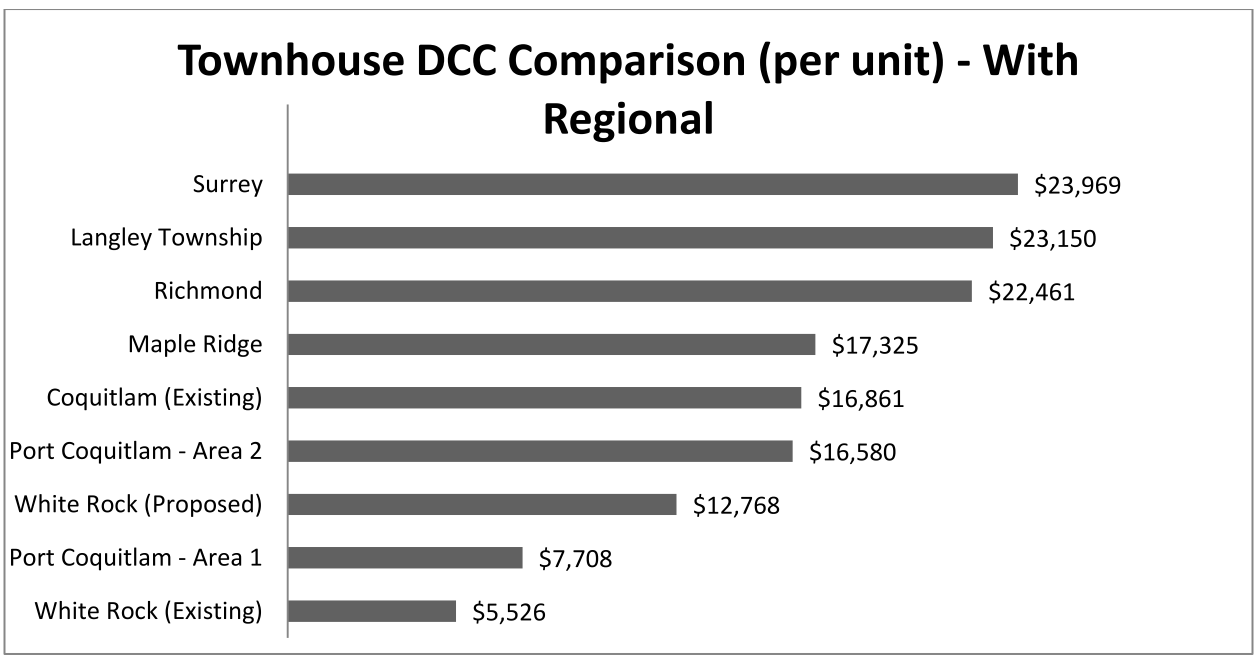
Appendix A: Comparison of DCC Rates (Including Metro Vancouver DCC)
Appendix B: Corporate Report dated October 5, 2015 from Greg St. Louis, Director of Engineering and Municipal Operations titled “2015 Development Cost Charges"

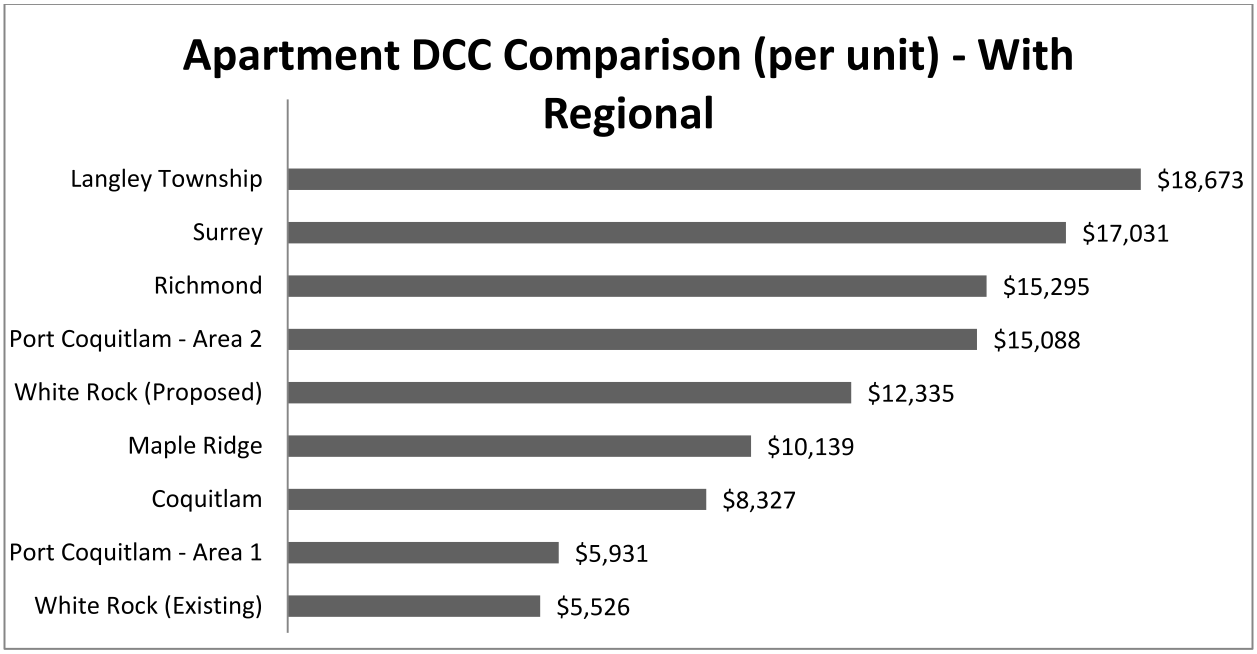
APPENDIX A
COMPARISON OF DCC RATES (Including Metro Vancouver DCC)

Residential (Single Family)

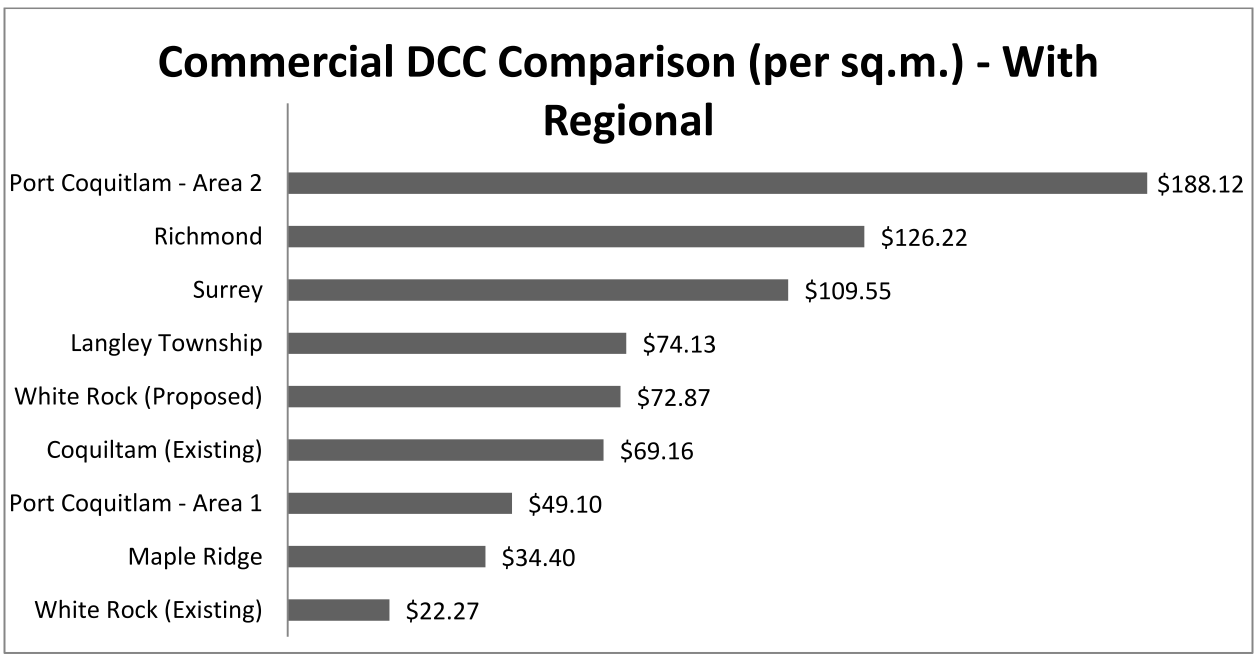


Residential (Multi-Family)




Apartment DCC Comparison (per unit) - With Regional
Langley Township
$18,673
Surrey
$17,031
Richmond
$15,295
Port Coquitlam - Area 2
$15,088
White Rock (Proposed)
$12,335
Maple Ridge
$10,139
Coquitlam
$8,327
Port Coquitlam - Area 1
$5,931
White Rock (Existing)
$5,526

Commercial


Commercial DCC Comparison (per sq.m.) - With Regional
Port Coquitlam - Area 2
$188.12
Richmond
$126.22
Surrey
$109.55
Langley Township
$74.13
White Rock (Proposed)
$72.87
Coquiltam (Existing)
$69.16
Port Coquitlam - Area 1
$49.10
Maple Ridge
$34.40
White Rock (Existing)
$22.27

APPENDIX B

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT

DATE: **October 5, 2015**

TO: **Mayor and Council**

FROM: **Greg St. Louis, Director, Engineering and Municipal Operations**

SUBJECT: **2015 Development Cost Charges**

RECOMMENDATION

THAT Council receive for information the October 5, 2015 corporate report from the Director of Engineering and Municipal Operations titled, "2015 Development Cost Charges."

INTRODUCTION

Development cost charges (DCC) are monies that are collected from land developers, by a municipality, to offset some of the infrastructure expenditures incurred, to service the needs of new development. Imposed by bylaw, pursuant to Part 26, Division 10 of the *Local Government Act*, the charges are intended to facilitate development by providing a method to finance City's capital projects related to roads, drainage, sewers, water and parkland. Given the increasing budget constraints of local municipalities, DCC have been seen as a mechanism to implement the user pay model where developers are required to pay their fair share of the costs to implement new infrastructure resulting from additional growth.

DCC allow monies to be pooled from many developments so that funds can be raised to construct the necessary services in an equitable manner. The municipality can be considered to be the coordinator of the capital program and administrator of the funds collected. The monies will be used to finance upgrades to City's infrastructure due to development.

DCC may be imposed on most, but not all, residential and commercial development. However, buildings for public worship and buildings under $50,000 are specifically excluded from DCC. For the most part, this means that applicants for subdivisions and building permits for multi-family and commercial properties will be required to pay DCC. Typically, a single family development will not pay DCC as the builder is just replacing a single family house with another single family house so there would be no increase in demand for city services, i.e. road, sewers, water and parks.

DCC can be specified according to different zones or specified areas as they relate to different classes and amount of development, but charges should be similar for all developments that impose similar capital cost burdens on a local government. For example, DCC for road costs may be charged at the same rate across the municipality, while DCC for sewer costs may be charged based on a development's specific location.
The province of British Columbia has developed a guide to assist municipalities in completing a DCC program, which staff has consulted. In addition, all amendments to the DCC Bylaw will be subject to approval by the Inspector of Municipalities before coming into force. The Inspector may refuse approval of a DCC bylaw under section 937(3) (b) of the *Local Government Act* if the DCCs are excessive, deter development or discourage construction of reasonably priced housing.

The purpose of this report is to provide Council with the findings of the 2015 Development Cost Charge Program.

ANALYSIS

The development cost charges (DCC) program provides the City with an opportunity to identify growth related projects and proportion the costs accordingly to the development community. This will result in growth related infrastructure costs which are not fully funded by the City. The *Local Government Act* will only allow municipalities to collect DCC on certain items. These are:

1. Capital upgrades to infrastructure; and
2. Park land acquisition and park development.

DCC are not permitted to be utilized for:

1. Operation and maintenance;
2. New or upgraded works needed for the existing population; and
3. Various recreation, cultural and safety amenities.

The last update to the City’s DCC program was completed in 2006. Using new information contained in the recently completed Drainage and Sewer Master Plans, Strategic Transportation Plan and EPCOR’s (water) Master Plan, significant changes to the program are proposed and overall rates will increase accordingly. The rate increase is partly due to the fact that it has been almost 10 years since the last DCC update, as well as the previous DCC did not have a sanitary sewer or water DCC component. In 2006, it is presumed that there was no requirement for the sanitary system to increase in capacity for development and therefore no DCC was required. With the City purchasing the water utility, the City is now able to include a DCC for water. These master plans identify the capital infrastructure investments required to accommodate future growth. The Master Plan studies allowed the City to:

1. Include a more comprehensive list of capital investments needed to support growth;
2. Clearly define the share of the capital investments that benefit growth and therefore should be paid for by development; and
3. Establish a new Sanitary and Water DCC for White Rock.

Staff has recommended a 15 year DCC program (2016 to 2031). This does not prevent municipalities from reviewing or amending the program prior to this. Staff has reviewed the master plans and identified development related projects in the 15 year timeframe.

As part of the DCC review, a population forecast is required to estimate the amount of future growth that is possible in the community. The current Official Community Plan (OCP) (2008) includes differing population projections, ranging from 22,000 to 23,505 by the year 2031. A population projection of 22,000 by the year 2031 was used in the DCC calculations, which is consistent with the City's Regional Context Statement within the OCP.

As certain infrastructure projects may benefit existing residents as well as future residents, a Benefit Factor related to the benefit apportioned to projected growth was calculated using the population projections, noted previously. Some projects were given a 10% Benefit Factor, if the project benefited primarily existing residents, while others were given a 100% Benefit Factor if they were projects that strictly benefited new growth.

Municipalities may choose to assist the development community by including a Municipal Assist Factor greater than 1%. This would reduce the amount of DCC a developer would pay and increase the City's portion. The province requires municipalities to have a Municipal Assist Factor of at least 1% and consistent among land use. Council may choose to increase this percentage to attract development. Most municipalities use a Municipal Assist Factor of 1% and that is staff's recommendation.

Some municipalities are providing discount rates for DCC fees for providing affordable housing, "green" or energy efficient technology in building construction. For example, the City could have a provision in the DCC Bylaw where a developer could pay a fraction of the DCC fee if they were building affordable housing. This would provide an incentive to the developer to consider building affordable housing. A similar discount DCC rate could be established if the developer built a cistern to collect rainwater. As "green" technology benefits the environment and can be expensive, this reduction in DCC could make the technology more affordable. Staff has not taken into consideration affordable housing or "green" technology discounts at this time. Staff will be seeking feedback at the public meeting.

Public consultation is required as part of the approval process of the DCC bylaw. Two presentations were given to the City's Economic Investment Committee. The first presentation was on May 27, 2015, which was a general overview of DCC by staff and on September 16, 2015 a detailed presentation was given by Urban Systems, the City's consultant on the draft DCC program. In addition, Urban Systems is scheduled on October 5th to give a presentation to council at the Regular Council meeting. A public meeting will be scheduled in October 2015 to receive input from the community on the draft DCC rates.

In addition, to municipal DCC, there are regional DCC imposed by Metro Vancouver. Metro Vancouver is reviewing the regional DCC rate and the City will be participating in that process.

FINANCIAL

DCCs must be kept in a separate fund from a local government's general operating fund. A local government may only spend DCC monies, and the interest earned on them, for the specific projects and services for which they were originally collected. For example, DCC collected for sewer may only be spent on new sewer infrastructure included in the DCC program.

Generally, infrastructure construction begins after enough DCC have been collected by the local government for the project; however, in certain circumstances construction must begin before enough funds have been collected. In these circumstances either the local government or the developer will "front-end" the cost. These costs are then recovered through DCC as the development progresses. If either the local government or the developer borrows funds to pay these costs the interest paid on these borrowed monies can be recovered through future DCC. The basic DCC financial model is that the total program costs are calculated and the portion related to existing development is removed as well as the portion related to the Municipal Assist Factor. The remaining costs are recoverable through the DCC program.

The following table is a summary of DCC related costs until 2031.

Proposed DCC Recoverable Costs and City Responsibility ($ millions)

DCC Program	Municipal Costs	DCC Recoverable Costs	Funding by Others	Total Capital Costs
Transportation	$17.4	$2.0	$0.0	$19.4
Stormwater	$18.2	$2.0	$0.0	$20.2
Parks	$24.3	$8.6	$0.0	$32.9
Sanitary	$5.6	$0.6	$0.0	$6.2
Water	$7.4	$0.8	$0.0	$8.2
Total	**$72.9**	**$14.0**	**$0.0**	**$86.9**

As mentioned earlier in the report, the DCC rates have not changed since 2006. With increases in inflation over the past 10 years as well as added infrastructure costs, the City of White Rock will still have one of the lowest DCC rate in the lower mainland. This is due to the fact that the City is completely built out and typically, can accommodate development, with road resurfacing and localized sewer upsizing. Appendix A, illustrates the City's proposed DCC rate compared to other municipalities, including Metro Vancouver's DCC.

The following table is the proposed DCC rates.

Proposed DCC Rates

	Roads	Storm	Parks	Sanitary	Water	Total Development Cost Charges
Residential (Single Family)	$1,074.20	$2,684.17	$5,859.92	$492.66	$646.80	$10,757.75 Per unit
Residential (MF-Townhouse or Apt)	$837.88	$724.73	$4,394.94	$369.50	$485.10	$6,812.15 Per unit
Commercial	$12.89	$5.37	$0.00	$3.20	$4.20	$25.66 Per sq. metre building
Intuitional	$6.45	$5.37	$0.00	$2.71	$3.56	$18.09 Per sq. metre building

Existing/Proposed DCC Rates
CITY OF WHITE ROCK – 2015 DCC SUMMARY

Land Use	Unit	Transportation		Storm-water		Park	
		Current	Proposed	Current	Proposed	Current	Proposed
One-unit Residential	Per Unit	$805.66	$1,074.20	$1,936.48	$2,684.17	$2,860.12	$5,859.92
Multi-Unit Residential	Per Unit	$628.41	$837.88	$522.85	$724.73	$2,860.12	$4,394.94
Commercial	Per Sq.m of Building	$9.67	$12.89	$3.87	$5.37	$0.00	$0.00
Institutional	Per Sq.m of Building	$4.83	$6.45	$3.87	$5.37	$0.00	$0.00

Existing/Proposed DCC Rates
CITY OF WHITE ROCK – 2015 DCC SUMMARY CONTINUED

Land Use	Unit	Sanitary		Water		Total	
		Current	Proposed	Current	Proposed	Current	Proposed
One-unit Residential	Per Unit	n/a	$492.66	n/a	$646.80	**$5,602.26**	**$10,757.75**
Multi-Unit Residential	Per Unit	n/a	$369.50	n/a	$485.10	**$4,011.38**	**$6,812.15**
Commercial	Per Sq.m of Building	n/a	$3.20	n/a	$4.20	**$13.54**	**$25.66**
Institutional	Per Sq.m of Building	n/a	$2.71	n/a	$3.56	**$8.70**	$**18.09**

Next Steps

- DCC Bylaw for Council consideration (First reading) October 5, 2015
- Consultation and Engagement- Community Open House in October 2015
- DCC Bylaw for Council consideration (Second and third readings) November, 2015
- Provincial Approval
- Council Adoption of DCC Bylaw
- Completion – end of 2015 / early 2016

CONCLUSION

Development cost charges are one of the financial tools and mechanisms available to the City to have new development assist in funding infrastructures needed to accommodate growth in the community. An update was conducted on the existing DCC program using information from the new Master Plans and other reports. The updated DCC program provides rates required for additional infrastructure related to new growth that remain competitive with other Lower Mainland municipalities. It is recommended that Council consider approving the new DCC rates subsequent to community engagement as outlined within this corporate report.

Respectfully submitted,

Greg St. Louis, P.Eng.
Director Engineering and Municipal Operations

Comments from the Acting Chief Administrative Officer:

I concur with the recommendation of this corporate report.

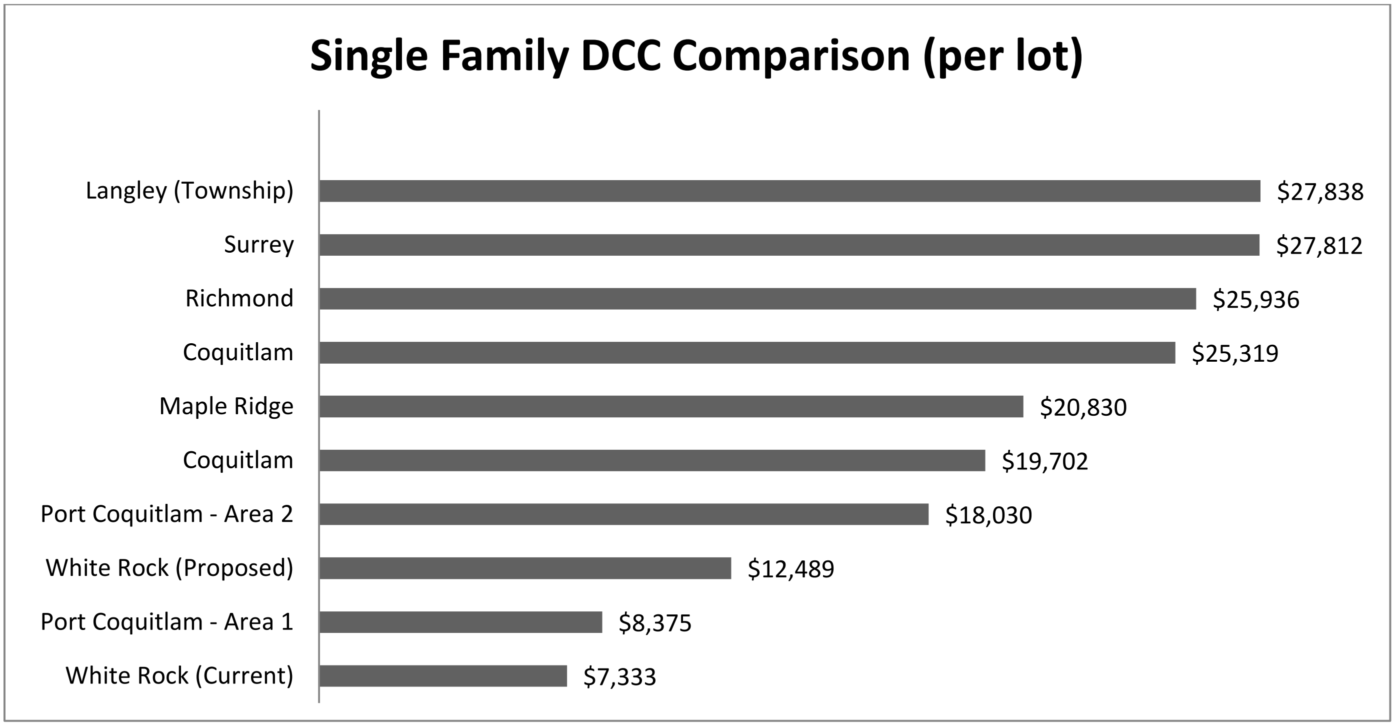
Tracey Arthur
Acting Chief Administrative Officer and City Clerk

Appendix A: Comparison of Rates (Including Metro Vancouver DCC)

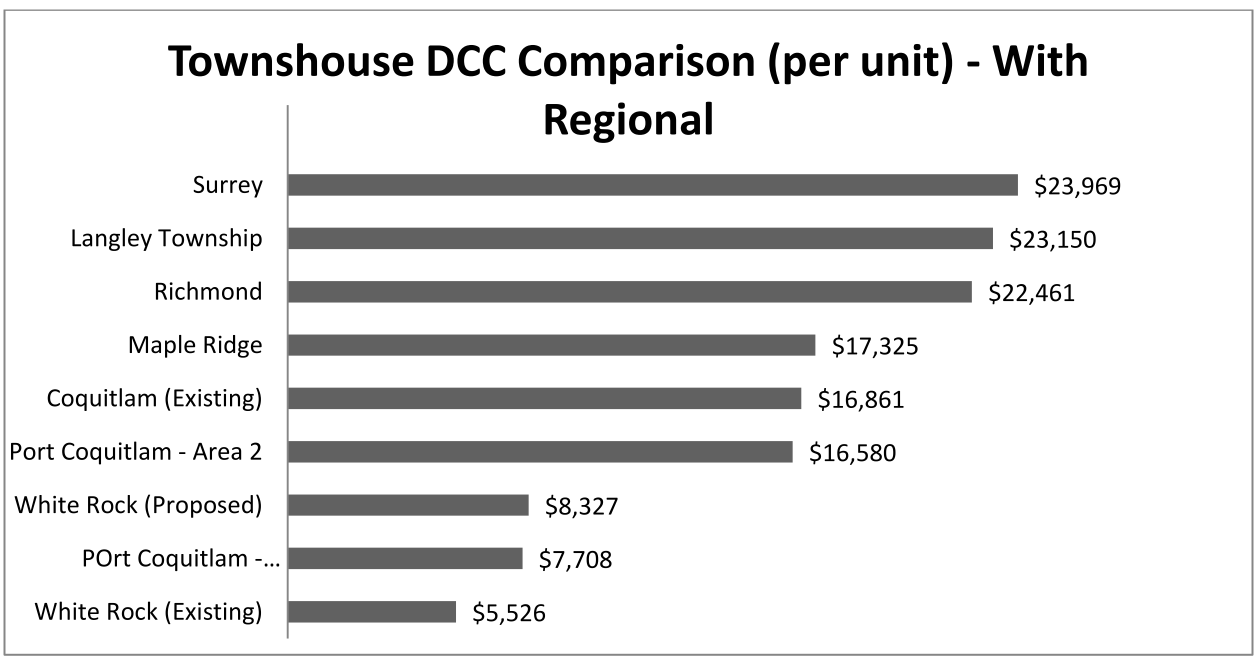
APPENDIX A

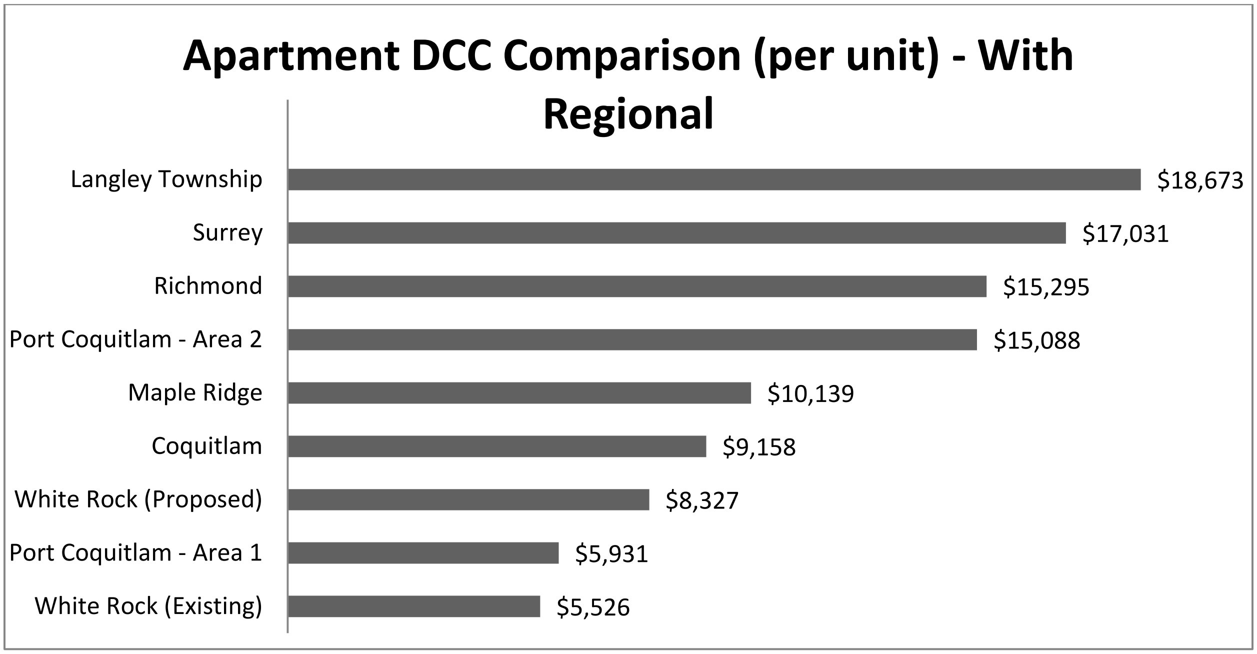
COMPARISON OF RATES (Including Metro Vancouver DCC)

Residential (Single Family)

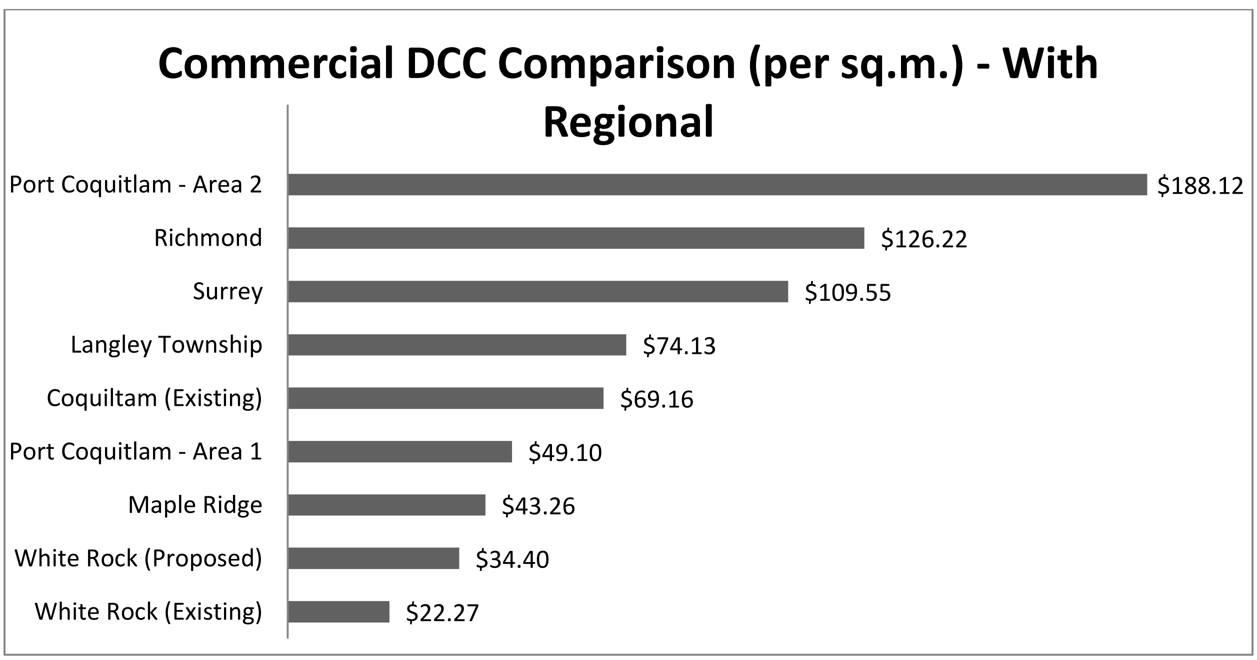


Residential (Multi-Family)




Apartment DCC Comparison (per unit) - With Regional
Langley Township $18,673
Surrey $17,031
Richmond $15,295
Port Coquitlam - Area 2 $15,088
Maple Ridge $10,139
Coquitlam $9,158
White Rock (Proposed) $8,327
Port Coquitlam - Area 1 $5,931
White Rock (Existing) $5,526

Commercial


Commercial DCC Comparison (per sq.m.) - With Regional
Port Coquitlam - Area 2 $188.12
Richmond $126.22
Surrey $109.55
Langley Township $74.13
Coquiltam (Existing) $69.16
Port Coquitlam - Area 1 $49.10
Maple Ridge $43.26
White Rock (Proposed) $34.40
White Rock (Existing) $22.27

THE CORPORATION OF THE

CITY OF WHITE ROCK

CORPORATE REPORT

DATE: **June 12, 2017**

TO: **Governance and Legislation Committee**

FROM: **Carl Johannsen, Director of Planning and Development Services**

SUBJECT: **Proposed Updates to the Density Bonus / Community Amenity Policy (Policy 511)**

RECOMMENDATIONS

THAT the Governance and Legislation Committee:

1. Receive for information the corporate report dated June 12, 2017, from the Director of Planning and Development Services, titled "Proposed Updates to the Density Bonus / Community Amenity Policy (Policy 511);" and
2. Direct staff to update Policy 511 'Density Bonus/Amenity Contribution,' based on Committee feedback and the content of this report, and forward the updated Policy 511 to Council for consideration of adoption.

EXECUTIVE SUMMARY

The Governance and Legislation Committee received a corporate report on a review of the Density Bonus / Community Amenity Policy (Policy 511) on May 9, 2016, which proposed consideration of major changes to the structure and content of the policy. Following the Committee's discussion, staff received direction to defer major structural changes to the policy until the Official Community Plan update process was further along. In the interim, staff was directed to bring forward for Council's consideration a minor update to the policy consisting of an update to the list of eligible amenities. This minor update was brought to the Governance and Legislation Committee on July 11, 2016 and approved by Council on September 12, 2016. With the Official Community Plan update process nearing completion, this report proposes these updates to the Density Bonus / Community Amenity Policy (Council Policy 511):

- new amenity contribution 'target rates' for the Town Centre and Lower Town Centre areas, based on market analysis conducted by Coriolis Consulting;
- excluding above grade parking floor area in estimating amenity contributions;
- updates that will implement Rental Housing Task Force recommendations, including:
  - waiving the community amenity contributions for affordable rental housing; and
  - considering the reduction of community amenity contributions for secured market rental housing.

Following receipt of feedback from Committee, staff propose to update Policy 511 and bring it forward to Council for consideration of adoption.

PAST PRACTICE/POLICY/LEGISLATION

The corporate report presented to the Governance and Legislation Committee dated May 9, 2016 titled "Density Bonus – Community Amenity Policy Review" is attached as Appendix D as background regarding legislation that enables density bonusing and amenity contributions. The corporate report provided to the Governance and Legislation Committee dated July 11, 2016, titled "Density Bonus / Community Amenity Policy – Amenity List Update" is also attached as Appendix E, and provides the rationale for the recent changes to eligible amenities.

Current Density Bonus/Amenity Contribution Policy ('Policy 511')

In accordance with Policy 511, the City currently uses both amenity zoning and agreements, and cash in lieu of on-site amenities, to help fund strategic community amenities. Figure 1 in Appendix A shows areas currently subject to Policy 511, which is attached as Appendix C.

Council Resolution Regarding Rental Housing Task Force

On January 16, 2017, Council passed the following resolution:

> "THAT Council direct staff to incorporate the recommendations within the Rental Housing Task Force Report into the ongoing Official Community Plan update; and Thanks the Rental Housing Task Force members for their assistance to planning staff, and that members be encouraged to review and provide comments on the forthcoming draft OCP."

The recommendations of the Rental Housing Task Force, related to this discussion, include:

- Consider reducing amenity contributions for secured market rental (maximum 50%);
- Consider waiving amenity contributions for non-profit housing providers; and
- Consider establishing a set percentage of community amenity contributions (e.g.10% of cash-in-lieu contributions) to be placed into an Affordable Housing Reserve Fund for use in providing Development Cost Charge (DCC) credits to non-profit housing.

ANALYSIS

Proposed Amenity Target Rate Updates

The corporate report dated May 9, 2016 (Appendix D) identified the importance of revisiting White Rock's density bonus / amenity contribution approach on a regular basis, to ensure it reflects market conditions and is effective in identifying appropriate contributions for funding key community amenities. This corporate report also noted that Coriolis Consulting had been retained to update its 2012 research, which had been used at that time in establishing the amenity contribution 'target rate' in the Town Centre (which was included in Policy 511 when it was adopted in 2013). The recent Coriolis update, completed in November 2016, is attached as Appendix F.

This corporate report provides an overview of proposed updates Policy 511, including updated amenity target rates that are based on the 2016 Coriolis report and reflect draft policy in the new Official Community Plan (OCP). Related Zoning Bylaw updates, based on the proposed updates to Policy 511 and coinciding with draft OCP policy are also identified, along with proposed amenity contribution waivers for affordable and secured rental housing applications.

White Rock's Amenity Contribution Approach

The City's approach to valuing amenity contributions is based on the premise that the City equally shares in the value of the 'land lift' when additional density or 'FAR' is added to a development property. As per Policy 511, currently amenity contributions are required for:

i. Town Centre area: developments over 3 storeys high and/or over 1.75 FAR; and

ii. Outside of Town Centre area: residential developments over 3 storeys and/or over 1.1 FAR, and commercial development over 3 storeys and over 1.75 FAR.

Using the Town Centre as an example, the City's share of the land lift value in this area is currently determined through applying a 'target rate' of $30 per square foot ($323 per square metre). This rate is used as a guide in negotiating the amenity contribution a developer contributes to the City.

As noted above Coriolis was retained to determine whether or not an update is necessary to the amenity contribution policy, given that land values and residential sale prices have changed since 2012-2013, and that new land use directions for the Town Centre and Lower Town Centre areas land use policy were being considered as a part of the new OCP process. Based on the outcomes of this to date, staff are proposing an updated amenity contribution approach for the Town Centre and introducing an amenity contribution target rate for the Lower Town Centre, and these proposals are summarized below.

Proposed Town Centre Amenity Contribution Update

In its 2016 analysis Coriolis reviewed the current $30 per square foot amenity contribution rate and factored in recent increases in property values and residential unit sales. Based on this analysis Coriolis recommended that this target rate be increased through one of the two following options:

1. A Town Centre-wide rate of $40 per square foot ($430 per square metre) for bonus floorspace between 1.75 and 5.4 FAR; or

2. A 'tiered' Town Centre-wide approach, involving a rate of $30 per square foot ($323 per square metre) for bonus floorspace between 1.75 and 3.5 FAR, and a rate of $50 per square foot ($538 per square metre) for bonus floorspace between 3.5 and 5.4 FAR.

In reviewing this recommendation, staff propose that the amenity contribution policy be updated to reflect Option 1, involving a single $40 per square foot target rate for the Town Centre area. The rationale for this is includes:

- the proposed increase from $30 to $40 per square foot (33 percent) is supported by the Coriolis analysis, and is reasonable based on a clear trend of increased property values and residential unit sale prices between 2012-2017. A general example of this includes Fraser Valley Real Estate Board statistics that indicate a 40 percent increase in multifamily unit resale prices since 2012. 'Unit spot data' (of select mid-range unit prices) from new multifamily project sales in White Rock also indicate a 30 to 40 percent increase in unit sales price per square foot since the 2012 Coriolis analysis.

- in relation to the new OCP maximum FAR map for the Town Centre (see Appendix B), including the 3.0, 4.0 and 5.4 FAR areas, a $40 single rate approach is supportable in helping the City in obtaining reasonable and fair amenity value contributions throughout the Town Centre, as similar property value and unit sale price increases have occurred in these areas and new developments to date have been largely concrete buildings. Staff also note that if the tiered $30/$50 option is applied to a redevelopment in the 5.4 FAR area (assuming the redevelopment attains 5.4 FAR), the actual target rate works out to be just over $40 per square foot if averaged out over the 1.75 to 5.4 FAR density bonus range;

- according to Coriolis, the increase to a $40 rate reflects an escalating market but still supports the near-term, viable redevelopment of properties with existing improvements (ie. strip malls with tenants), particularly in the 5.4 FAR area along North Bluff Road and Johnston Road due to existing site economics, tenant lease revenue and maximum FAR potential. This is turn could help in continuing the current redevelopment trend in the Town Centre; and
- one Town Centre-wide rate is consistent with the current clear and simple 'one-rate' amenity contribution policy.

Pending adoption of the new OCP and endorsement of the updated amenity contribution approach proposed in this report, staff intend to bring forward an update to the applicable Town Centre CR-1 Commercial/Residential Zone, for Council's consideration. If adopted this approach will make the Zoning Bylaw consistent with new OCP policy, and will include updates to the CR-1 density section to relate it to the maximum FAR map in the new OCP.

Proposed Lower Town Centre Amenity Contribution Approach
As part of the OCP update, staff reviewed the Lower Town Centre area (located along Johnston Road and Pacific Avenue, between Thrift Avenue and Fir Street), and used OCP workshops to get community feedback on preferred building types and heights for the area. While varied feedback regarding density and height was received, and noting that the proposed density and height options have evolved, based on further analysis staff have proposed a land use direction that includes two distinct maximum FAR and height areas, including (see Appendix B):

1. Properties fronting Johnston Road, between Thrift Avenue and Roper Avenue: a maximum 3.5 FAR and 10-12 storey building heights. Noting that this area is immediately adjacent to the Town Centre area with its higher densities, heights and property values, this proposal continues the downward density and height transition from the Town Centre, and uses the White Rock Elementary School property as a large open space and buffer between higher and lower density areas; and
2. All other Lower Town Centre properties: a maximum 2.0 FAR and 4 storeys, which supports low-rise mixed use and apartment developments.

As a part of their 2016 study Coriolis was asked to review a potential amenity contribution rate target for the Lower Town Centre, for FARs between 1.75 FAR and 3.5 FAR. This was done to understand what level of amenity contributions might be possible in this area, based on the consideration of OCP land use options involving a 'higher to lower' transition of densities and heights from the adjacent Town Centre area.

Noting that market conditions are similar between the Town Centre and Lower Town Centre areas, in terms of unit sale prices, lease rates, development costs, and types of improved properties, Coriolis recommended a $30 per square foot ($323 per square metre) target for the Lower Town Centre. This is the current target rate for the Town Centre, and staff propose that this amenity rate be applied to the Lower Town Centre area for bonus density floorspace between 1.75 and 3.5 FAR, based on the following rationale:

- the proposed rate, which is $10 per square foot lower than the proposed Town Centre rate, reflects the lower maximum FARs that are possible for Lower Town Centre properties relative to those in the Town Centre, but this target also supports the viable redevelopment of improved properties and reasonable amenity contributions being shared with the City; and

- furthermore, the Lower Town Centre areas consists of smaller properties and more limited assembly opportunities relative to the Town Centre, which in turn could lower potential bonus floorspace amounts.

Pending adoption of the new OCP and endorsement of the updated amenity contribution approach proposed in this report, staff will also look to update the CR-2 Lower Town Centre Area Commercial / Residential Zone (along with the CR-1 update for the Town Centre), to allow density bonusing above the current maximum of 1.75 FAR. This 'pre-zoning' approach involves updating the density section to specify a maximum 3.5 FAR for Johnston Road CR-2 properties between Thrift Avenue and Roper Avenue, and a maximum 2.0 FAR for other CR-2 Lower Town Centre properties.

<u>Potential Community Amenities for the Lower Town Centre</u>
While Council has discretion on which community amenities are funded through amenity contributions (both cash-in-lieu and on-site amenities), specific amenities which are particularly relevant for the Lower Town Centre area could include:

1. the provision of people movement infrastructure to the waterfront, given the proximity of the Lower Town Centre to the waterfront;
2. the provision of publically accessible open spaces or buildings or spaces within a building for civic uses, to serve the increased population. This could include the possibility of a shared-use facility at White Rock Elementary School (e.g. community gym space, art gallery, etc.);
3. the provision of public art that reflects the Johnston Road 'arts and culture corridor;' and
4. other amenities identified by Council.

<u>Proposed Exemption of Above-Grade Parkade Areas</u>
Coriolis also recommended that above-grade parking floor areas, when contained within an above-ground building that is part of a new development project, should not be included in calculating gross floor areas and amenity contributions, as they do not generate revenue (unless specifically developed as pay parking facilities). Staff agree with this and will integrate this recommendation into the amenity rate policy and Zoning Bylaw updates, as this condition is likely to be largely limited to properties with sloping and/or challenging site conditions.

Areas Outside of the Town Centre and Lower Town Centre
In areas outside of the Town Centre and Lower Town Centre there is significant variability in existing property conditions, land uses and the type of rezoning applications that are received. This variability makes it challenging to apply a standard target rate, as each site and proposal is able to support a different community amenity contribution. Based on this, staff recommend amenity contributions for rezonings outside of the Town Centre and Lower Town Centre continue to be negotiated on a site-by-site basis, according to the current practice.

Rental Housing Task Force Recommendations and Amenity Contributions
The Rental Housing Task Force was convened in 2016 to help create policies that encourage the development of more rental housing in White Rock. The concluding report of the task force was presented at the January 16, 2017 Council meeting, and staff were subsequently directed to incorporate the recommendations in the Task Force's report into the new OCP. These recommendations are included under Objective 11.2 (page 48) of the draft OCP.

Several of the recommendations in the Task Force's report relate the Density Bonus / Amenity Contribution Policy, and are intended to provide incentive for developing purpose built rental housing (both market and non-market) through reducing development costs. As the public benefit associated with non-market affordable housing is greater than market rental housing, and non-market affordable housing by definition does not generate as much profit as market rental housing, the Task Group proposed greater incentives for non-market affordable housing relative to market rental housing.

These recommendations include:

- consider reducing community amenity contributions for secured market rental (to a maximum of 50%); and
- consider waiving community amenity contributions for non-profit housing providers.

Non-profit or non-market rental housing (which is defined as 'affordable rental' in the new OCP) may consist of housing targeted toward specific client groups, such as low-income seniors or single-parent families. It can also include inclusive housing models, such as those encouraged by Community Living BC, where a portion of the units are set aside for those with developmental disabilities and the remainder are available for the public at below market rents. The tenure and rents applicable to non-market housing may be secured through a Housing Agreement, pursuant to section 483 of the Local Government Act.

Secured market rental housing is commonly defined as housing that is secured as rental for a term of 60 years or the life of the building, through a legal agreement such as a Housing Agreement pursuant to section 483 of the Local Government Act, or another legal mechanism.

Staff note that these incentive-based recommendations are a best practice in many municipalities and have been effective in realizing new rental developments in recent years. Based on this, staff propose that the Task Force recommendations be included in an updated Policy 511.

Beyond the proposed updates to Policy 511, the Task Force also recommended that consideration be given to placing a set percentage of community amenity contributions (e.g. 10% of cash-in-lieu contributions) into an Affordable Housing Reserve Fund for use in funding applicable DCCs for non-profit housing applications. This fund does not exist, but Council may wish to consider it in the future.

Summary of Proposed Updates
Based on the above discussion, staff recommend the following proposed updates to Policy 511:

1. update the amenity contribution target rate for the Town Centre area to $40 per square foot ($430 per square metre) for densities between 1.75 FAR and 5.4 FAR;
2. introduce an amenity contribution target rate for the Lower Town Centre Area of $30 per square foot ($323 per Square metre) for densities between 1.75 FAR and 3.5 FAR;
3. exclude above grade enclosed parking from the floor area used to calculate the amenity contributions, as this space does not generate revenue to the developer;
4. waive community amenity contributions for affordable rental housing; and
5. use a 50 percent reduction as a target 'ceiling' rate in considering the reduction of the amenity contributions for secured market rental housing applications.

OPTIONS

The following options are available for the Governance and Legislative Committee member's consideration:

1. Receive the report and direct staff to proceed with proposed amendments to the Density Bonus / Community Amenity Policy, based on feedback from the Committee and as outlined in the corporate report titled "Proposed Updates to the Density Bonus/Community Amenity Policy (Policy 511)," and forward the updated Policy 511 to Council for consideration of adoption;
2. Direct staff to discontinue the review of the current Density Bonus / Amenity Contribution policy.

Staff recommends Option 1 which is reflected in the recommendations of this corporate report.

CONCLUSION

Density bonusing and community amenity contributions help municipalities to share in the benefits of redevelopment, and ensure new amenities are provided for the community as growth occurs. Within a context of escalating market conditions, it is prudent to periodically review White Rock's Density Bonusing and Community Amenity Policy (Policy 511), to ensure that amenity contributions are appropriate and reflect the market, the contribution process is clear and fair for all parties, and the amenities identified for funding through these contributions reflect Council and community priorities.

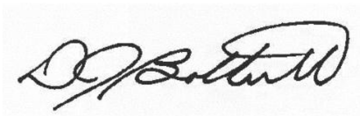
Based on the recent work of Coriolis, the Rental Housing Task Force and the new Official Community Plan development process, staff are proposing key updates to Policy 511, as contained in this report, for Committee's review and feedback prior to bringing an updated policy to Council for consideration of approval.

Respectfully submitted,

Carl Johannsen, MCIP RPP
Director of Planning and Development Services

Comments from the Chief Administrative Officer:

I concur with the recommendations of this corporate report.



Dan Bottrill
Chief Administrative Officer

Appendix A: Current and Proposed Density Bonusing/Amenity Contribution Areas
Appendix B: Town Centre and Lower Town Centre Maximum FAR Map
Appendix C: Current Density Bonus / Amenity Contribution Policy 511
Appendix D: Staff Report dated May 9, 2016 titled "Density Bonus / Community Amenity Policy Review"
Appendix E: Staff Report dated July 11, 2016 titled "Density Bonus / Community Amenity Policy – Amenity List Update"
Appendix F: Coriolis Consulting report dated November 8, 2016 titled "Community Amenity Contribution Rate Analysis for the White Rock Town Centre and Lower Town Centre"

APPENDIX A

Current and Proposed Density Bonusing/Amenity Contribution Areas

Figure 1: Current Approach

Figure 2: Proposed Approach

APPENDIX B

Town Centre and Lower Town Centre Areas, Maximum FAR Map

Figure 1: Town Centre and Lower Town Centre Areas

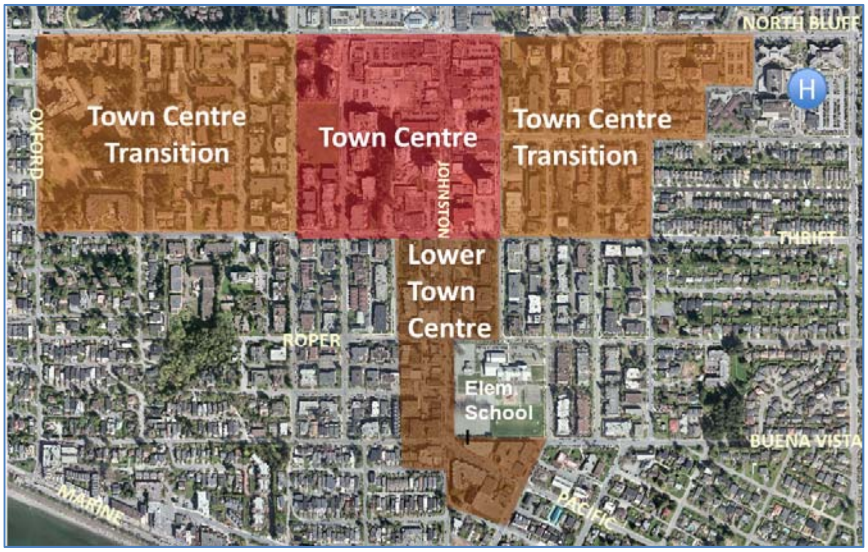
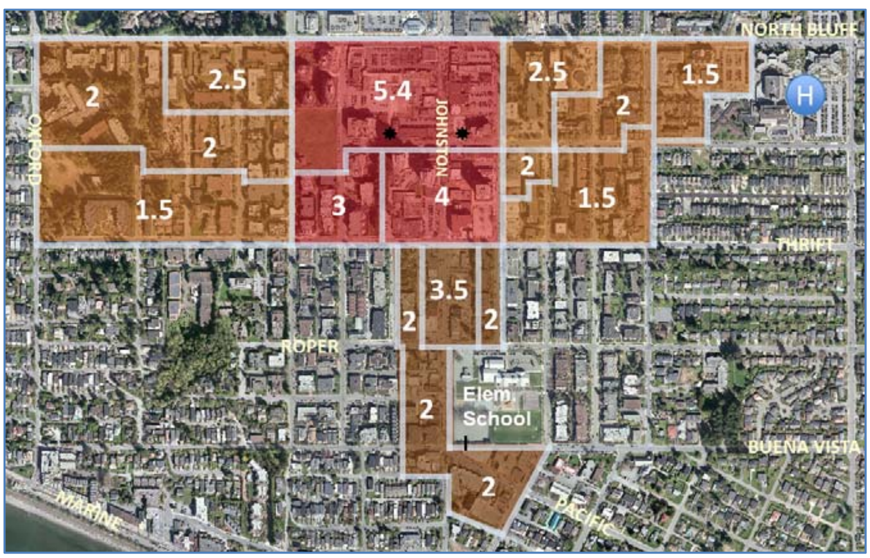


Figure 2: OCP: Maximum FARs in Town Centre and Lower Town Centre Areas



APPENDIX C

Current Density Bonus / Amenity Contribution Policy 511

POLICY TITLE: DENSITY BONUS / AMENITY CONTRIBUTION

POLICY NUMBER: COUNCIL - 511

Date of Council Adoption: April 15, 2013	*Date of Last Amendment:* September 12, 2016
Council Resolution Number: 2016-411	*Historical Changes (Amends, Repeals or Replaces)* amends Policy No. 511 – Density Bonus / Amenity Contribution Policy”
Originating Department: Planning and Development Services	*Date last reviewed by the Governance and Legislation Committee:* July 11, 2016

Policy:

Purpose

The purpose of density bonus/amenity contribution requirements is to permit an increase in allowable densities in exchange for providing community amenities. It allows the City to participate in a share of the increase in property values resulting from increases to the allowable densities. Variables such as location, land value, lot size, building costs and market conditions affect the feasibility of value increases to the land when greater density is permitted. If these variables provide worthwhile economic gains to a property owner proposing redevelopment of their site, over and above the costs of providing the amenity contribution, then density bonus is a realistic way of acquiring benefit for the community.

Amenities

Council’s 2014-2018 Strategic Plan highlights several priorities which may be realized partly through the use of amenity contributions. The waterfront in particular is identified as the primary opportunity to drive the local economy and support community initiatives. As White Rock’s main attraction, the waterfront is an amenity that serves the City as a whole, and it is the public open space that is most impacted by increased development. Therefore the improvement of the waterfront is the main priority for Council in allocating amenity contributions.

Section 3.4.17 of the 2008 Official Community Plan (OCP) outlines the amenity contributions eligible for consideration for the Town Centre Area. The list of eligible amenity contributions for developments located outside of the Town Centre Area and which require rezoning, are similar, with clarification for area of applicability in brackets. Eligible contributions both within the Town Centre Area and elsewhere in the community are briefly outlined as follows:

- A building or space within a building for civic uses, including meeting or convention space (Town Centre Area)
- The provision and improvement of new publicly accessible open space, including a public square and/or pedestrian routes, either through dedication, easement, statutory right-of-way or covenant (all areas; with a preference for the East and West Beach Waterfront Business Areas)

- The improvement of existing publicly accessible open space and/or pedestrian routes (all areas; with a preference for the East and West Beach Waterfront Business Areas)
- Underground publicly accessible parking (Town Centre Area and East and West Beach Waterfront Business Areas)
- Publicly accessible parking (East and West Beach Waterfront Business Areas)
- Outdoor public art in the Town Centre Area located as recommended in the 2011 Town Centre Urban Design Plan (Town Centre Area)
- Outdoor public art elsewhere in the community subject to the review and advice of the City's Public Art Advisory Committee (all other areas)
- A transit station, "bus loop" and/or transit shelters (Town Centre Area)
- Special needs or non-market affordable housing (all areas)
- People movement infrastructure (e.g. outdoor escalators, funiculars, or gondola) to link Uptown to the Waterfront (all areas)

Process

In the Town Centre Area, the City will establish the zoning that includes the maximum allowable densities both with and without the amenity contribution requirements, and proponents for redevelopment will be required to enter into written agreement for amenity contribution as a condition of development permit approval (when approved by Council for on-site amenities) and prior to the issue of building permits. Densities are expressed in terms of "Floor Area Ratio" (FAR) which is determined by dividing the gross floor area by the total site area.

For all other areas outside the Town Centre Area where higher densities are permitted in the OCP, redevelopment projects greater than 3 stories in height and/or 1.1 FAR in the Multi-Unit Residential designations, or greater than 3 stories in height and/or 1.75 FAR in the Commercial designations, will require rezoning to comprehensive development (CD) zone, and will be required to enter into agreement to establish the requirements for density bonus / amenity contribution prior to final approval of rezoning. Densities are expressed in terms of "Floor Area Ratio" (FAR) which is determined by dividing the residential floor area, commercial floor area, or institutional floor area (as applicable) by the total site area. For these projects, the CD zoning will make it possible to determine the appropriate site densities and building heights on a case-by-case basis in accordance with the direction for allowable heights and densities established in the OCP. Further, market research will be required to determine the appropriate amount of density bonus / amenity contribution required, on a project by project basis.

Unless otherwise decided by Council, all amenity contributions will be in the form of payment- in-lieu. A reserve account will be created for deposit of these funds. Funds within this account will only be expended for those types of amenities listed above to be provided in the Waterfront area, the Town Centre area, or in other public areas as determined by Council, and for the benefit of the overall community. Where Council has agreed to accept the amenity contribution to be developed on-site in conjunction with the redevelopment proposal, the specific amenities to be provided will be determined through discussion and negotiation between the City and the proponent. When it is agreed that the amenities are to be provided on-site, public access to the amenity will be secured through written agreement or covenant registered prior to building permit approval in the Town Centre area and may require the submission of financial securities acceptable to the City. Outside of the Town Centre area, public access to the amenity will be secured through written agreement or covenant registered prior to final approval of the rezoning.

Calculation of Amenity to be Provided

Amenity contributions are required for every development:

a) In the Town Centre Area for developments exceeding three (3) stories in height and/or 1.75 FAR; and
b) For every rezoning outside of the Town Centre Area for proposed developments exceeding three (3) stories in height and/or 1.1 FAR in the Multi-Unit Residential designations, and three (3) stories in height and/or 1.75 FAR in the Commercial designations.

Note: In the Town Centre Area, FAR is calculated based gross floor area as defined in the zoning bylaw. For rezonings outside of the Town Centre Area, FAR is calculated based on residential floor area, commercial floor area, or institutional floor area, as defined in the zoning bylaw, or a combination of the above if applicable.

Within the Town Centre Area, the amenity contribution required shall be calculated at a rate of:

- $0 for the 1st 1.75 FAR;
- $323 per m^2 for FAR of 1.75 to 5.4.

For every rezoning outside of the Town Centre Area as noted above, the amenity contribution required shall be calculated for the entire project, on a project by project basis, based on the advice and recommendations of a qualified market research consultant specific to that project. Proponents will be required to submit the market research report at the time of application submission, and the City reserves the right to commission a 2nd report from an alternate consultant to establish the amenity contribution requirement for that project.

In establishing the value of a proposed amenity, hard costs, soft costs and land costs will be considered. Eligible costs for on-site amenities, when approved by Council, therefore include:

i) Hard Costs – all material and labour costs for the construction of the amenity;
ii) Soft Costs – all fees and costs for the construction of the amenity; and
iii) Land Costs – eligible only where the ownership of the land containing the amenity is transferred or dedicated to the City.

To determine the value of the on-site amenity, a 3rd party appraisal will be required.

Examples – (Town Centre Area):

1. Smaller site i.e. 2,000m^2 site area; 4 story proposal
   Proposed gross floor area = 4,500m^2 (**2.25 FAR**)

a) FAR 1.75	= 2,000m^2 x 1.75 = 3,500m^2		= (no amenity required)
b) FAR 1.75 to 2.25	= 2,000m^2 x 2.25 – 3,500m^2 x \$323		= \$323,000
		Total Amenity Required	= \$323,000

2. Larger site i.e. 9,000m^2 site area; 16 story proposal
   Proposed gross floor area = 28,800m^2 (**3.2 FAR**)

a) FAR 1.75	= 9,000m^2 x 1.75 = 15,750 m^2		= (no amenity required)
b) FAR 1.75 to 3.2	= 9,000m^2 x 3.2 – 15,750m^2 x \$323		= \$4,215,150
		Total Amenity Required	= \$4,215,150

3. Smaller site i.e. 2,000m^2 site area, 12 story proposal
   Proposed gross floor area = 8,800m^2 (**4.4 FAR**)

a) FAR 1.75	= 2,000m^2 x 1.75 = 3,500m^2		= (no amenity required)
b) FAR 1.75 to 4.4	= 2,000m^2 x 4.4 – 3,500m^2 x \$323		= \$1,711,900
		Total Amenity Required	= \$1,711,900

4. Larger site i.e. 9,000m^2 site area, 25 story proposal
   Proposed gross floor area = 48,600m^2 (**5.4 FAR**)

a) FAR 1.75	= 9,000m^2 x 1.75 FAR = 15,750m^2		= (no amenity required)
b) FAR 1.75 to 5.4	= 9,000m^2 x 5.4 – 15,750m^2 x \$323		= \$10,610,550
		Total Amenity Required	= \$10,610,550

APPENDIX D

Staff Report dated May 9, 2016 titled "Density Bonus / Community Amenity Policy Review"

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT

DATE: **May 9, 2016**

TO: **Governance and Legislation Committee**

FROM: **Eric Shaw, Acting Director of Planning and Development Services**

SUBJECT: **Density Bonus / Community Amenity Policy Review**

RECOMMENDATIONS

THAT the Governance and Legislation Committee:

1. Receive for information the corporate report dated May 9, 2016, from the Acting Director of Planning and Development Services, titled "Density Bonus / Community Amenity Policy Review;" and
2. Recommend that Council direct staff to prepare a revised Community Amenity Policy for Council's consideration based on Council's priorities, community consultation and suggested improvements outlined in the corporate report titled "Density Bonus / Community Amenity Policy Review."

INTRODUCTION

While the City, subject to public consultation, from time to time accommodates new residential and commercial development, the City does not want new development to impose new financial burdens on existing ratepayers. New development should assume a share of the costs of new infrastructure and amenities needed to accommodate growth and address impacts of growth on the existing community. This report provides an overview of the City's current density bonus / amenity contribution policy adopted on April 15, 2013, related Official Community Plan provisions, and proposed revisions to Council policy 511 for public and industry review.

FACTORS DRIVING NEW DEVELOPMENT AND AMENITIES

There are several factors driving new development in the City, including:

- Infill development where contemplated under the Official Community Plan;
- Assisted living, seniors' housing and other similar new development;
- Demolition of single family residences to facilitate construction of new residences;
- Upgrading or replacement of rental apartment or strata buildings to facilitate development of new rental housing or strata property units;
- New commercial and mixed-use development in the Town Centre, along Marine Drive and elsewhere;

- Improving the quality of community life, including improvements in relation to arts and culture, civic facilities, public amenities, and shopping; and
- Significant increase in self-employment and "telecommuting."

The City has several principal legal tools to ensure new development pays an equitable portion of the costs of new community infrastructure and amenities:

- Amenities can be required as conditions of increased density or pursuant to phased development agreements. In some cases, an applicant for rezoning or a party to a phased development agreement can pay cash in lieu of providing specified amenities.
- Development Cost Charge (DCC) bylaws impose charges on new developments, to contribute to expansion and upgrade of the water system, sanitary sewer system, major road network, drainage system, park land and some park improvements, in order to serve new development directly or indirectly.
- Works and services are required onsite and offsite as conditions of new subdivision or building permit approvals under the subdivision and development servicing bylaw.
- New offsite water, sanitary sewer, drainage or highway works and services may be required to be constructed and installed by applicants for subdivision or building permits if the works and services have "excess or extended" capacity to serve latecomers, in which case latecomers connecting to or using such systems pay charges which are remitted to the original developer for up to 20 years.

Amenities include park land, park equipment and improvements, playing fields, trail dedication, trail development, waterfront walkway (including a seawall or boardwalk), open space (in addition to statutory park land dedications), day care facilities (typically not for profit), public art, public property acquisitions for community amenities, community gardens, parking structures, theatres or other performing arts facilities, green infrastructure, beautification projects, preservation of heritage structures, fire equipment and buildings, and other amenities with a clear community benefit.

Although housing is not strictly an amenity, the City may validly seek affordable housing, accessible housing, special needs housing and other forms of housing by way of the same tools used for acquiring amenities or cash in lieu. Similarly, water, sanitary sewer, drainage or highway works and services are not treated as amenities, but are addressed by way of DCCs, offsite servicing agreements, phased development agreements or latecomer arrangements. Typically in British Columbia, developers provide new amenities to communities (or elect to pay cash in lieu) on the occasion of a rezoning. Under the *Local Government Act*, this can be triggered by way of amenity zoning or a phased development agreement.

Although amenity contributions are typically negotiated in North American municipalities on a site-by-site basis, the City by way of its community amenity policy is providing the community and owners with a clear, predictable indication of reasonable expectations for community amenities and public or affordable housing in relation to rezonings. These expectations are based on a consideration of impacts of new development, needs of new users, and the capacity of a new development to provide community amenities while remaining financially feasible. In the case of an established amenity, the owner and City may find it more practicable to proceed by way of the provision of cash in lieu of the actual amenity. Generally, the cash is held to be used for the ultimate provision of one or more community amenities.

PAST PRACTICE / POLICY/LEGISLATION

Amenity Zoning and Phased Development Agreements

Density bonusing is a universally accepted mechanism for a local government to acquire public community benefits in exchange for additional development potential. Density bonusing by way of:

a) amenity zoning is valid under Section 482 of the *Local Government Act* (LGA); and

b) a phased development agreement (PDA) is valid under Section 515 through 522.

Local Government Act Section 482 allows municipalities to include additional (bonus) density in approving certain development applications subject to specific conditions, which can include providing amenities. The amenity zoning provision in the (LGA) is outlined below:

> *"482 (1) A zoning bylaw may:*
> *(a) establish different density rules for a zone, one generally applicable for the zone and the other or others to apply if the applicable conditions under paragraph (b) are met, and*
> *(b) establish conditions in accordance with subsection (2) that will entitle an owner to a higher density under paragraph (a).*
> *(2) The following are conditions that may be included under subsection (1) (b):*
> *(a) conditions relating to the conservation or provision of amenities, including the number, kind and extent of amenities;*
> *(b) conditions relating to the provision of affordable and special needs housing, as such housing is defined in the bylaw, including the number, kind and extent of the housing;*
> *(c) a condition that the owner enter into a housing agreement under section 483 before a building permit is issued in relation to property to which the condition applies.*
> *(3) A zoning bylaw may designate an area within a zone for affordable or special needs housing, as such housing is defined in the bylaw, if the owners of the property covered by the designation consent to the designation."*

Under sections 515 through 522 of the LGA, the City and an owner may enter into a phased development agreement at the time the owner applies for a zoning amendment to increase density. In return for granting the owner the opportunity to increase the amount of development on the subject parcel of land, the City may expect to receive the benefit or advantage of amenities to serve the community in the context of new burdens created by the new development (or cash in lieu). This is a reasonable consideration a Council may take into account when considering the application for rezoning.

In the absence of the zoning amendment bylaw adopted by the Council, the owner's land value would not increase and the opportunity to develop to a higher density would not exist.

Developers reasonably expect to provide amenities required as a result of the impacts of new development, and in addition to the land "lift" created by the rezoning a developer in lieu of an amenity zoning bylaw may seek a freezing of the new zoning under the PDA (and subdivision bylaw and certain development permit provisions) for up to 10 years (or up to 20 years with approval of the Inspector).

By way of a simple example, a retail site could be zoned currently with a density of FAR 1.0, and further to the zoning amendment applied for by the developer could be rezoned with a density of FAR 2.0 in addition to a change to allow mixed use retail, office and multi-family residential. Prior to adoption of the zoning amendment, the PDA that provides for community amenities could become the subject of a notice on the title to the subject lands to render the PDA binding on the owner and subsequent owners. Typically, the notice on title is accompanied by a covenant in favor of the City to enforce the PDA provisions (and, if applicable, to address flood protection, natural hazards, conservation or other land use issues under Section 219 of the *Land Title Act*).

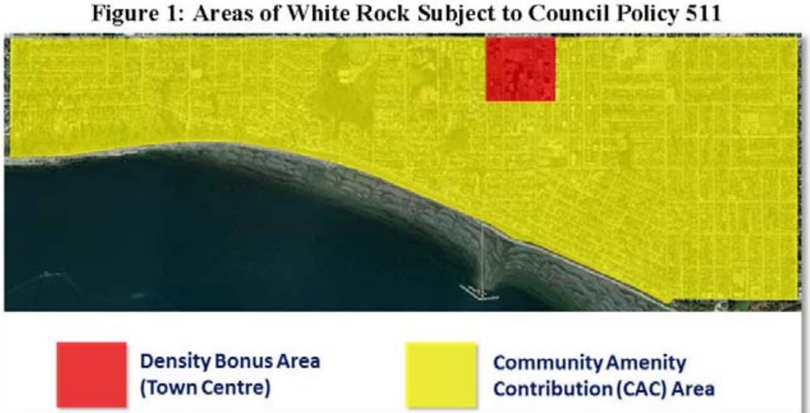
The amenity provided under an amenity zoning bylaw or a PDA may include one or more of park land, park equipment and improvements, playing fields, trail dedication, trail development, waterfront walkway (including a seawall or boardwalk), open space (in addition to statutory park land dedications), day care facilities (typically not for profit), public art, public property acquisitions for community amenities, community garden, parking structure, theatre or other performing arts facility, green infrastructure, beautification project, preservation of heritage structure, fire equipment and building, and other amenities with a clear community benefit. The bylaw may also require specified affordable housing, accessible housing or special needs housing in order for the owner to qualify for the increased density. Some developments cannot support an entire amenity, or the developer cannot wait for the City's timing for an amenity, so the PDA may provide for cash in lieu of the specified amenities or housing requirements. The cash is generally deposited to an account in respect of the proposed amenity or housing, and is generally referred to as a "Community Amenity Contribution."

The following Ministry publications provide a comprehensive discussion of CACs, and encourage local governments that are considering CACs to take an approach that is legally sound, follows good planning practices, and avoids increasing housing costs.

- *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability* (Full Length Guide)
- *The Short Guide to Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability*

Current White Rock Density Bonus/Amenity Contribution Policy (No. 511)
In accordance with Council Policy 511, the City of White Rock currently uses both amenity zoning and agreements, and cash in lieu of amenities, to help provide for strategic community amenities. A copy of Council Policy 511 is included as Appendix A to this report. Figure 1 below illustrates areas of White Rock subject to Policy 511:

Figure 1: Areas of White Rock Subject to Council Policy 511



Types of Amenities
Section 3.4.17 of the Official Community Plan (OCP) outlines the amenity contributions eligible for consideration within the Town Centre Area. The list of eligible amenity contributions for developments located outside of the Town Centre area, and which require rezoning, are outlined in Council Policy 511. The current list of eligible amenities is outlined in Table1.

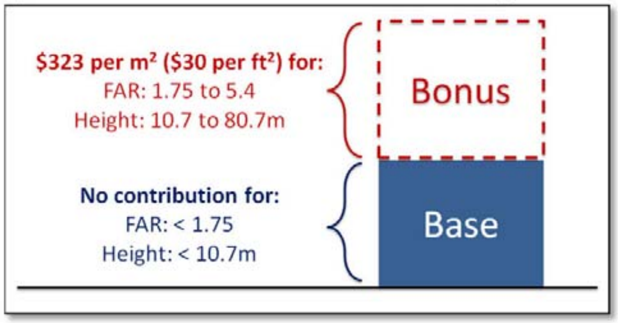
Table 1: Council Approved Amenities

#	Amenity	Location
1	Provision and improvement of new publicly accessible open space, including a public square and/or pedestrian routes, either through dedication, easement, statutory right-of-way or covenant	All Areas
2	Improvement of existing publicly accessible open space and/or pedestrian routes	All Areas
3	Special needs or non-market affordable housing	All Areas
4	"Lookout" or public observation area connected with publicly accessible open space and/or pedestrian routes	All Areas
5	"Lookout" or public observation area located as recommended in the 2011 Town Centre Urban Design Plan	Town Centre
6	Outdoor public art located as recommended in the 2011 Town Centre Urban Design Plan	Town Centre
7	Outdoor public art elsewhere in the community subject to the review and advice of the City's Public Art Advisory Committee	All areas outside of the Town Centre
8	Underground publicly accessible parking	Town Centre Area East & West Beach Waterfront Business Areas
9	Building or space within a building for civic uses, including meeting or convention space	Town Centre Area
10	Transit station, "bus loop" and/or transit shelters	Town Centre Area

Calculation of Value of Amenities
The value of amenities to be provided by new development is calculated differently for areas inside and outside of the Town Centre. Inside the Town Centre a standard dollar value rate has been determined per square footage over a minimum level of development rate. Outside of the Town Centre applicants and the City have to each retain consultants to determine the value.

<u>Town Centre</u>
The value of amenities or cash in lieu to be provided by new development in the Town Centre Area is calculated on the basis of an equation ($\$30/ft^2$ or $\$323/m^2$) for all developments with a floor area exceeding 1.75 FAR, and/or a building height exceeding 10.7 metres. Development below both 1.75 FAR and 10.7 metres is not subject to this calculation. Figure 2 illustrates the density bonus calculation for development within the Town Centre Area.

Figure 2: Calculation for the Town Centre Area (CR-1 Zone)



Areas outside of the Town Centre

Amenities or cash in lieu are negotiated for residential rezonings where development exceeds 1.1 FAR and/or three stories in height. Similarly, these are negotiated for commercial and mixed use rezonings where development exceeds 1.75 FAR and/or three stories in height. Figures 3 and 4 below illustrate the calculation for rezonings outside of the Town Centre Area.

Figure 3: Calculations for Residential Rezonings Outside of Town Centre

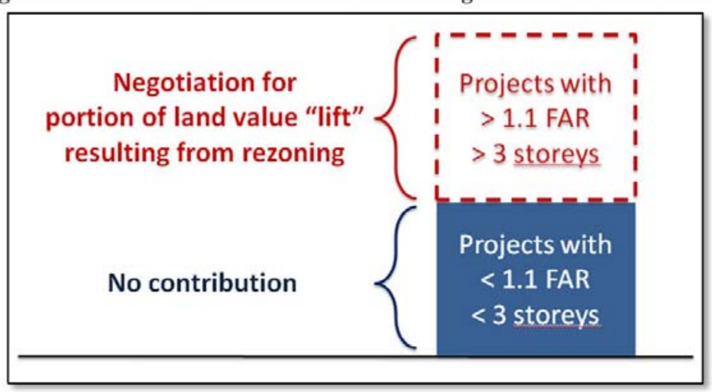
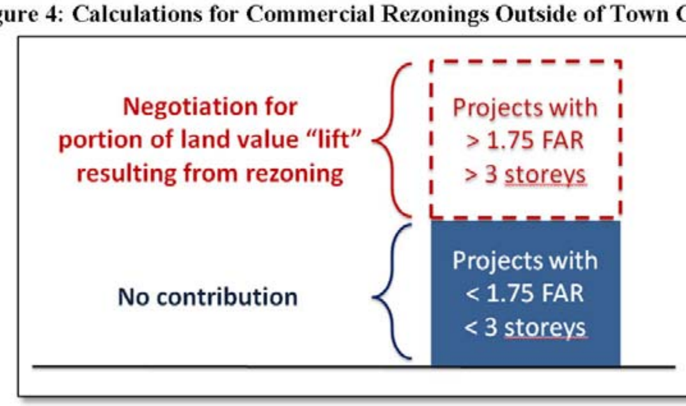


Figure 4: Calculations for Commercial Rezonings Outside of Town Centre



ANALYSIS

Community Amenity Best Practices

In March 2014, the Province of British Columbia released *'Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability'* to help municipalities understand the risks, challenges and recommended practices related to obtaining amenities and cash in lieu (CACs).

As outlined in the Province's report, practices for municipalities to **avoid** for CACs include:

- Imposing a specific charge for which there is no legal authority;
- Presenting a developer with a list of "required" contributions for rezoning to proceed;
- Policies that discourage or exclude negotiation between the developer and the municipality;
- Focusing on rezonings as a revenue source.

Practices for municipalities to **follow** for CACs include:

- Analysis of amenities sought by the municipality to address future growth;
- Principles of negotiation:
  - *Amenities should be connected to the development; and*
  - *Contributions should be proportionate to the scale of development*
- CACs should be limited to:
  - *Capital costs;*
  - *Earmarked for specific projects; and*
  - *Kept in reserve funds and used only for intended projects*

Table 1 summarizes the strengths and opportunities for improvement with the City's current policy in consideration of the Province's best practices report, and staff's experience in administering the current policy.

Table 1: Strengths & Opportunities for Improvement with Current Policy 511

Density Bonus (Town Centre)	
Strengths	***Areas Needing Improvement***
• Simple, predictable process for developers and the City • Predictable contribution amounts and no extra cost to developer or municipality to determine quantum of contribution	• Review of density bonus contribution calculation • Amenity options could be more specific and/or strategic
Amenities (Outside of Town Centre)	
Strengths	***Areas Needing Improvement***
• Flexible negotiation process can be scaled according to a wide range of rezoning applications outside of the Town Centre	• Based on the principle of variable property value "lift" • Undefined process for both parties • Unpredictable contribution amount for both parties • Relies on outside consultant being engaged for each and every application • Amenity options could be more specific and/or strategic

Opportunities for Improvement: Density Bonus

1. Review of the Density Bonus Contribution Calculation

   The current density bonus rate of $323 per square metre ($30 per square foot) for FAR of 1.75 to 5.4 was approved by Council in 2013 in consideration of research conducted by Coriolis Consulting and input received from the City's Economic Investment Committee. It is important to revisit this contribution calculation on a regular basis to ensure its appropriateness and efficacy in realizing sought-after amenities for White Rock.

   When establishing the rate, the following risks need to be mitigated:

   - **A calculation that is too high:** Developers must be able to acquire properties and complete profitable redevelopments. The amenity contribution rate must not be so high that it impairs the financial performance of redevelopment, or development will not occur.
   - **A calculation that is too low:** While it is not necessary to set the rate to capture all of the value created by the extra density, if the rate is set significantly lower than the value of the additional density there are two main consequences. First, the City is obtaining less amenity contribution than it could, which is a concern if the City is trying to optimize the provision of new amenities to meet the needs of the increased population resulting from the higher density. Second, any value of additional density that is not converted to an amenity contribution leads to rising land values for development sites. Setting the contribution rate significantly lower than the value of the density does not add incentive for developers and it does not result in lower housing prices. What happens is that land owners come to expect higher value for their development sites.

   As part of the policy review, the City will retain Coriolis Consulting to conduct an update to its 2012 research to help determine the appropriate density bonus calculation in 2016.

2. Review of Density Bonus Area Boundary
   Council may wish to explore opportunities for expanding the density bonus provisions outside of the Town Centre Area boundary, with the establishment of base and bonus densities for other defined areas (e.g., lands adjacent to Town Centre) and could be implemented through the restructuring of the zoning for the expanded density bonus area(s). Any potential expanded density bonus area(s) outside of Town Centre would include lower density limits than is currently permitted within Town Centre. Figure 5 conceptually illustrates the idea of expanding the current density bonus area.

Figure 5: Potential Density Bonus Area Expansion

3. Reduced or Exempted Density Bonus

   Council may wish to include certain reductions or exemptions in the policy. The following are examples:

   → **Non-profit developments**: The City may wish to support non-profit projects by either reducing or exempting them entirely from providing the amenities or cash in lieu.
   → **Projects including purpose-built rental housing, special needs housing, and/or non-market affordable housing:** The City may wish promote the diversification of housing options through a reduced or exempted density bonus.

Opportunities for Improvement: Community Amenity Contribution (CAC)
Applicants regularly seek advice from City staff on what may be considered an appropriate type or value of community amenity contribution, and seek clarification on the negotiation process and timing. The current policy does not provide sufficient guidance in this regard.
An updated policy should provide greater clarity to applicants on these kinds of questions, while emphasizing the importance of a negotiated result. The following are four changes that could be considered in an effort to improve the CAC portion of the current policy:

1. Principles of Negotiation
   The City could introduce a set of 'Principles of Negotiation' to the policy to help frame and focus community amenity contribution negotiations between both parties. Examples of the principles or guidelines may include:

   → Amenities should mitigate impacts of development;
   → Amenities consistent with Council's Strategic Priorities shall be favoured by the City;
   → Amenities will be located based on good planning principles.

   Having an established set of principles or guidelines would provide applicants with a clearer understanding of the City's intentions prior to commencing negotiations for the specific type and calculation of amenity provision or contribution.

2. Detailed List of Amenity Types and Targets
Community amenity needs change over time, so it is important that the policy be regularly updated to reflect current and anticipated needs. The types of amenities should be rationalized and strategic. Specifically, the list of amenities in the policy should be consistent with Council's current Strategic Priorities, applicable City plans (e.g., Open Space Master Plan, Strategic Transportation Plan, etc.), and derived through community consultation.

In addition, the City may wish to identify predetermined 'target contributions' being sought from developers when land is rezoned. These targets would apply to typical developments and serve as a starting point for negotiations. Target contributions have the advantage of being relatively predictable, and yet still provide the parties with the ability to negotiate. The targets offer a degree of assurance that all developers will be contributing to comparable amounts. Figure 6 is provided as an illustrative example of one type of amenity and contribution target.

Figure 6: Example Amenity Type & Calculation of Amenity Value

Uptown, East Beach & West Beach	Capital Cost	% of Cost Attributable to New Development	Target from Rezonings	Recommended Participation of Each Rezoning Applicant
Public art in accordance with 'Public Art Strategy'	$3,000,000	50%	$1,500,000	$X per housing unit $X per sq. ft. of commercial or office space

3. Reduced or Exempted Amenity Provision or Contribution
There may be reasons for Council to include certain community amenity reductions or exemptions in the policy. The following are a few examples:

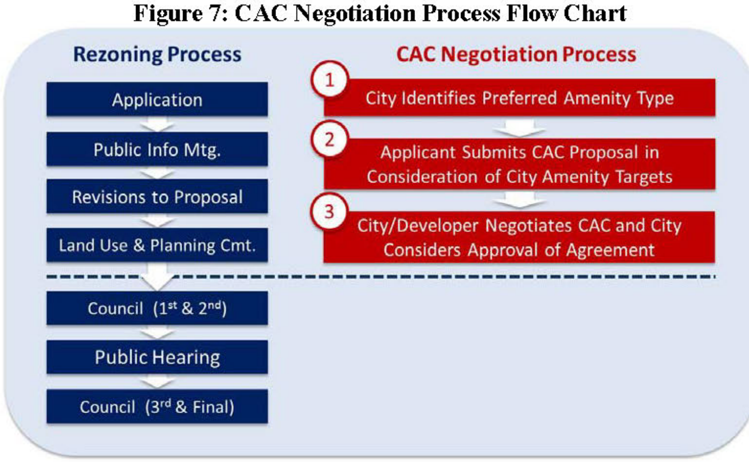
→ **Rezonings resulting in nominal net increases in density:** In situations where the cost and time to negotiate a proportionate amenity contribution for a development would likely exceed the value of the actual contribution, it may be appropriate for Council to have the option of exempting such development from the policy or negotiating a straight contribution.

→ **Non-profit developments:** The City may wish to support non-profit projects by either reducing amenity target contributions, or exempting the developments entirely.

→ **Projects including purpose-built rental housing, special needs housing, and/or non-market affordable housing:** The City may wish promote the diversification of housing options by reducing or eliminating amenity target contributions.

4. Clear Amenity Negotiation Process
The revised policy should provide clarity to the applicant on the negotiation process, including details regarding submission requirements during the proposed rezoning process. Figure 7 provides a simplified flow chart illustrating the suggested negotiation process.

Figure 7: CAC Negotiation Process Flow Chart



Step 1 in the process would involve staff identifying the *amenity type* preferred based on the amenity options listed in the policy.

In Step 2, following revisions to the development proposal, the applicant would submit an amenity proposal to the City including any cash in lieu amount for the preferred amenity type, based on the City's amenity targets listed in the policy.

Step 3 would involve final negotiations between the City and the developer, resulting in the approval of community amenity contribution for the project. Payment of any cash in lieu would be required prior to permit issuance, if the project is approved.

Summary of Opportunities for Improvement to the Policy
In summary, staff recommends the following opportunities to update and improve the current Density Bonus/Amenity Contribution Policy 511:

Density Bonusing (Town Centre):

1. Contribution calculation review and update;
2. Density bonus area boundary review and update;
3. Provision of strategic contribution reductions and/or exemptions.

Community Amenity Contribution (Outside of Town Centre):

1. Introduction of principles of negotiation;
2. Update list of amenity types and introduction of contribution targets;
3. Provision of strategic contribution reductions and/or exemptions;
4. Inclusion of clear amenity negotiation process.

Several of these recommendations are reflected in the revised draft of the Density Bonus/Amenity Contribution Policy provided in Appendix B.

<u>PUBLIC & STAKEHOLDER CONSULATION</u>

Staff has made presentations to the City's Economic Investment and Public Art Committees regarding the current Density Bonus/Amenity policy, and outlined possible changes to the policy based on recommended best practices from the Provincial government. The Economic Investment Committee indicated their support to update the policy, and emphasized the importance of including public parking facilities, waterfront amenities, and park-related improvements in the list of targeted amenities in the updated policy.

The Public Art Committee also indicated their support for the update, and expressed their interest in securing a more consistent funding source for strategically located public art in White Rock.

The City will be developing a new Parks and Recreation Master Plan in 2016, which will include opportunities for public input on desired community amenities. Input received through this process will assist in determining eligible community amenities in the policy.

In addition, staff recommends that the community be consulted to help determine other potential amenities for consideration in the updated policy. Staff suggests that an online community survey be developed and administered in the spring/summer of 2016 for this purpose. The results of the survey will assist staff in developing a complete list of eligible amenities and target contributions in the revised policy.

BUDGET IMPLICATIONS

Costs associated with the review of the Density Bonus/Amenity Policy, including those related to community consultation and Coriolis Consulting's density bonus contribution rate update will be absorbed by the Planning & Development Services Department's operational budget.

OPTIONS

The following options are available for the Governance and Legislative Committee member's consideration:

1. That Council direct staff to prepare a revised Density Bonus/Amenity policy for Council's consideration based on Council priorities, community consultation, and other suggested improvements outlined in this report; or
2. That Council direct staff to discontinue the review of the current Density Bonus/Amenity Contribution policy.

Staff recommends Option 1 which is reflected in the recommendations of this corporate report.

CONCLUSION

Density bonusing and community amenity contributions are effective planning tools that help municipalities ensure community amenity needs are being supported by new growth and development. A regular review of the City of White Rock's policy is required to ensure community amenities are consistent with Council and community priorities, that cash in lieu contributions are appropriate, and that the contribution process is clear and fair for all parties. Staff recommends that the following updates and improvements be undertaken.

Density Bonusing (Town Centre):

1. Contribution calculation review and update;
2. Density bonus area boundary review and update;
3. Provision of strategic contribution reductions and/or exemptions.

Community Amenity Contribution (Outside of Town Centre):

1. Introduction of principles of negotiation;
2. Update list of amenity types and introduction of contribution targets;
3. Provision of strategic contribution reductions and/or exemptions;
4. Inclusion of clear amenity negotiation process.

Staff have prepared a draft revised policy included as Appendix B to this report.

Respectfully submitted,

Eric Shaw, MCIP, RPP
Acting Director of Planning and Development Services

Comments from the Chief Administrative Officer:

I concur with the recommendations of this corporate report.

Dan Bottrill
Chief Administrative Officer

Appendix A: Current Density Bonus / Amenity Contribution Policy 511
Appendix B: Draft Proposed Density Bonus / Amenity Policy (for public review)

APPENDIX A

Current Density Bonus / Amenity Contribution Policy 511

POLICY TITLE: DENSITY BONUS / AMENITY CONTRIBUTION

POLICY NUMBER: COUNCIL - 511

Date of Council Adoption: April 15, 2013	*Date of Last Amendment:*
Council Resolution Number: 2013-111	*Historical Changes (Amends, Repeals or Replaces)* rescinds Policy No. 804 – Density Bonus Policy"
Originating Department: Planning and Development Services	*Date last reviewed by the Governance and Legislation Committee:*

Policy:

Purpose

The purpose of density bonus/amenity contribution requirements is to permit an increase in allowable densities in exchange for providing community amenities. It allows the City to participate in a share of the increase in property values resulting from increases to the allowable densities. Variables such as location, land value, lot size, building costs and market conditions affect the feasibility of value increases to the land when greater density is permitted. If these variables provide worthwhile economic gains to a property owner proposing redevelopment of their site, over and above the costs of providing the amenity contribution, then density bonus is a realistic way of acquiring benefit for the community.

Amenities

Section 3.4.17 of the 2008 Official Community Plan (OCP) outlines the amenity contributions eligible for consideration for the Town Centre Area. The list of eligible amenity contributions for developments located outside of the Town Centre Area and which require rezoning, are similar, with clarification for area of applicability in brackets. Eligible contributions both within the
Town Centre Area and elsewhere in the community are briefly outlined as follows:

- A building or space within a building for civic uses, including meeting or convention space (Town Centre Area)
- The provision and improvement of new publicly accessible open space, including a public square and/or pedestrian routes, either through dedication, easement, statutory right-of-way or covenant (all areas)
- The improvement of existing publicly accessible open space and/or pedestrian routes (all areas)
- Underground publicly accessible parking (Town Centre Area and East and West Beach Waterfront Business Areas)
- Outdoor public art in the Town Centre Area located as recommended in the 2011 Town Centre Urban Design Plan (Town Centre Area)

- Outdoor public art elsewhere in the community subject to the review and advice of the City's Public Art Advisory Committee (all other areas)
- A "lookout" or public observation area in the Town Centre Area and located as recommended in the 2011 Town Centre Urban Design Plan (Town Centre Area)
- A "lookout" or public observation area connected with publicly accessible open space and/or pedestrian routes (all areas)
- A transit station, "bus loop" and/or transit shelters (Town Centre Area)
- Special needs or non-market affordable housing (all areas)

Process

In the Town Centre Area, the City will establish the zoning that includes the maximum allowable densities both with and without the amenity contribution requirements, and proponents for redevelopment will be required to enter into written agreement for amenity contribution as a condition of development permit approval (when approved by Council for on-site amenities) and prior to the issue of building permits. Densities are express in terms of "Floor Area Ratio" (FAR) which is determined by dividing the total floor area by the total site area.

For all other areas outside the Town Centre Area where higher densities are permitted in the OCP, redevelopment projects greater than 3 stories in height and/or 1.1 FAR in the Multi-Unit Residential designations, or greater than 3 stories in height and/or 1.75 FAR in the Commercial designations, will require rezoning to comprehensive development (CD) zone, and will be required to enter into agreement to establish the requirements for density bonus / amenity contribution prior to final approval of rezoning. For these projects, the CD zoning will make it possible to determine the appropriate site densities and building heights on a case-by-case basis in accordance with the direction for allowable heights and densities established in the OCP. Further, market research will be required to determine the appropriate amount of density bonus / amenity contribution required, on a project by project basis.

Unless otherwise decided by Council, all amenity contributions will be in the form of payment- in-lieu. A reserve account will be created for deposit of these funds. Funds within this account will only be expended for those types of amenities listed above to be provided in the Town Centre area, or in other public areas as determined by Council, and for the benefit of the overall community. Where Council has agreed to accept the amenity contribution to be developed on-site in conjunction with the redevelopment proposal, the specific amenities to be provided will be determined through discussion and negotiation between the City and the proponent. When it is agreed that the amenities are to be provided on-site, public access to the amenity will be secured through written agreement or covenant registered prior to building permit approval in the Town Centre area and may require the submission of financial securities acceptable to the City. Outside of the Town Centre area, public access to the amenity will be secured through written agreement or covenant registered prior to final approval of the rezoning.

Calculation of Amenity to be Provided

Amenity contributions are required for every development:

a) In the Town Centre Area for developments exceeding three (3) stories in height and/or 1.75 FAR; and

b) For every rezoning outside of the Town Centre Area for proposed developments exceeding three (3) stories in height and/or 1.1 FAR in the Multi-Unit Residential designations, and three (3) stories in height and/or 1.75 FAR in the Commercial designations.

Note: FAR represents both residential and/or non-residential gross floor area as defined in the zoning bylaw.

Within the Town Centre Area, the amenity contribution required shall be calculated at a rate of:

- \$0 for the 1st 1.75 FAR;
- \$323 per m^2 for FAR of 1.75 to 5.4.

For every rezoning outside of the Town Centre Area as noted above, the amenity contribution required shall be calculated for the entire project, on a project by project basis, based on the advice and recommendations of a qualified market research consultant specific to that project. Proponents will be required to submit the market research report at the time of application submission, and the City reserves the right to commission a 2nd report from an alternate consultant to establish the amenity contribution requirement for that project.

In establishing the value of a proposed amenity, hard costs, soft costs and land costs will be considered. Eligible costs for on-site amenities, when approved by Council, therefore include:

i) Hard Costs – all material and labour costs for the construction of the amenity;
ii) Soft Costs – all fees and costs for the construction of the amenity; and
iii) Land Costs – eligible only where the ownership of the land containing the amenity is transferred or dedicated to the City.

To determine the value of the on-site amenity, a 3rd party appraisal will be required.

Examples – (Town Centre Area):

1. Smaller site i.e. 2,000m^2 site area; 4 story proposal
   Proposed gross floor area = 4,500m^2 (**2.25 FAR**)

a) FAR 1.75	= 2,000m^2 x 1.75 = 3,500m^2	= (no amenity required)
b) FAR 1.75 to 2.25	= 2,000m^2 x 2.25 – 3,500m^2 x \$323	= \$323,000
	Total Amenity Required	= \$323,000

2. Larger site i.e. 9,000m^2 site area; 16 story proposal
   Proposed gross floor area = 28,800m^2 (**3.2 FAR**)

a) FAR 1.75	= 9,000m^2 x 1.75 = 15,750 m^2	= (no amenity required)
b) FAR 1.75 to 3.2	= 9,000m^2 x 3.2 – 15,750m^2 x \$323	= \$4,215,150
	Total Amenity Required	= \$4,215,150

3. Smaller site i.e. 2,000m^2 site area, 12 story proposal
   Proposed gross floor area = 8,800m^2 (**4.4 FAR**)

a) FAR 1.75	= 2,000m^2 x 1.75 = 3,500m^2	= (no amenity required)

b)	FAR 1.75 to 4.4	$= 2{,}000m^2 \times 4.4 - 3{,}500m^2 \times \$323$	= $1,711,900
		Total Amenity Required	= $1,711,900

4. Larger site i.e. $9{,}000m^2$ site area, 25 story proposal
   Proposed gross floor area = $48{,}600m^2$ (**5.4 FAR**)

a)	FAR 1.75	$= 9{,}000m^2 \times 1.75$ FAR $= 15{,}750m^2$	= (no amenity required)
b)	FAR 1.75 to 5.4	$= 9{,}000m^2 \times 5.4 - 15{,}750m^2 \times \$323$	= $10,610,550
		Total Amenity Required	= $10,610,550

APPENDIX B

Draft Proposed Density Bonus/Amenity Policy (For Public Review)

POLICY TITLE: **DENSITY BONUS / AMENITY CONTRIBUTION**

POLICY NUMBER: **COUNCIL –XXX**

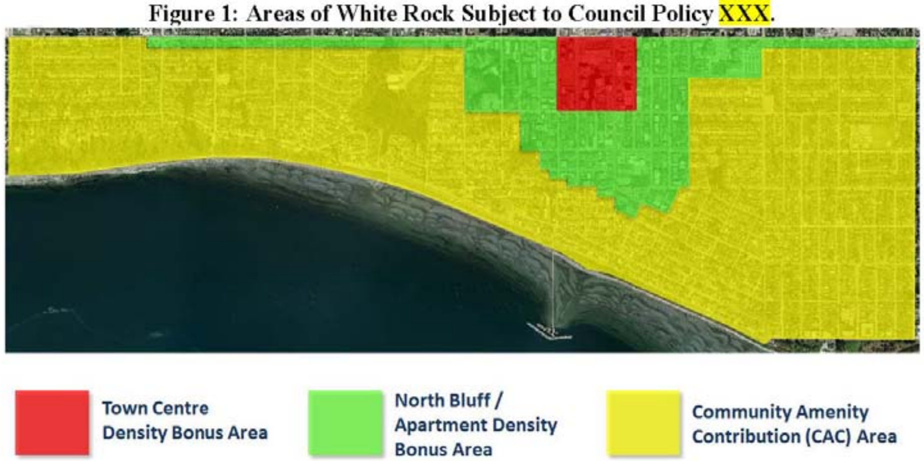
Date of Adoption:	*Date of Last Amendment:*
Council Resolution Number :	*Historical Changes:*
Originating Department: Planning & Development Services	*Date last reviewed by the Governance and Legislation Committee:*

1.0 PURPOSE

This policy is intended to provide clarity with respect to amenities and cash in lieu provided to the City of White Rock by developers in association with development applications. Developer amenity contributions help ensure that the City is able to provide needed amenities and meet the goals and objectives of the Official Community Plan (OCP). The City of White Rock uses amenity zoning and phased development agreements to help provide for strategic community amenities.

This policy provides guidance on the amenity process and guidelines when considering development applications in the City of White Rock as illustrated in Figure 1.

Figure 1: Areas of White Rock Subject to Council Policy XXX.



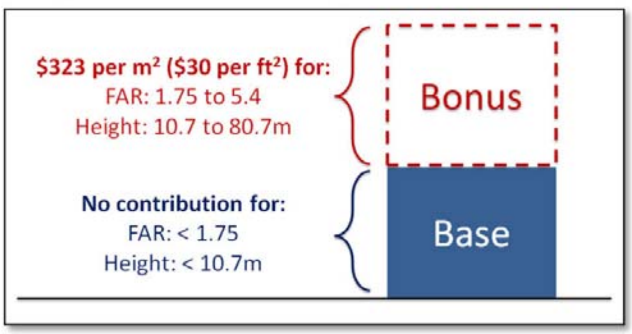
2.0 AMENITY ZONING AND PHASED DEVELOPMENT AGREEMENTS

Amenity zoning, as authorized under Section 482 of the *Local Government Act*, is intended to provide options for a developer to exceed the "base" density permitted in the Zoning Bylaw, provided the developer contributes certain amenities, or meet other specified conditions, as set out in the bylaw. The developer, by right, always has the option of developing at the base level of density, but may exceed the base level of density to take advantage of the density bonus subject to meeting the requirements of the Zoning Bylaw. As an alternative to amenity zoning, under sections 515 through 522 of the LGA, the City and an owner may enter into a phased development agreement at the time the owner applies for a zoning amendment to increase density. In return for granting the owner the opportunity to increase the amount of development on the subject parcel of land, the City may expect to receive the benefit or advantage of amenities to serve the community in the context of new burdens created by the new development. This is a reasonable consideration a Council may take into account when considering the application for rezoning.

2.1 Town Centre Density Area Calculation

The density bonus calculation in the Town Centre Density Bonus Area is calculated on the basis of the value of the subject amenity (or cash in lieu) being \$323 per m^2 / \$30 per ft^2 for all developments with a floor area exceeding 1.75 FAR and/or a building height exceeding 10.7 metres. Development below 1.75 FAR and 10.7 metres, and gross floor area of City approved on-site community amenities, is not subject to the density bonus calculation. Figure 2 illustrates the density bonus calculation for Town Centre.

Figure 2: Town Centre Density Bonus Area Calculation



2.2 Eligible Density Bonus Amenities for Town Centre

The following are a list of eligible density bonus amenities for the Town Centre Area:

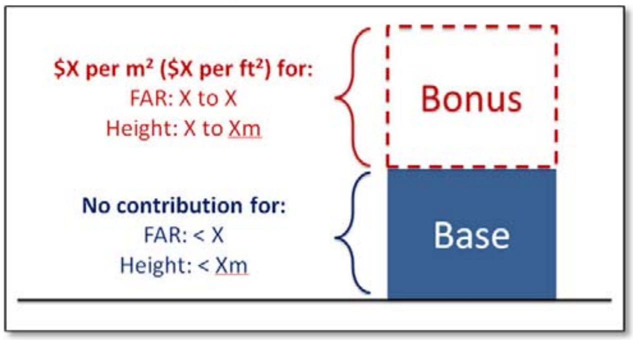
Amenity Type	Council Priority
• **Memorial Park Upgrade**	TBD
• **Marina Expansion**	TBD
• **Electrical and Water Services for the Pier Restaurant**	TBD
• **Promenade Extension to Coldicutt Ravine**	TBD
• **East Beach Expansion and Promenade**	TBD
• **Hillside walkways**	TBD
• **Public Art**	TBD
• **Transit Shelter Pads**	TBD

• **Special Needs and/or Non-Market Affordable Housing**	TBD

2.3 North Bluff / Apartment Density Bonus Area Calculation

The density bonus calculation for the North Bluff / Apartment Density Bonus Area is calculated on the basis of the value of the subject amenity (or cash in lieu) being $xxx per m^2 / $xx per ft^2 for all developments with a floor area exceeding X FAR in Multi-Unit Residential designations, or greater than X FAR in Commercial designations. Development below X FAR, and gross floor area of City approved on-site community amenities, is not subject to the density bonus calculation. Figure 3 illustrates the density bonus for the North Bluff / Apartment area.

Figure 3: North Bluff / Apartment Density Bonus Area Calculation



2.4 Eligible Density Bonus Amenities for North Bluff / Apartment Density Bonus Area

The following are a list of eligible density bonus amenities for the North Bluff / Apartment Area:

Amenity Type	Council Priority
• **Memorial Park Upgrade**	TBD
• **Marina Expansion**	TBD
• **Electrical and Water Services for the Pier Restaurant**	TBD
• **Promenade Extension to Coldicutt Ravine**	TBD
• **East Beach Expansion and Promenade**	TBD
• **Hillside walkways**	TBD
• **Public Art**	TBD
• **Transit Shelter Pads**	TBD
• **Special Needs and/or Non-Market Affordable Housing**	TBD

2.5 Amenity Zoning and Phased Development Agreement Process

The applicant for each new development must provide the amenity or pro-rata portion of the amenity prescribed by the amenity zoning bylaw or phased development agreement for that development. For practical purposes, the City Council may elect to receive cash in lieu of provisions of the actual amenities. A reserve account will be created for deposit of these funds, payable prior to building permit issuance. Funds within this account will only be expended for eligible amenities to be provided in the applicable area, or in other public areas of White Rock as determined by Council, and for the benefit of the development and the community.

Where Council has elected to accept the amenity to be developed on-site in conjunction with the development proposal, the specific amenities to be provided will be determined through negotiation between the City and the proponent. When it is agreed that the amenities are to be provided on-site, public access to the amenity will be secured through written agreement or covenant registered prior to building permit approval and may require the submission of financial securities acceptable to the City.

3.0 COMMUNITY AMENITY CONTRIBUTION

3.1 Community Amenity Contribution Process

For areas outside the Town Centre and North Bluff / Apartment Density Bonus Areas, where higher densities are permitted in the OCP, redevelopment projects greater than 1.1 FAR in the Multi-Unit Residential designations, or greater than 1.75 FAR in the Commercial / Mixed-Use designations, will require rezoning to a comprehensive development (CD) zone. Where these rezonings are adopted, Council will encourage applicants to consider proposing community amenities or the cash in lieu toward needed community amenities as a way of ensuring that the proposed development is making a positive contribution to the neighbourhood and community at large. The agreed-to amenity would be obtained by the City if, and when, the City decides to adopt the rezoning bylaw.

The community amenity process involves the following steps:

- **Step 1:** As part of a rezoning application, the City will identify the preferred community amenity or amenities, in accordance with the 'Principles of Negotiation' (Section 3.2) and 'Eligible CAC Amenity Types and Targets' (Section 3.3) of this policy.
- **Step 2:** The applicant submits a proposal to the City, confirming the specific amenities and any cash in lieu amounts proposed, in accordance with Sections 3.2 and 3.3 of this policy.
- **Step 3:** The applicant and City would negotiates the final terms of amenity zoning bylaw or PDA, as applicable.

Where Council has agreed to accept the amenity to be developed on-site, in conjunction with the development proposal, the specific amenities to be provided will be determined through negotiation between the City and the proponent. When it is agreed that the amenities are to be provided on-site, public access to the amenity will be secured through written agreement or covenant registered prior to building permit approval and may require the submission of financial securities acceptable to the City.

Figure 4: CAC Negotiation Process

3.2 Principles for Negotiating Community Amenity Contribution

The following principles shall be considered by Council as part of any negotiation with a developer for community amenity contribution:

a) Amenities consistent with Council's Strategic Priorities shall be favoured by the City.
b) Amenity contributions must be used solely for the public benefit.
c) Amenities provided through developer contributions should be clearly related to either: i) Mitigating community impacts caused by the donor development; or ii) addressing the demands of additional growth; or iii) both
d) Amenities must be operationally viable, be within the City's service standards, and have an identified source of operating funding.
e) Voluntary amenity contributions will not be used to obtain housing, amenities or infrastructure that would otherwise be provided by the private market.
f) Amenities obtained will be located based on good planning principles.
g) Amenities should be owned by a public body, or be secured for public benefit by way of a covenant or housing agreement in perpetuity or, at a very minimum, for the life of the structure.
h) Amenities will be subject to quality standards to ensure they are desirable, accessible, and well-used by the public.

3.3 Amenity Types & Target Contributions

The following amenities either require upgrading due to projected growth, or have been identified as new amenity needs resulting from projected growth. All applicants for rezoning should consider in accordance with the recommended targets below, and in consideration of the Principles for Negotiation listed in Section 3.2 of this policy.

Table 1: CAC Amenity Types & Targets

Amenity	Estimated Capital Cost	% of Cost Attributable to New Dev't	Target from Rezonings	Recommended Participation from each Rezoning Applicant
Memorial Park Upgrade	$1,000,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Marina Expansion	$850,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Electrical and Water Services for the Pier Restaurant	$200,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Promenade Extension to Coldicutt Ravine	$4,744,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
East Beach Expansion and Promenade	$15,000,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Hillside walkways	$1,600,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Public Art	$339,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Transit Shelter Pads	$25,000	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use
Special Needs and/or Non-Market Affordable Housing	$X	X%	$X	$X per housing unit $X per sq. ft. of commercial or office use

4.0 CONTRIBUTION REDUCTIONS AND EXEMPTIONS

Council will consider reduced amenity on a case-by-case basis for the following project types:

Density Bonus Areas:

- Projects including purpose-built rental housing may be exempted up to 50% of the density bonus calculations in Sections 2.1 and 2.3.
- Projects including special needs and/or non-market affordable housing may be exempted up to 75% of the density bonus calculations in Sections 2.1 and 2.3.
- Non-profit projects that provide a significant community benefit may be exempted up to 75% of the density bonus calculations in Sections 2.1 and 2.3.

Community Amenity Contribution Area:

- Projects including purpose-built rental housing may be exempted up to 50% of the recommended targets outlined in Section 3.3.
- Projects including special needs and/or non-market affordable housing may be exempted up to 75% of the recommended targets outlined in Section 3.3.
- Non-profit projects that provide a significant community benefit may be exempted up to 75% of the recommended targets outlined in Section 3.3.

Projects resulting in a net increase of 0.10 FAR or less may be exempted up to 100% of the recommended targets outlined in Section 3.3

APPENDIX E

Staff Report dated July 11, 2016 titled "Density Bonus / Community Amenity Policy – Amenity List Update"

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT

DATE:	**July 11, 2016**
TO:	**Governance and Legislation Committee**
FROM:	**Bob Ambardar, Acting Director of Planning and Development Services**
SUBJECT:	**Density Bonus / Community Amenity Policy – Amenity List Update**

RECOMMENDATIONS

THAT the Governance and Legislation Committee:

1. Receive for information the corporate report dated July 11, 2016, from the Acting Director of Planning and Development Services, titled "Density Bonus / Community Amenity Policy – Amenity List Update;" and
2. Recommend that Council approve the proposed amendments to the Density Bonus / Community Amenity Policy, as based on Council's priorities and suggested improvements outlined in the corporate report titled "Density Bonus / Community Amenity Policy – Amenity List Update."

INTRODUCTION

The Governance and Legislation Committee received a corporate report on a review of the Density Bonus / Community Amenity Policy on May 9, 2016, which proposed consideration of major changes to the structure and content of the policy. Following the Committee's discussion, staff received direction to defer major structural changes to the policy until the Official Community Plan update process is further along. In the interim, staff was directed to bring forward for Council's consideration a minor update to the policy consisting of an update to the list of eligible amenities. This report provides draft amendments to the list of eligible amenities in the Density Bonus / Community Amenity Policy, and minor updates to the "Floor Area Ratio" terminology in the policy, for the Governance and Legislation Committee to consider.

PAST PRACTICE / POLICY/LEGISLATION

The staff report provided to the Governance and Legislation Committee dated May 9, 2016 titled "Density Bonus – Community Amenity Policy Review" is attached as Appendix C, and provides a detailed background on the applicable legislation for density bonusing and amenity contributions.

For the purpose of this report, the most relevant aspect of amenity contributions is the type of amenities that may be specified. These may include one or more of:

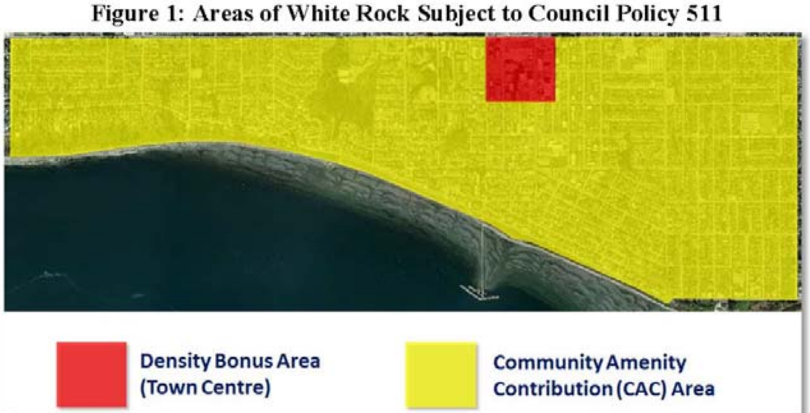
- park land,
- park equipment and improvements,
- playing fields,
- trail dedication,

- trail development,
- waterfront walkway (including a seawall or boardwalk),
- open space (in addition to statutory park land dedications),
- day care facilities (typically not for profit),
- public art,
- library materials,
- public property acquisitions for community amenities,
- community garden, parking structure,
- theatre or other performing arts facility,
- green infrastructure,
- beautification project,
- preservation of heritage structure,
- fire equipment and building, and
- other amenities with a clear community benefit

Some developments cannot support an entire amenity, or the developer cannot wait for the City's timing for an amenity, so the Density Bonus / Community Amenity Contribution Policy may provide for cash-in-lieu of the specified amenities or housing requirements. The cash-in-lieu is generally deposited to an account specific to the proposed amenity or housing, and is generally referred to as a "Community Amenity Contribution."

Current White Rock Density Bonus/Amenity Contribution Policy (No. 511)
In accordance with Council Policy 511, the City of White Rock currently uses both amenity zoning and agreements, and cash in lieu of amenities, to help provide for strategic community amenities. A copy of Council Policy 511 is included as Appendix A to this report. Figure 1 below illustrates areas of White Rock subject to Policy 511:

Figure 1: Areas of White Rock Subject to Council Policy 511



Current Eligible Amenities
Section 3.4.17 of the Official Community Plan (OCP) outlines the amenity contributions currently eligible for consideration within the Town Centre Area. The list of eligible amenity contributions for developments located outside of the Town Centre area, and which require rezoning, are outlined in Section 3.4.4 of the OCP and in Council Policy 511. The current list of eligible amenities is outlined in Table 1.

Table 1: Council Approved Amenities

#	Amenity	Location
1	Provision and improvement of new publicly accessible open space, including a public square and/or pedestrian routes, either through dedication, easement, statutory right-of-way or covenant	All Areas
2	Improvement of existing publicly accessible open space and/or pedestrian routes	All Areas
3	Special needs or non-market affordable housing	All Areas
4	"Lookout" or public observation area connected with publicly accessible open space and/or pedestrian routes	All Areas
5	"Lookout" or public observation area located as recommended in the 2011 Town Centre Urban Design Plan	Town Centre
6	Outdoor public art located as recommended in the 2011 Town Centre Urban Design Plan	Town Centre
7	Outdoor public art elsewhere in the community subject to the review and advice of the City's Public Art Advisory Committee	All areas outside of the Town Centre
8	Underground publicly accessible parking	Town Centre Area East & West Beach Waterfront Business Areas
9	Building or space within a building for civic uses, including meeting or convention space	Town Centre Area
10	Transit station, "bus loop" and/or transit shelters	Town Centre Area

ANALYSIS

Community amenity needs change over time, so it is important that the policy be regularly updated to reflect current and anticipated needs. The types of amenities should be rationalized and strategic. Specifically, the list of amenities in the policy should be consistent with Council's current Strategic Priorities, applicable City plans (e.g., Open Space Master Plan, Strategic Transportation Plan, etc.), and derived through community consultation.

Waterfront Priority

The White Rock waterfront is publically accessible open space, and as noted in Council's 2014-2018 Strategic Plan, the waterfront is "truly cherished by residents and identified as the primary opportunity to drive the local economy and support community initiatives". As such, it is an amenity that serves the City as a whole. With a relatively small population base and land area, any new development in the city will lead to increased public use of the waterfront and therefore it is appropriate that amenity contributions may be directed towards improvements related to the waterfront.

While the current policy does allow for community amenity contributions to be directed toward provision and improvement of new publicly accessible open space and improvement of existing publicly accessible open space, and the waterfront is eligible for amenity contributions, the policy could be more specific in emphasizing Council's priority of improving the waterfront.

The "Amenities" section in the draft policy has been rewritten with an introductory paragraph that accentuates the importance of waterfront improvements in the context of Council's Strategic Plan, and within the list of eligible amenities a note has been added that the provision and improvement of publically accessible open space is prioritized for the East and West Beach Business Areas.

People Movement

Council's Strategic Plan also refers to People Movement between the Uptown Area and the Waterfront as a strategic priority. While a particular approach or technology has not been selected, Council may wish to ensure that if a plan for people movement is brought forward, that it would be eligible as an amenity contribution.

The list of eligible amenities in the draft policy includes a new item: "provision of people movement infrastructure (e.g. outdoor escalators or funiculars) to link Uptown to the Waterfront." Items related to People Movement such as additional north-south sidewalks and hillside walkways would already also be eligible under the improvement of publically accessible open space.

Publically Accessible Parking on the Waterfront

The current list of eligible amenities includes underground publically accessible parking in the Town Centre and East and West Beach Waterfront Business Areas. While underground parking is desirable in promoting an efficient use of land and minimizing aesthetic impacts of parking garages, it is not always economically feasible to provide parking below grade, particularly in waterfront areas with a potential risk of storm surges or flooding. Broadening the list of amenities to include above grade parking facilities would support Council's Parking Options goal identified in the Strategic Plan.

Lookout or Public Observation Area

The provision of a lookout or public observation area has not been identified by Council as a strategic priority, and staff have not received interest from the public in providing this particular type of amenity. Amending the list of eligible amenities in the policy to remove this item as an option would provide enhanced focus to the policy.

Summary of Proposed Improvements to the List of Eligible Amenities

In summary, the following opportunities to update and improve the list of eligible amenities in the current Density Bonus/Amenity Contribution Policy 511 are provided in the draft policy:

Table 2: Proposed Changes to Eligible Amenity List

Amenity	Recommendation
Provision and improvement of new publicly accessible open space, including a public square and/or pedestrian routes, either through dedication, easement, statutory right-of-way or covenant	Retain; note waterfront as a priority
Improvement of existing publicly accessible open space and/or pedestrian routes	Retain; note waterfront as a priority
"Lookout" or public observation area connected with publicly accessible open space and/or pedestrian routes	Remove
"Lookout" or public observation area located as recommended in the 2011 Town Centre Urban Design Plan	Remove
Publicly accessible parking in the East and West Beach Waterfront Business Areas	Add – allows for above grade parking structure
Provision of people movement infrastructure (e.g. outdoor escalators, funiculars, or gondola) to link Uptown to the Waterfront	Add

Proposed Floor Area Ratio Terminology Amendments to the Policy

The current policy references "residential and non-residential gross floor area", in relation to the calculation of floor area ratio (FAR) in the Town Centre area, which are outdated terms and should be revised to "gross floor area" to make the terminology consistent with the "White Rock Zoning Amendment Bylaw, 2016, No. 2136 (Gross Floor Area Clarification Bylaw)" adopted May 30, 2016. Similarly, the draft policy specifies that the calculation of FAR outside the Town Centre area in Multi-Unit Residential designations references "residential floor area", and in Commercial designations the calculation references "gross floor area", as the density threshold for triggering amenity contributions in these areas is based on zones that utilize these measures.

These recommendations are reflected in the revised draft of the Density Bonus/Amenity Contribution Policy provided in Appendix B.

PUBLIC & STAKEHOLDER CONSULATION

Staff has made presentations to the City's Economic Investment and Public Art Committees regarding the current Density Bonus/Amenity policy, and outlined possible changes to the policy based on recommended best practices from the Provincial government. The Economic Investment Committee indicated their support to update the policy, and emphasized the importance of including public parking facilities, waterfront amenities, and park-related improvements in the list of targeted amenities in the updated policy.

The Public Art Committee also indicated their support for the update, and expressed their interest in securing a more consistent funding source for strategically located public art in White Rock.

The City will be developing a new Parks and Recreation Master Plan in 2016, which will include opportunities for public input on desired community amenities. Input received through this process will assist in determining eligible community amenities in the policy, and these considerations will be incorporated into the full review of the policy at a later date.

BUDGET IMPLICATIONS

There are no direct budget implications associated with the proposed amendment of the Density Bonus/Amenity Policy. However, the additional eligible amenities do provide added flexibility in terms of funding from this revenue source.

OPTIONS

The following options are available for the Governance and Legislative Committee member's consideration:

1. Recommend that Council approve the amendments to the Density Bonus / Community Amenity Policy, as based on Council's priorities and suggested improvements outlined in the corporate report titled "Density Bonus / Community Amenity Policy – Amenity List Update.";
2. Direct staff to amend the eligible amenities to be outlined by Council; or
3. Direct staff to discontinue the review of the current Density Bonus/Amenity Contribution policy.

Staff recommends Option 1 which is reflected in the recommendations of this corporate report.

CONCLUSION

Density bonusing and community amenity contributions are effective planning tools that help municipalities ensure community amenity needs are being supported by new growth and development. A regular review of the City of White Rock's policy is required to ensure community amenities are consistent with Council priorities, that cash in lieu contributions are appropriate, and that the contribution process is clear and fair for all parties. Staff recommends that the following updates and improvements be undertaken as outlined in the draft revised policy included as Appendix B to this corporate report:

- Update list of amenity types to:
  - prioritize improvements to the public open space on the waterfront;
  - add above grade publicly accessible parking on East and West Beach Business Areas;
  - remove "lookout" or public observation area; and
  - add provision of people movement infrastructure.
- Clarify application of "floor area ratio" calculation in Town Centre area versus areas outside of the Town Centre, in accordance with the zoning bylaw.

Respectfully submitted,

Bob Ambardar
Acting Director of Planning and Development Services

Comments from the Chief Administrative Officer:

I concur with the recommendations of this corporate report.

Dan Bottrill
Chief Administrative Officer

Appendix A: Current Density Bonus / Amenity Contribution Policy 511
Appendix B: Draft Proposed Density Bonus / Amenity Policy
Appendix C: Staff Report dated May 9, 2016 titled "Density Bonus / Community Amenity Policy Review"

APPENDIX F

Coriolis Consulting report dated November 8, 2016 titled "Community Amenity Contribution Rate Analysis for the White Rock Town Centre and Lower Town Centre"

Community Amenity Contribution Rate Analysis for the White Rock Town Centre and Lower Town Centre

8 November 2016

Prepared for:
City of White Rock

By:
coriolis
CONSULTING CORP.

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1.0 Introduction

1.1 Background

To help address the increased demand on community facilities and services due to growth and redevelopment, the City of White Rock obtains Community Amenity Contributions (CACs) from new development projects.

CACs can be used toward the development of site specific community amenities or provided as a cash-in-lieu contribution to deliver off-site amenities. Examples of community amenities include, but are not limited to:

- A building or space for civic uses.
- The provision of new publicly accessible open space.
- The improvement of existing public accessible open space.
- Public art.
- Non-market affordable housing.

The City of White Rock uses two different approaches to determine the appropriate value of a CAC, depending on the location of the project and the type of project:

- In the Town Centre, density bonus floorspace is available to developers under the existing CR-1 Town Centre Area Commercial/Residential Zone District. In this zoning district, the base density is 1.75 FAR. Bonus density is available, allowing a maximum overall density up to 5.4 FAR (the maximum density varies by location as shown in the Town Centre Urban Design Plan). The required amenity contribution rate for the bonus floorspace is currently \$30 per square foot of bonus floorspace (\$323 per square metre) for any floorspace beyond 1.75 FAR.
- Outside the Town Centre, multifamily rezonings that exceed 1.1 FAR and commercial or mixed-use rezonings that exceed 1.75 FAR are subject to a negotiated CAC. The City negotiates the value of the CAC outside the Town Centre on a site-specific basis (from projects that require rezoning). The CAC is based on a share of the estimated increase in land value created by the rezoning approval[1].

It has been over four years since the existing Density Bonus/Amenity Contribution policy for the Town Centre was last examined. Over this time-period, strata residential unit prices and land values have increased. Therefore, the City determined that it was timely to review the existing density bonus policy, specifically with regard to the cash-in-lieu rate applied to bonus floorspace.

In addition, the City is contemplating expanding the density bonus and amenity contribution approach used in the Town Centre to sites in the Lower Town Centre.

Therefore, the City retained Coriolis Consulting Corp. to:

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[1] The City's amenity contribution policy does not specify a share of the increased value that should be allocated to amenities. However, in practice, the City typically aims for a maximum of 75% of the increased value to be allocated to amenities for rezonings that are subject to the amenity policy. This ensures that the CAC does not exceed the amount that is financially viable for the development project.

- Review the existing amenity contribution rate for density bonus floorspace in the Town Centre to determine if the rate should be adjusted to reflect current market conditions.
- Determine whether the City should consider an approach in the Town Centre that varies the amenity contribution rate depending on the proposed overall density, with a different rate charged for the lower and upper tiers of bonus density.
- Determine an appropriate amenity contribution rate for sites in the Lower Town Centre if the City makes changes to the existing Lower Town Centre zoning[2] to provide the opportunity for bonus density beyond the existing 1.75 FAR permitted under existing zoning.

1.2 Professional Disclaimer

This document may contain estimates and forecasts of future growth and urban development prospects, estimates of the financial performance of possible future urban development projects, opinions regarding the likelihood of approval of development projects, and recommendations regarding development strategy or municipal policy. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding population change, economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts, opinions, and recommendations are based on interpreting past trends, gauging current conditions, and making judgments about the future. As with all judgments concerning future trends and events, however, there is uncertainty and risk that conditions change or unanticipated circumstances occur such that actual events turn out differently than as anticipated in this document, which is intended to be used as a reasonable indicator of potential outcomes rather than as a precise prediction of future events.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favor of, any third party relying upon this document.

In no event shall Coriolis Consulting Corp. be liable to the City of White Rock or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

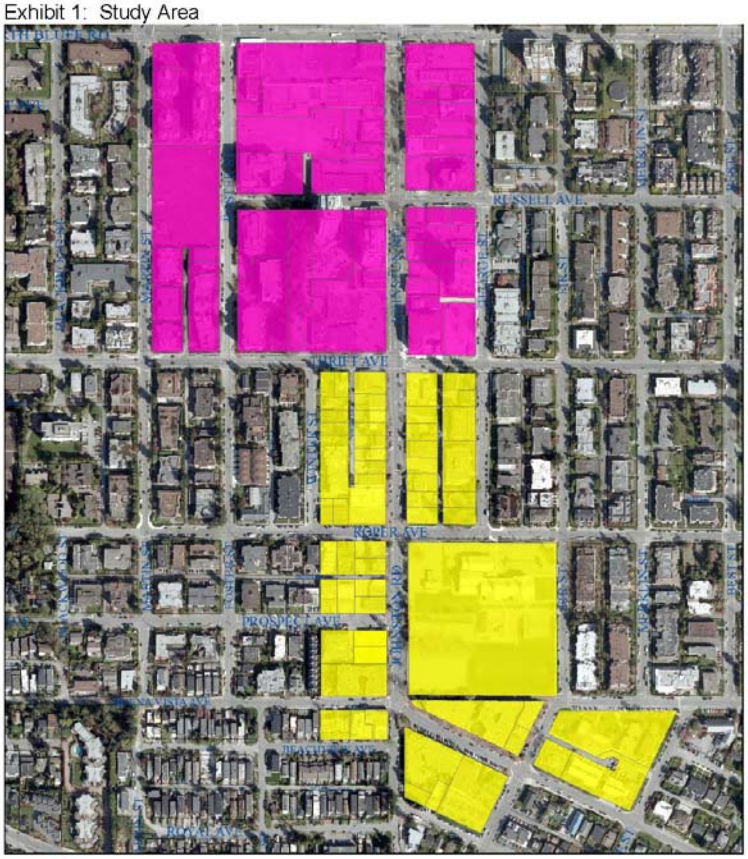
[2] Existing zoning in the Lower Town Centre includes a mix of zoning districts. However, most of the sites that are likely development candidates are zoned CR-2 Lower Town Centre Commercial/Residential Zone. This district currently allows a maximum density of 1.75 FAR. Because redevelopment will likely be focused on sites currently zoned CR-2, our density bonus evaluation focuses on sites in this zoning district.

2.0 Study Area and Density Bonus Policy

2.1 Study Area

Exhibit 1 shows the boundaries of the Town Centre and the Lower Town Centre.

Exhibit 1: Study Area



Town Centre

Lower Town Centre

2.2 Density Bonus Policy

2.2.1 Town Centre

Most of the properties in the Town Centre are currently zoned CR-1. These properties are the focus of our amenity contribution analysis for the Town Centre as the density bonus policy applies to the CR-1 District. Other properties in the Town Centre are either zoned CD (and are subject to separate amenity agreements) or are zoned for institutional use.

The current OCP and the CR-1 Town Centre Commercial/Residential Zone allow a maximum density of 5.4 FAR in the Town Centre.

The CR-1 District includes a base outright density of 1.75 FAR and the opportunity for bonus density, creating the potential for an overall maximum density of 5.4 FAR. However, the zoning refers to the Town Centre Urban Design Plan as a guideline for the maximum density that should be considered for any specific site. The maximum density in the Urban Design Plan varies from site to site, so not all sites are necessarily candidates for the full 5.4 FAR.

To obtain bonus density, applicants are required to make an amenity contribution equal to $30 per square foot ($323 per square metre) of gross floorspace over 1.75 FAR.

The City asked us to:

- Review the existing amenity contribution rate for density bonus floorspace in the Town Centre to determine if the rate should be adjusted to reflect current market conditions.
- Determine whether the City should consider an approach in the Town Centre that varies the amenity contribution rate depending on the proposed overall density, with a different rate charged for the lower and upper tiers of bonus density.

2.2.2 Lower Town Centre

The current OCP designates the Lower Town Centre as a special study area (Johnston Road Study Area). The OCP indicates that this area should be the subject of a study to examine boundaries, uses, heights and densities with a view to revitalizing the area.

Most sites in the area are currently zoned either RM-2 Medium Density Multi-Unit Residential or CR-2 Lower Town Centre Commercial/Residential[3].

- The RM-2 zoning district allows multifamily residential to a maximum FAR of 1.1. There is no opportunity for bonus density in this district. The RM-2 sites are improved with existing multifamily buildings that are not likely to be financially attractive for redevelopment in the foreseeable future (in the absence of an increase in permitted density).
- The CR-2 zoning district allows commercial or residential development to a maximum FAR of 1.75. There is no opportunity for bonus density in this district. Many of the sites that are currently zoned CR-2 are

[3] Some sites are zoned institutional (school site, municipal facilities and churches) and one or two are zoned for low density multifamily use.

built to relatively low existing densities (0.5 FAR or less) and could be financially attractive for redevelopment.

Because there is not any opportunity for bonus density under these existing zoning districts, applicants would currently need to rezone to obtain approval for higher density. Any rezoning to a higher density in the Lower Town Centre would be subject to a site-specific negotiated CAC. The overall value of the CAC would be based on a share of the estimated increase in land value created by the rezoning approval (typically a maximum of 75%).

Development in the Lower Town Centre will likely be focused on sites currently zoned CR-2 for the foreseeable future. Therefore, our amenity contribution evaluation focuses on sites in this zoning district.

The City asked us to evaluate the potential to introduce a fixed cash-in-lieu amenity contribution rate for bonus floorspace in the Lower Town Centre (the approach used in the Town Centre) assuming:

- The City amends the existing zoning to create the opportunity for bonus density beyond the existing permitted FAR (i.e., rezoning by individual developers will not be required).
- The base density in the new amended zoning district would be 1.75 FAR (i.e. the existing permitted density in the CR-2 District).
- The maximum permitted density in the amended zoning would be 3.5 FAR, although this could vary by location.

3.0 Approach to Analysis

The City asked us to recommend an updated cash-in-lieu rate for bonus floorspace in the Town Centre and a recommended rate if bonus density zoning is introduced in the Lower Town Centre.

In our view, the following factors should be considered to determine an appropriate rate:

- The impact of the rate on the economic viability of redevelopment. White Rock allows higher densities in the Town Centre in order to encourage the development of a more populous, walkable, transit-supportive core. For this redevelopment to happen, developers must be able to acquire existing low density sites and complete a profitable redevelopment. The amenity contribution rate must not be so high that it impairs the financial performance of redevelopment.
- The potential value of the increased density. It is not necessary to set the rate to capture all of the value created by the extra density, but if the rate is set significantly lower than the value of the additional density there are two main consequences. First, the City is obtaining less amenity contribution than it could, which is a concern if the City is trying to optimize the provision of new amenities to meet the needs of the increased population that can be accommodated in the higher density. Second, based on the way the land market works, any value of additional density that is not converted to an amenity contribution leads to rising land values for development sites. Setting the contribution rate materially lower than the value of the density does not necessarily add incentive for developers and it does not result in lower housing prices. What happens is that land owners come to expect higher value for their development sites.

Accordingly, our objective is to suggest a rate that is not so high that redevelopment is impaired, but high enough that the City is taking reasonable advantage of the opportunity to obtain amenities in exchange for the additional land value created by allowing bonus density.

Our approach to calculating the appropriate contribution rate was as follows:

1. We identified some case study redevelopment sites that are representative of the types of remaining redevelopment opportunities in the Town Centre and Lower Town Centre. We selected sites that are either vacant (used for surface parking) or improved with older low density single storey commercial buildings. The case study sites that are used for our analysis are as follows:
   - Case study site A is a 68,289 square foot property located along Foster Street in the Town Centre. This property is zoned CR-1 and is currently used for surface parking.
   - Case study site B is a 38,016 square foot property located along Johnston Road in the Town Centre. This property is zoned CR-1 and is improved with a strip commercial development built to an existing density of about 0.47 FAR.
   - Case study site C is a 22,216 square foot property located along Johnston Road in the Lower Town Centre. This property is zoned CR-2 and is improved an older single storey commercial building built to an existing density of about 0.50 FAR.
   - Case study site D is a 32,364 square foot property located along Johnston Road in the Lower Town Centre. This property is zoned CR-2 and is improved an older commercial building built to an existing density of about 0.25 FAR.
2. We estimated the current value of each site based on existing use and the existing (or assumed) base density of 1.75 FAR. This is the higher of:

- The property's value as a redevelopment site (i.e. land value) at the base density of 1.75 FAR.
- The value that an investor would pay to acquire the property as an income-producing investment property (i.e. the value created by the potential income stream). It should be noted that properties that have existing improvements which make a large contribution to value may not be candidates for redevelopment until land values increase.

3. We modelled the financial performance of redevelopment under different assumptions about achievable density in the absence of any amenity contribution for the bonus floorspace. We tested redevelopment at the following densities:

   - 1.75 FAR, the base density.
   - 3.5 FAR, the maximum being considered for the Lower Town Centre.
   - 5.4 FAR, the maximum permitted in the Town Centre.

   The purpose of this financial analysis is to estimate how much additional land value is created by the increase in density. It is this additional land value that determines how much of an amenity contribution can be supported by the additional density.

   All of the financial analysis is based on market conditions as of October 2016.

Although the case study sites are in divided across the Town Centre and the Lower Town Centre, the results of our financial analysis can be used to determine the supportable amenity contribution in either area because all four sites are located within a few blocks of each other. Market conditions (i.e. strata unit sales prices, achievable commercial lease rates, construction costs) do not vary significantly between these different locations. The key distinction between development sites in the Town Centre and the Lower Town Centre is the assumed maximum density that can be achieved in each location.

4.0 Results of Financial Analysis

The detailed financial proformas for each site and each density scenario are included in the Attachments. The Attachments contain all the assumptions used in the analysis, including assumed sales price of new product, development costs, and allowance for developer profit.

Exhibit 2 summarizes the results of the analysis, with land value expressed in terms of total site value and then (where applicable) in terms of the potential amenity contribution expressed as dollars per square foot of additional gross development area for different density ranges.

The City asked us to consider an approach for the Town Centre that includes a different amenity contribution rate for the first tier of bonus density and the second tier of bonus density. To determine an appropriate FAR for the two different tiers, we considered the following:

- The Lower Town Centre is being considered for densities up to 3.5 FAR. If the lower density tier in the Town Centre is set at 1.75 FAR to 3.5 FAR, it will create the opportunity for a consistent approach between the Lower Town Centre and the Town Centre.
- Once densities reach 3.5 FAR, projects will likely be constructed using concrete, rather than woodframe construction. Therefore, beyond 3.5 FAR the amenity contribution rate does not need to vary to take into account development cost impacts associated with a transition from woodframe to concrete construction.

Therefore, the two density tiers we considered for the Town Centre are 1.75 to 3.5 FAR and 3.5 FAR to 5.4 FAR.

The density ranges that we analyzed for each site summarized in Exhibit 2 are as follows:

- 1.75 to 3.5 FAR, the bonus floorspace potential being considered for the Lower Town Centre.
- 1.75 to 5.4 FAR, the bonus floorspace currently available in the Town Centre.
- 3.5 to 5.4 FAR, which could be established as a separate tier of density in the Town Centre with a different amenity contribution rate from the 1.75 to 3.5 FAR tier.

Exhibit 2: Summary of Financial Analysis for Case Studies and Implications for Amenity Contribution Rates

line		Site A: Vacant Site (Town Centre)	Site B: Existing Improvements at FAR 0.47	Site C: Existing Improvements at FAR 0.50	Site D: Existing Improvements at FAR 0.25
	Site Size (square feet)	68,281 sf	38,016 sf	22,216 sf	32,364 sf
1	Property Value Based on Existing Improvements[4]	n/a	$9,334,000	$4,645,000	$3,344,000
2	Land Value Based on 1.75 FAR (Base)	$13,232,000	$5,969,000	$3,361,000	$5,026,000
3	Assumed Base Property Value	$13,232,000	$9,334,000	$4,645,000	$5,026,000
4	Land Value Based on 3.5 FAR	$20,597,000	$10,412,000	$5,981,000	$8,876,000
5	Maximum Amenity Contribution 1.75 FAR to 3.5 FAR (line 4 minus line 3)	$7,364,000	$1,077,000	$1,335,000	$3,850,000
6	Bonus Floorspace 1.75 to 3.5 FAR	119,492 sf	66,528 sf	38,878 sf	56,637 sf
7	Amenity Contribution 1.75 FAR to 3.5 FAR per Bonus Square Foot	$62	$16	$34	$68
8	Land Value Based on 5.4 FAR	$27,332,000	$14,138,000	$8,163,000	$12,053,000
9	Maximum Amenity Contribution 3.5 FAR to 5.4 FAR (line 8 minus line 4)	$6,735,000	$3,726,000	$2,182,000	$3,177,000
10	Bonus Floorspace 3.5 to 5.4 FAR	129,774 sf	72,230 sf	42,210 sf	61,492 sf
11	Amenity Contribution 3.5 FAR to 5.4 FAR Per Bonus Square Foot	$52	$52	$52	$52
12	Maximum Amenity Contribution 1.75 to 5.4 FAR (line 8 minus line 3)	$14,100,000	$4,804,000	$3,518,000	$7,027,000
13	Bonus Floorspace 1.75 to 5.4 FAR	249,225 sf	138,758 sf	81,088 sf	118,129
14	Amenity Contribution 1.75 to 5.4 FAR Per Bonus Square Foot	$57	$35	$43	$59

4 These value estimates include a 10% premium to incent the current owner to sell to a developer. The 10% premium covers the costs to the existing owner associated with selling the property and acquiring an alternate investment property plus a small additional financial benefit. In the absence of this incentive, the existing owner of an income-producing building (where the land value is less than the income-producing value) would have no reason to sell the property to a developer.

The calculations for the case study sites show some interesting patterns:

- Comparing Site C with existing improvements at 0.5 FAR and Site D with existing improvements at 0.25 FAR shows the impact of a higher starting property value (due to higher existing built density). The higher the starting value, the lower the increase in value due to the additional density. This is why some sites are not redevelopment candidates under any assumed increase in density, (i.e. if the value of the existing improvements is too high to demolish and redevelop). This raises an interesting policy choice: should the amenity contribution amount be set relatively low so that as many properties as possible are redevelopment candidates, or should it be set at the higher rate supportable by the redevelopment of the lowest density, poorest quality existing commercial buildings?

  Based on data we have on file about commercial floor space in White Rock, most redevelopment candidates in the Town Centre and Lower Town Centre have existing improvements built to densities under 0.50 FAR, with the median density for the redevelopment candidates being in the range of about 0.45 to 0.50 FAR. Therefore, we do not think the amenity contribution rate needs to be set so low that all existing commercial properties are immediately redevelopable. We think it is reasonable to set the rate so that sites built to an existing density of roughly 0.45 to 0.50 FAR and lower are redevelopable. This should create significant capacity for the development of new high density mixed-use projects for the next several years.

- There is a material difference between the amenity contribution rate supportable at FAR 3.5 and the contribution supportable at 5.4 FAR. A higher rate could be considered for density over about 3.5 FAR because a larger project enjoys at least two financial benefits. First, many sites are not financially attractive for redevelopment at the base density (i.e. sites with an existing commercial building). Therefore, these projects need some bonus density (at no cost) just to make redevelopment financially attractive. After these sites reach a density threshold that is financially viable, the value created by additional bonus density can go toward an amenity contribution. Therefore, the higher density tier can support a higher amenity contribution per square foot of bonus floorspace. Second, ground floor commercial space does not perform as well as upper floor residential space in financial terms. The larger the project, the more the under-performance of the commercial space is diluted by the residential component.

  At 3.5 FAR, the rate would have to be $16 per square foot of bonus floor area for all four sample sites to be viable redevelopment projects, although the rate could be as high as $34 and still allow for the viable redevelopment of Sites A, C and D.

  At 5.4 FAR, a rate of $35 would allow the viable redevelopment of all four sites, although the rate could be as high as $43 and still allow for the viable redevelopment of Sites A, C and D.

5.0 Implications for Amenity Contribution Rate in the Town Centre

City asked us to recommend an updated amenity contribution rate for the Town Centre for two different approaches:

1. Assuming the amenity contribution rate in the Town Centre continues to be based on a single rate for any bonus density between 1.75 FAR and 5.4 FAR.
2. Assuming the amenity contribution system in the Town Centre is amended so that there is a different rate for the first tier of bonus density and the second tier of bonus density. As outlined in Section 4.0, the two density tiers we considered for the Town Centre are 1.75 to 3.5 FAR and 3.5 FAR to 5.4 FAR.

5.1 Existing Approach

The estimated value of additional floorspace between 1.75 FAR and 5.4 FAR ranges from $35 to $59 per square foot of gross floorspace at the four case study sites. The upper end of the range is only supported by sites that are either vacant or currently built to very low existing density (i.e. less than 0.3 FAR).

For sites improved with single storey commercial buildings built to an existing density of about 0.45 to 0.50 FAR, the value of the additional density is about $35 to $43 per square foot.

Most potential redevelopment sites in the Town Centre are improved with older low density commercial buildings. Very few sites are vacant. Therefore, to ensure there is a supply of redevelopment sites that are financially attractive for redevelopment, the amenity contribution rate needs to be set at level that can be supported by properties currently improved with older low density improvements.

Therefore, if the City wants to continue to use its existing approach, we would suggest a maximum density bonus rate of about $40 per square foot of bonus floorspace between 1.75 and 5.4 FAR.

5.2 Tiered Rate Approach

The estimated value of additional density between 1.75 FAR and 3.5 FAR ranges from $16 to $68 per square foot of gross floorspace at the four case study sites. The upper end of the range is only supported by sites that are either vacant or currently built to very low existing density (i.e. less than 0.3 FAR).

For sites improved with single storey commercial buildings built to an existing density of about 0.45 to 0.50 FAR, the value of the additional density is about $16 to $34 per square foot up to 3.5 FAR.

Most potential redevelopment sites in the Town Centre are improved with older low density commercial buildings. Very few sites are vacant. Therefore, to ensure there is a supply of redevelopment sites that are financially attractive for redevelopment, the amenity contribution rate needs to be set at level that can be supported by properties currently improved with older low density improvements, in the range of $16 to $34 per square foot of bonus floorspace.

Beyond 3.5 FAR, the estimated value of additional density is $52 per square foot of gross floorspace at each of the four case study sites. Therefore, if the City wants to adjust its approach in the Town Centre to establish a different amenity contribution rate for different tiers of bonus floorspace, we would suggest maximum density bonus rates of:

- About $30 per square foot of bonus floorspace between 1.75 and 3.5 FAR. This matches the current rate for bonus density in the Town Centre and is supportable at sites that are improved with low density existing improvements.
- About $50 per square foot of bonus floorspace for the density over 3.5 FAR (up to a maximum of 5.4 FAR).

6.0 Implications for Amenity Contribution Rate in the Lower Town Centre

The City is interested in understanding the potential amenity contribution rate for sites in the Lower Town Centre if zoning is amended to establish a base density of 1.75 FAR with the opportunity for bonus density up to a maximum overall project density of 3.5 FAR.

The estimated value of additional floorspace between 1.75 FAR and 3.5 FAR ranges from $16 to $68 per square foot of gross floorspace at the four case study sites. The upper end of the range is only supported by sites that are either vacant or currently built to very low existing density (i.e. less than 0.3 FAR).

For sites improved with single storey commercial buildings built to an existing density of about 0.45 to 0.50 FAR, the value of the additional density is about $16 to $34 per square foot up to 3.5 FAR.

To determine an appropriate amenity contribution rate for the Lower Town Centre, we considered the following:

- Most potential redevelopment sites in the Lower Town Centre are improved with older low density commercial buildings. Very few sites are vacant.
- To ensure there is a supply of redevelopment sites that are financially attractive for redevelopment, the amenity contribution rate needs to be set at level that can be supported by properties currently improved with older low density improvements. Most redevelopment candidates cannot support the upper end of the calculated value of bonus floorspace at the four case study sites.
- Market conditions (strata sales prices, achievable lease rates, construction costs) are similar in the Lower Town Centre and the Town Centre so the value of bonus floorspace is similar in each area. Therefore, the City should use the same amenity contribution rate in the two areas. This would create consistency in the City's overall policy approach.

Overall, we would suggest a maximum density bonus rate of about $30 per square foot of bonus floorspace for bonus density between 1.75 and 3.5 FAR in the Lower Town Centre.

This assumes that the City of White Rock amends the existing CR-2 zoning so that the base density is 1.75 FAR (existing maximum permitted) with the opportunity for bonus floorspace up to a maximum overall density 3.5 FAR. If applicants are required to rezone on a site-by-site basis, this increases the time, cost and risk to developers of obtaining the bonus density. Therefore, the rate should be lower if sites need to be rezoned by developers.

7.0 Other Issues

During our analysis, we identified some additional items that the City of White Rock should consider:

1. In the Town Centre, the density bonus calculation is applied to gross floorspace, which includes all above grade space. If the City permits above grade parking at a project, the City should consider excluding the above grade parking floor area from the floorspace used to calculate the density bonus contribution as this space does not generate revenue to the developer.
2. The development community should be given appropriate notice before any changes to rates in the Town Centre are implemented. Developers that have recently acquired sites in the Town Centre will have made land acquisition decisions based on the current density bonus rate. If the rate is increased, this will have a negative financial impact on a project. Therefore, we suggest providing developers with a grace period (of say 6 months or more) in which they can make an application that will be subject to the current rate.

8.0 Recommendations

1. We recommend that the City change the approach to amenity contributions that it uses for bonus density in the Town Centre by establishing two different amenity contribution rates. Lower density projects cannot support the same amenity contribution rate per square foot as higher density projects. Therefore, a lower amenity contribution rate should be applied to the first tier of bonus density to help ensure that redevelopment at lower densities is financially viable. A higher rate would be applied to the upper tier of bonus density. We recommend that the City considers the following amenity contribution rates:

   - A rate for bonus density between 1.75 FAR and 3.5 FAR of $30 per square foot of bonus floorspace. Our analysis indicates this rate is supportable at 3.5 FAR for most redevelopment candidates in the Town Centre and it also matches the existing rate.
   - A rate for bonus density over 3.5 FAR of $50 per square foot of bonus floorspace.

   Projects seeking an overall density in excess of 3.5 FAR will make a larger contribution than under the current system. This increased contribution is supportable due to changes in market conditions (strata unit sales prices, supportable land values), since the Town Centre amenity contribution rate was last adjusted.

   These recommended rates are supportable by most potential redevelopment sites, except for sites that have relatively high value existing improvements. The implication is that these higher value sites won't redevelop in the short term unless the City approves density higher than 5.4 FAR.

2. If the City wants to continue with a single cash-in-lieu rate in the Town Centre (expressed in $ per square foot of bonus floor area over 1.75 FAR), we recommend increasing the amenity contribution rate from $30 per square foot to $40 per square foot of bonus floorspace.

3. If the City decides to implement bonus density zoning in the Lower Town Centre, we recommend that the amenity contribution rate for bonus density between 1.75 FAR and 3.5 FAR be set at $30 per square foot of bonus floorspace. Our analysis indicates this rate is supportable at 3.5 FAR for most redevelopment candidates in the Lower Town Centre and it matches our recommended rate between 1.75 FAR and 3.5 FAR for the Town Centre.

4. The City should consider excluding any above grade parking floor area that is approved at a project from the floorspace used to calculate the density bonus contribution.

5. The development community should be given ample notice before any changes to amenity contribution rates in the Town Centre are implemented. We suggest providing developers with a grace period (of say 6 months or more) in which they can make an application that will be subject to the current rate.

9.0 Attachments

The following attachments include the detailed financial analysis that we completed for each of the four case study sites at each of the different densities tested.

9.1 Case Study Site A – Surface Parking Lot

1 – Estimated Land Value at 1.75 FAR (woodframe over commercial)

Major Assumptions *(shading indicates figures that are inputs; unshaded cells are formulas)*						
Site and Building Size						
Site Size	68,281	sq.ft.				
	-	feet of frontage				
Total Assumed Density	1.75	FAR				
Total Gross floorspace	119,492	sq.ft.				
Commercial floorspace	0					
Market Strata Residential floorspace	119,492	gross square feet				
Net saleable space	101,568	sq.ft. or	85%	of gross area		
Average Gross unit size	996	sq.ft. gross				
Average Net unit size	846	sq.ft.				
Number of units	120	units or	189	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	180	stalls or	1.50	per unit		
Total Commercial Parking Stalls	0	stalls or 1 per	37.0	square metres		
Total Parking Stalls	180	stalls				
Underground/structured parking stalls provided	180	stalls	68,400	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$575	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$150	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$210	per gross sq.ft.				
Hard Cost Used in Analysis	$210					
Landscaping	$341,405	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.50	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$12,884,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$29,200,796	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

1 – Estimated Land Value at 1.75 FAR (woodframe over commercial) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$58,401,593	
Less commissions and sales costs	$1,752,048	
Net residential sales revenue	$56,649,545	
Commercial Value	$0	
Commission on Commercial Sale	$0	
Net commercial value	$0	
Total Value Net of Commissions	$56,649,545	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$25,123,763	
Landscaping	$341,405	
Soft costs	$2,312,565	
Project Management	$840,232	
Residential Marketing	$1,752,048	
Commercial Marketing	$0	
Leasing commissions on commercial space	$0	
Post Construction Holding Costs	$144,000	
Car Share	$0	
Contingency on hard and soft costs	$1,076,040	
Regional Levy - Apartment	$129,840	
Regional Levy - Commercial	$0	
DCCs - residential	$1,350,396	
DCCs - commercial	$0	
SSAC	$84,000	
Less property tax allowance during development	$138,158	
Construction financing	$942,819	
Financing fees/costs	$323,112	
Total Project Costs Before Land Related	$34,788,377	
Allowance for Developer's Profit	$7,600,383	
Residual to Land and Land Carry	**$14,260,784**	
Less financing on land during construction and approvals	$641,735	
Less property purchase tax	$386,571	
Residual Land Value	**$13,232,478**	
Residual Value per sq.ft. buildable	**$111**	
Residual Value per sq.ft. of site	**$194**	

2 – Estimated Land Value at 3.5 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	68,281	sq.ft.				
	-	feet of frontage				
Total Assumed Density	3.50	FAR				
Total Gross floorspace	238,984	sq.ft.				
Commercial floorspace	0					
Market Strata Residential floorspace	238,984	gross square feet				
Net saleable space	203,136	sq.ft. or	85%	of gross area		
Average Gross unit size	996	sq.ft. gross				
Average Net unit size	846	sq.ft.				
Number of units	240	units or	378	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	360	stalls or	1.50	per unit		
Total Commercial Parking Stalls	0	stalls or 1 per	37.0	square metres		
Total Parking Stalls	360	stalls				
Underground/structured parking stalls provided	360	stalls	136,800	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$275	per gross sq.ft.				
Hard Cost Used in Analysis	$275					
Landscaping	$341,405	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.75	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$12,884,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$66,019,192	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

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2 – Estimated Land Value at 3.5 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$132,038,384	
Less commissions and sales costs	$3,961,152	
Net residential sales revenue	$128,077,232	
Commercial Value	$0	
Commission on Commercial Sale	$0	
Net commercial value	$0	
Total Value Net of Commissions	$128,077,232	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$65,781,453	
Landscaping	$341,405	
Soft costs	$5,971,757	
Project Management	$2,169,738	
Residential Marketing	$3,961,152	
Commercial Marketing	$0	
Leasing commissions on commercial space	$0	
Post Construction Holding Costs	$288,000	
Car Share	$0	
Contingency on hard and soft costs	$2,756,023	
Regional Levy - Apartment	$259,680	
Regional Levy - Commercial	$0	
DCCs - residential	$2,700,792	
DCCs - commercial	$0	
SSAC	$168,000	
Less property tax allowance during development	$313,663	
Construction financing	$2,787,148	
Financing fees/costs	$822,458	
Total Project Costs Before Land Related	$88,551,268	
Allowance for Developer's Profit	$17,183,475	
Residual to Land and Land Carry	**$22,342,489**	
Less financing on land during construction and approvals	$1,131,088	
Less property purchase tax	$614,342	
Residual Land Value	**$20,597,058**	
Residual Value per sq.ft. buildable	**$86**	
Residual Value per sq.ft. of site	**$302**	

3 – Estimated Land Value at 5.4 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	68,281	sq.ft.				
	-	feet of frontage				
Total Assumed Density	5.40	FAR				
Total Gross floorspace	368,717	sq.ft.				
Commercial floorspace	0					
Market Strata Residential floorspace	368,717	gross square feet				
Net saleable space	313,410	sq.ft. or	85%	of gross area		
Average Gross unit size	997	sq.ft. gross				
Average Net unit size	847	sq.ft.				
Number of units	370	units or	583	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	555	stalls or	1.50	per unit		
Total Commercial Parking Stalls	0	stalls or 1 per	37.0	square metres		
Total Parking Stalls	555	stalls				
Underground/structured parking stalls provided	555	stalls	210,900	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$45,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$283	per gross sq.ft.				
Hard Cost Used in Analysis	$283					
Landscaping	$341,405	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	2.25	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$12,884,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$101,858,182	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

3 – Estimated Land Value at 5.4 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$203,716,364	
Less commissions and sales costs	$6,111,491	
Net residential sales revenue	$197,604,873	
Commercial Value	$0	
Commission on Commercial Sale	$0	
Net commercial value	$0	
Total Value Net of Commissions	$197,604,873	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$104,249,241	
Landscaping	$341,405	
Soft costs	$9,433,858	
Project Management	$3,427,635	
Residential Marketing	$6,111,491	
Commercial Marketing	$0	
Leasing commissions on commercial space	$0	
Post Construction Holding Costs	$444,000	
Car Share	$0	
Contingency on hard and soft costs	$4,348,317	
Regional Levy - Apartment	$400,340	
Regional Levy - Commercial	$0	
DCCs - residential	$4,163,721	
DCCs - commercial	$0	
SSAC	$259,000	
Less property tax allowance during development	$704,788	
Construction financing	$5,657,926	
Financing fees/costs	$1,310,360	
Total Project Costs Before Land Related	$141,082,082	
Allowance for Developer's Profit	$26,511,648	
Residual to Land and Land Carry	**$30,011,143**	
Less financing on land during construction and approvals	$1,856,939	
Less property purchase tax	$822,626	
Residual Land Value	**$27,331,577**	
Residual Value per sq.ft. buildable	**$74**	
Residual Value per sq.ft. of site	**$400**	

9.2 Case Study Site B – Commercial Building 0.47 FAR

1 – Estimated Value as an Income Producing Investment Property

Major Assumptions				
Site and Building Size				
Existing Zoning	CR-1			
Permitted Maximum FSR	1.75	FAR		
Site Size	38,016	sq.ft.		
Assumed Density	0.47	FAR		
Total Commercial Space	17,864	sq.ft.		
Office	0	sq.ft. with	100%	rentable
Retail	17,864	sq.ft.	100%	rentable
Revenue and Value				
Average Lease Rate for Retail Space	$25.00	per sq.ft. net, base building		
Capitalization Rate	5.00%			
Value of Retail and Service Space Upon Lease-up	$500.00	per sq.ft. of leasable area		
Vacancy and non recoverables	5%			
Estimated Overall Value				
Capitalized Value of Retail/Service Space	$8,485,400			
Total Value of Commercial	$8,485,400			
Acquisition Cost Premium	10%			
Value with Acquisition Premium	$9,333,940			

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	38,016	sq.ft.				
	-	feet of frontage				
Total Assumed Density	1.75	FAR				
Total Gross floorspace	66,528	sq.ft.				
Commercial floorspace	13,306					
Market Strata Residential floorspace	53,222	gross square feet				
Net saleable space	45,239	sq.ft. or	85%	of gross area		
Average Gross unit size	1,004	sq.ft. gross				
Average Net unit size	854	sq.ft.				
Number of units	53	units or	150	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	80	stalls or	1.50	per unit		
Total Commercial Parking Stalls	33	stalls or 1 per	37.0	square metres		
Total Parking Stalls	113	stalls				
Underground/structured parking stalls provided	113	stalls	42,940	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$575	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$150	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$232	per gross sq.ft.				
Hard Cost Used in Analysis	$232					
Landscaping	$190,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.50	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$11,028,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$16,482,312	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$26,012,448	
Less commissions and sales costs	$780,373	
Net residential sales revenue	$25,232,075	
Commercial Value	$6,952,176	
Commission on Commercial Sale	$139,044	
Net commercial value	$6,813,132	
Total Value Net of Commissions	$32,045,207	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$15,430,592	
Landscaping	$190,080	
Soft costs	$1,426,560	
Project Management	$518,317	
Residential Marketing	$780,373	
Commercial Marketing	$332,640	
Leasing commissions on commercial space	$62,204	
Post Construction Holding Costs	$63,600	
Car Share	$0	
Contingency on hard and soft costs	$666,203	
Regional Levy - Apartment	$57,346	
Regional Levy - Commercial	$10,791	
DCCs - residential	$596,425	
DCCs - commercial	$79,270	
SSAC	$37,100	
Less property tax allowance during development	$77,489	
Construction financing	$578,222	
Financing fees/costs	$198,161	
Total Project Costs Before Land Related	$21,335,374	
Allowance for Developer's Profit	$4,290,016	
Residual to Land and Land Carry	**$6,419,817**	
Less financing on land during construction and approvals	$288,892	
Less property purchase tax	$161,928	
Residual Land Value	**$5,968,997**	
Residual Value per sq.ft. buildable	**$90**	
Residual Value per sq.ft. of site	**$157**	

3 – Estimated Land Value at 3.5 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	38,016	sq.ft.				
	-	feet of frontage				
Total Assumed Density	3.50	FAR				
Total Gross floorspace	133,056	sq.ft.				
Commercial floorspace	13,306					
Market Strata Residential floorspace	119,750	gross square feet				
Net saleable space	101,788	sq.ft. or	85%	of gross area		
Average Gross unit size	998	sq.ft. gross				
Average Net unit size	848	sq.ft.				
Number of units	120	units or	340	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	180	stalls or	1.50	per unit		
Total Commercial Parking Stalls	33	stalls or 1 per	37.0	square metres		
Total Parking Stalls	213	stalls				
Underground/structured parking stalls provided	213	stalls	80,940	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$280	per gross sq.ft.				
Hard Cost Used in Analysis	$280					
Landscaping	$190,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.75	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$11,028,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$36,557,136	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

3 – Estimated Land Value at 3.5 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$66,162,096	
Less commissions and sales costs	$1,984,863	
Net residential sales revenue	$64,177,233	
Commercial Value	$6,952,176	
Commission on Commercial Sale	$139,044	
Net commercial value	$6,813,132	
Total Value Net of Commissions	$70,990,366	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$37,193,568	
Landscaping	$190,080	
Soft costs	$3,385,228	
Project Management	$1,229,966	
Residential Marketing	$1,984,863	
Commercial Marketing	$332,640	
Leasing commissions on commercial space	$62,204	
Post Construction Holding Costs	$144,000	
Car Share	$0	
Contingency on hard and soft costs	$1,566,339	
Regional Levy - Apartment	$129,840	
Regional Levy - Commercial	$10,791	
DCCs - residential	$1,350,396	
DCCs - commercial	$79,270	
SSAC	$84,000	
Less property tax allowance during development	$173,933	
Construction financing	$1,579,827	
Financing fees/costs	$466,190	
Total Project Costs Before Land Related	$50,193,136	
Allowance for Developer's Profit	$9,515,091	
Residual to Land and Land Carry	**$11,282,138**	
Less financing on land during construction and approvals	$571,158	
Less property purchase tax	$299,329	
Residual Land Value	**$10,411,650**	
Residual Value per sq.ft. buildable	**$78**	
Residual Value per sq.ft. of site	**$274**	

4 – Estimated Land Value at 5.4 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***

Site and Building Size						
Site Size	38,016	sq.ft.				
	-	feet of frontage				
Total Assumed Density	5.40	FAR				
Total Gross floorspace	205,286	sq.ft.				
Commercial floorspace	13,306					
Market Strata Residential floorspace	191,981	gross square feet				
Net saleable space	163,184	sq.ft. or	85%	of gross area		
Average Gross unit size	1,000	sq.ft. gross				
Average Net unit size	850	sq.ft.				
Number of units	192	units or	543	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	288	stalls or	1.50	per unit		
Total Commercial Parking Stalls	33	stalls or 1 per	37.0	square metres		
Total Parking Stalls	321	stalls				
Underground/structured parking stalls provided	321	stalls	121,980	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$45,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$286	per gross sq.ft.				
Hard Cost Used in Analysis	$286					
Landscaping	$190,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	2.25	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$11,028,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$56,510,784	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

4 – Estimated Land Value at 5.4 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$106,069,392	
Less commissions and sales costs	$3,182,082	
Net residential sales revenue	$102,887,310	
Commercial Value	$6,952,176	
Commission on Commercial Sale	$139,044	
Net commercial value	$6,813,132	
Total Value Net of Commissions	$109,700,443	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$58,648,104	
Landscaping	$190,080	
Soft costs	$5,316,137	
Project Management	$1,931,530	
Residential Marketing	$3,182,082	
Commercial Marketing	$332,640	
Leasing commissions on commercial space	$62,204	
Post Construction Holding Costs	$230,400	
Car Share	$0	
Contingency on hard and soft costs	$2,454,311	
Regional Levy - Apartment	$207,744	
Regional Levy - Commercial	$10,791	
DCCs - residential	$2,160,634	
DCCs - commercial	$79,270	
SSAC	$134,400	
Less property tax allowance during development	$383,912	
Construction financing	$3,187,444	
Financing fees/costs	$738,203	
Total Project Costs Before Land Related	$79,479,885	
Allowance for Developer's Profit	$14,708,627	
Residual to Land and Land Carry	**$15,511,931**	
Less financing on land during construction and approvals	$959,801	
Less property purchase tax	$414,564	
Residual Land Value	**$14,137,566**	
Residual Value per sq.ft. buildable	**$69**	
Residual Value per sq.ft. of site	**$372**	

9.3 Case Study Site C – Older Commercial Building 0.50 FAR

1 – Estimated Value as an Income Producing Investment Property

Major Assumptions				
Site and Building Size				
Existing Zoning	CR-2			
Permitted Maximum FSR	1.75	FAR		
Site Size	22,216	sq.ft.		
Assumed Density	0.50	FAR		
Total Commercial Space	11,113	sq.ft.		
Office	0	sq.ft. with	100%	rentable
Retail	11,113	sq.ft.	100%	rentable
Revenue and Value				
Average Lease Rate for Retail Space	$20.00	per sq.ft. net, base building		
Capitalization Rate	5.00%			
Value of Retail and Service Space Upon Lease-up	$400.00	per sq.ft. of leasable area		
Vacancy and non recoverables	5%			
Estimated Overall Value				
Capitalized Value of Retail/Service Space	$4,222,940			
Total Value of Commercial	$4,222,940			
Acquisition Cost Premium	10%			
Total with Acquisition Cost Premium	$4,645,234			

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial)

Site and Building Size						
Site Size	22,216	sq.ft.				
	-	feet of frontage				
Total Assumed Density	1.75	FAR				
Total Gross floorspace	38,878	sq.ft.				
Commercial floorspace	7,776					
Market Strata Residential floorspace	31,102	gross square feet				
Net saleable space	26,437	sq.ft. or	85%	of gross area		
Average Gross unit size	1,003	sq.ft. gross				
Average Net unit size	853	sq.ft.				
Number of units	31	units or	150	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	47	stalls or	1.50	per unit		
Total Commercial Parking Stalls	20	stalls or 1 per	37.0	square metres		
Total Parking Stalls	67	stalls				
Underground/structured parking stalls provided	67	stalls	25,460	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$575	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$150	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$233	per gross sq.ft.				
Hard Cost Used in Analysis	$233					
Landscaping	$111,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.50	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,862,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$9,632,025	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$15,201,298	
Less commissions and sales costs	$456,039	
Net residential sales revenue	$14,745,259	
Commercial Value	$4,062,751	
Commission on Commercial Sale	$81,255	
Net commercial value	$3,981,496	
Total Value Net of Commissions	$18,726,755	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$9,055,992	
Landscaping	$111,080	
Soft costs	$845,736	
Project Management	$307,284	
Residential Marketing	$456,039	
Commercial Marketing	$194,390	
Leasing commissions on commercial space	$36,351	
Post Construction Holding Costs	$37,200	
Car Share	$0	
Contingency on hard and soft costs	$394,593	
Regional Levy - Apartment	$33,542	
Regional Levy - Commercial	$6,306	
DCCs - residential	$348,852	
DCCs - commercial	$46,325	
SSAC	$21,700	
Less property tax allowance during development	$30,877	
Construction financing	$341,895	
Financing fees/costs	$117,170	
Total Project Costs Before Land Related	$12,615,332	
Allowance for Developer's Profit	$2,507,023	
Residual to Land and Land Carry	**$3,604,400**	
Less financing on land during construction and approvals	$162,198	
Less property purchase tax	$81,266	
Residual Land Value	**$3,360,936**	
Residual Value per sq.ft. buildable	**$86**	
Residual Value per sq.ft. of site	**$151**	

3 – Estimated Land Value at 3.5 FAR (concrete construction)

Major Assumptions *(shading indicates figures that are inputs; unshaded cells are formulas)*						
Site and Building Size						
Site Size	22,216	sq.ft.				
	-	feet of frontage				
Total Assumed Density	3.50	FAR				
Total Gross floorspace	77,756	sq.ft.				
Commercial floorspace	7,776					
Market Strata Residential floorspace	69,980	gross square feet				
Net saleable space	59,483	sq.ft. or	85%	of gross area		
Average Gross unit size	1,000	sq.ft. gross				
Average Net unit size	850	sq.ft.				
Number of units	70	units or	339	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	105	stalls or	1.50	per unit		
Total Commercial Parking Stalls	20	stalls or 1 per	37.0	square metres		
Total Parking Stalls	125	stalls				
Underground/structured parking stalls provided	125	stalls	47,500	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$280	per gross sq.ft.				
Hard Cost Used in Analysis	$280					
Landscaping	$111,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.75	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,862,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$21,363,461	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

3 – Estimated Land Value at 3.5 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$38,664,171	
Less commissions and sales costs	$1,159,925	
Net residential sales revenue	$37,504,246	
Commercial Value	$4,062,751	
Commission on Commercial Sale	$81,255	
Net commercial value	$3,981,496	
Total Value Net of Commissions	$41,485,742	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$21,756,418	
Landscaping	$111,080	
Soft costs	$1,988,775	
Project Management	$722,588	
Residential Marketing	$1,159,925	
Commercial Marketing	$194,390	
Leasing commissions on commercial space	$36,351	
Post Construction Holding Costs	$84,000	
Car Share	$0	
Contingency on hard and soft costs	$919,923	
Regional Levy - Apartment	$75,740	
Regional Levy - Commercial	$6,306	
DCCs - residential	$787,731	
DCCs - commercial	$46,325	
SSAC	$49,000	
Less property tax allowance during development	$85,436	
Construction financing	$927,084	
Financing fees/costs	$273,573	
Total Project Costs Before Land Related	$29,454,644	
Allowance for Developer's Profit	$5,560,482	
Residual to Land and Land Carry	**$6,470,616**	
Less financing on land during construction and approvals	$327,575	
Less property purchase tax	$162,291	
Residual Land Value	**$5,980,750**	
Residual Value per sq.ft. buildable	**$77**	
Residual Value per sq.ft. of site	**$269**	

4 – Estimated Land Value at 5.4 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	22,216	sq.ft.				
	-	feet of frontage				
Total Assumed Density	5.40	FAR				
Total Gross floorspace	119,966	sq.ft.				
Commercial floorspace	7,776					
Market Strata Residential floorspace	112,191	gross square feet				
Net saleable space	95,362	sq.ft. or	85%	of gross area		
Average Gross unit size	1,002	sq.ft. gross				
Average Net unit size	851	sq.ft.				
Number of units	112	units or	542	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	168	stalls or	1.50	per unit		
Total Commercial Parking Stalls	20	stalls or 1 per	37.0	square metres		
Total Parking Stalls	188	stalls				
Underground/structured parking stalls provided	188	stalls	71,440	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$45,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$286	per gross sq.ft.				
Hard Cost Used in Analysis	$286					
Landscaping	$111,080	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	2.25	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,862,000					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$33,024,084	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

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4 – Estimated Land Value at 5.4 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$61,985,417	
Less commissions and sales costs	$1,859,563	
Net residential sales revenue	$60,125,854	
Commercial Value	$4,062,751	
Commission on Commercial Sale	$81,255	
Net commercial value	$3,981,496	
Total Value Net of Commissions	$64,107,350	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$34,291,654	
Landscaping	$111,080	
Soft costs	$3,116,946	
Project Management	$1,132,490	
Residential Marketing	$1,859,563	
Commercial Marketing	$194,390	
Leasing commissions on commercial space	$36,351	
Post Construction Holding Costs	$134,400	
Car Share	$0	
Contingency on hard and soft costs	$1,438,741	
Regional Levy - Apartment	$121,184	
Regional Levy - Commercial	$6,306	
DCCs - residential	$1,260,370	
DCCs - commercial	$46,325	
SSAC	$78,400	
Less property tax allowance during development	$207,511	
Construction financing	$1,867,460	
Financing fees/costs	$432,498	
Total Project Costs Before Land Related	$46,565,667	
Allowance for Developer's Profit	$8,595,509	
Residual to Land and Land Carry	**$8,946,174**	
Less financing on land during construction and approvals	$553,545	
Less property purchase tax	$229,779	
Residual Land Value	**$8,162,851**	
Residual Value per sq.ft. buildable	**$68**	
Residual Value per sq.ft. of site	**$367**	

9.4 Case Study Site D – Older Commercial Building 0.25 FAR

1 – Estimated Value as an Income Producing Investment Property

Major Assumptions				
Site and Building Size				
Existing Zoning	CR-2			
Permitted Maximum FSR	1.75	FAR		
Site Size	32,364	sq.ft.		
Assumed Density	0.25	FAR		
Total Commercial Space	8,000	sq.ft.		
Office	0	sq.ft. with	100%	rentable
Retail	8,000	sq.ft.	100%	rentable
Revenue and Value				
Average Lease Rate for Retail Space	$20.00	per sq.ft. net, base building		
Capitalization Rate	5.00%			
Value of Retail and Service Space Upon Lease-up	$400.00	per sq.ft. of leasable area		
Vacancy and non recoverables	5%			
Estimated Overall Value				
Capitalized Value of Retail/Service Space	$3,040,000			
Total Value of Commercial	$3,040,000			
Acquisition Cost Premium	10%			
Total with Acquisition Cost Premium	$3,344,000			

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***

Site and Building Size						
Site Size	32,364	sq.ft.				
	-	feet of frontage				
Total Assumed Density	1.75	FAR				
Total Gross floorspace	56,637	sq.ft.				
Commercial floorspace	11,327					
Market Strata Residential floorspace	45,310	gross square feet				
Net saleable space	38,513	sq.ft. or	85%	of gross area		
Average Gross unit size	985	sq.ft. gross				
Average Net unit size	837	sq.ft.				
Number of units	46	units or	153	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	69	stalls or	1.50	per unit		
Total Commercial Parking Stalls	28	stalls or 1 per	37.0	square metres		
Total Parking Stalls	97	stalls				
Underground/structured parking stalls provided	97	stalls	36,860	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$575	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$150	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$233	per gross sq.ft.				
Hard Cost Used in Analysis	$233					
Landscaping	$161,820	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.50	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,347,800					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$14,031,817	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

2 – Estimated Land Value at 1.75 FAR (woodframe over commercial) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$22,145,067	
Less commissions and sales costs	$664,352	
Net residential sales revenue	$21,480,715	
Commercial Value	$5,918,567	
Commission on Commercial Sale	$118,371	
Net commercial value	$5,800,195	
Total Value Net of Commissions	$27,280,910	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$13,168,468	
Landscaping	$161,820	
Soft costs	$1,220,426	
Project Management	$443,421	
Residential Marketing	$664,352	
Commercial Marketing	$283,185	
Leasing commissions on commercial space	$52,956	
Post Construction Holding Costs	$55,200	
Car Share	$0	
Contingency on hard and soft costs	$569,794	
Regional Levy - Apartment	$49,772	
Regional Levy - Commercial	$9,187	
DCCs - residential	$517,652	
DCCs - commercial	$67,485	
SSAC	$32,200	
Less property tax allowance during development	$37,655	
Construction financing	$493,975	
Financing fees/costs	$169,290	
Total Project Costs Before Land Related	$18,226,838	
Allowance for Developer's Profit	$3,652,201	
Residual to Land and Land Carry	**$5,401,871**	
Less financing on land during construction and approvals	$243,084	
Less property purchase tax	$132,764	
Residual Land Value	**$5,026,023**	
Residual Value per sq.ft. buildable	**$89**	
Residual Value per sq.ft. of site	**$155**	

3 – Estimated Land Value at 3.5 FAR (concrete construction)

Major Assumptions *(shading indicates figures that are inputs; unshaded cells are formulas)*						
Site and Building Size						
Site Size	32,364	sq.ft.				
	-	feet of frontage				
Total Assumed Density	3.50	FAR				
Total Gross floorspace	113,274	sq.ft.				
Commercial floorspace	11,327					
Market Strata Residential floorspace	101,947	gross square feet				
Net saleable space	86,655	sq.ft. or	85%	of gross area		
Average Gross unit size	999	sq.ft. gross				
Average Net unit size	850	sq.ft.				
Number of units	102	units or	339	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	153	stalls or	1.50	per unit		
Total Commercial Parking Stalls	28	stalls or 1 per	37.0	square metres		
Total Parking Stalls	181	stalls				
Underground/structured parking stalls provided	181	stalls	68,780	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$40,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$279	per gross sq.ft.				
Hard Cost Used in Analysis	$279					
Landscaping	$161,820	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	1.75	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,347,800					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$31,122,032	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

3 – Estimated Land Value at 3.5 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$56,325,497	
Less commissions and sales costs	$1,689,765	
Net residential sales revenue	$54,635,732	
Commercial Value	$5,918,567	
Commission on Commercial Sale	$118,371	
Net commercial value	$5,800,195	
Total Value Net of Commissions	$60,435,927	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$31,650,547	
Landscaping	$161,820	
Soft costs	$2,883,813	
Project Management	$1,047,785	
Residential Marketing	$1,689,765	
Commercial Marketing	$283,185	
Leasing commissions on commercial space	$52,956	
Post Construction Holding Costs	$122,400	
Car Share	$0	
Contingency on hard and soft costs	$1,334,279	
Regional Levy - Apartment	$110,364	
Regional Levy - Commercial	$9,187	
DCCs - residential	$1,147,837	
DCCs - commercial	$67,485	
SSAC	$71,400	
Less property tax allowance during development	$116,221	
Construction financing	$1,344,625	
Financing fees/costs	$396,784	
Total Project Costs Before Land Related	$42,720,453	
Allowance for Developer's Profit	$8,100,442	
Residual to Land and Land Carry	**$9,615,032**	
Less financing on land during construction and approvals	$486,761	
Less property purchase tax	$251,848	
Residual Land Value	**$8,876,422**	
Residual Value per sq.ft. buildable	**$78**	
Residual Value per sq.ft. of site	**$274**	

4 – Estimated Land Value at 5.4 FAR (concrete construction)

Major Assumptions ***(shading indicates figures that are inputs; unshaded cells are formulas)***						
Site and Building Size						
Site Size	32,364	sq.ft.				
	-	feet of frontage				
Total Assumed Density	5.40	FAR				
Total Gross floorspace	174,766	sq.ft.				
Commercial floorspace	11,327					
Market Strata Residential floorspace	163,438	gross square feet				
Net saleable space	138,922	sq.ft. or	85%	of gross area		
Average Gross unit size	1,003	sq.ft. gross				
Average Net unit size	852	sq.ft.				
Number of units	163	units or	542	per ha		
Total Market Strata Unit Parking Stalls (including visitors)	245	stalls or	1.50	per unit		
Total Commercial Parking Stalls	28	stalls or 1 per	37.0	square metres		
Total Parking Stalls	273	stalls				
Underground/structured parking stalls provided	273	stalls	103,740	square feet		
Surface parking stalls	0	stalls				
Strata Revenue and Value						
Average Sales Price Per Sq. Ft.	$650	per sq.ft. of net saleable residential space				
Commercial Revenue and Value						
Average Retail Lease Rate for Retail Space	$27.50	per sq. ft. net				
Capitalization Rate for Retail Space	5.00%					
Value of Retail Space on Lease Up	$523	per sq. ft. of leasable area, with	5.00%	allowance for vacancy		
Pre-Construction Costs						
Allowance for Rezoning Costs	$0					
Construction Costs						
Allowance for Demolition of Existing Buildings	$180,000					
Density Bonus Payment	$0	psf of increased floorspace (from 1.75 FSR)				
Other 2	$0					
Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	$0	or	$2,500	per metre of frontage		
Connection fees	$50,000					
Hard Construction Costs						
Market Strata Residential Area	$215	per gross sq.ft. of residential area				
Commercial Area	$220					
Cost Per Underground Parking Stall	$45,000	per underground/structured parking stall				
Cost Per Surface Parking Stall	$5,000	per at grade stall				
Overall Costs Per Square Foot	$286	per gross sq.ft.				
Hard Cost Used in Analysis	$286					
Landscaping	$161,820	or	$10	per sq.ft. on 50% of site		
Soft costs/professional fees (excluding management)	9.0%	of above				
Project Management	3.0%	of above				
Car Share Costs	$0					
Post Construction Holding Costs	$400	per unit on average of	50%	of units	6	months
Contingency on hard and soft costs	3.5%	of hard and soft costs				
Local Government Levies						
Regional Levy - Apartment	$1,082	per market unit				
Regional Levy - Commercial	$0.811	per market unit				
Residential DCCs	$11,253.30	per market unit				
Commercial DCCs	$5.96	per sq.ft. of floorspace				
SSAC	$700.00	per unit				
Financing Assumptions						
Financing rate on construction costs	5.0%	on 50% of costs, assuming a	2.25	year construction period		
		and a total loan of	75%	on costs		
Financing fees	1.25%	of financed costruction costs				
Financing on Land Acquisition	5.0%	during construction on	50%	of land cost		
Marketing and Commissions						
Commissions/sales costs on residential	3.0%	of gross strata market residential revenue				
Commissions on commercial sale	2.0%	of commercial value				
Marketing on residential	3.0%	of gross strata market residential revenue				
Leasing commissions on commercial	17.0%	of Year 1 income				
Marketing on commercial	$25	psf of commercial area				
Property Taxes						
Tax Rate (res)	0.50268%	of assessed value				
Tax Rate (comm)	1.38350%	of assessed value				
Current assessment (Year 1 of analysis)	$2,347,800					
Assumed assessment after 1 year of construction (Year 2 of analysis)	$48,109,086	(50% of completed project value)				
Allowance for Developer's Profit	13.0%	of gross revenue, or	15.0%	of total costs		

4 – Estimated Land Value at 5.4 FAR (concrete construction) - continued

Analysis		
Revenue		
Gross Strata Residential Sales Revenue	$90,299,606	
Less commissions and sales costs	$2,708,988	
Net residential sales revenue	$87,590,617	
Commercial Value	$5,918,567	
Commission on Commercial Sale	$118,371	
Net commercial value	$5,800,195	
Total Value Net of Commissions	$93,390,813	
Project Costs		
Allowance for Rezoning Costs	$0	
Allowance for Demolition of Existing Buildings	$180,000	
Density Bonus	$0	
Other Costs 2	$0	
Site Servicing	$0	
Connection fees	$50,000	
Hard construction costs	$49,916,241	
Landscaping	$161,820	
Soft costs	$4,527,725	
Project Management	$1,645,074	
Residential Marketing	$2,708,988	
Commercial Marketing	$283,185	
Leasing commissions on commercial space	$52,956	
Post Construction Holding Costs	$195,600	
Car Share	$0	
Contingency on hard and soft costs	$2,090,256	
Regional Levy - Apartment	$176,366	
Regional Levy - Commercial	$9,187	
DCCs - residential	$1,834,288	
DCCs - commercial	$67,485	
SSAC	$114,100	
Less property tax allowance during development	$293,736	
Construction financing	$2,712,952	
Financing fees/costs	$628,312	
Total Project Costs Before Land Related	$67,648,270	
Allowance for Developer's Profit	$12,521,833	
Residual to Land and Land Carry	**$13,220,710**	
Less financing on land during construction and approvals	$818,031	
Less property purchase tax	$350,080	
Residual Land Value	**$12,052,598**	
Residual Value per sq.ft. buildable	**$69**	
Residual Value per sq.ft. of site	**$372**	

Paying for the Costs of Growth

Development Cost Charges and Community Amenity Contributions

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November 16, 2020

Context and Scope

- Development Cost Charges – Purpose and Limitations, Current Rates
- Collecting Community Amenity Contributions – Current Approach
- Collecting Community Amenity Contributions – Comparisons
- Questions

Context – Financing Growth

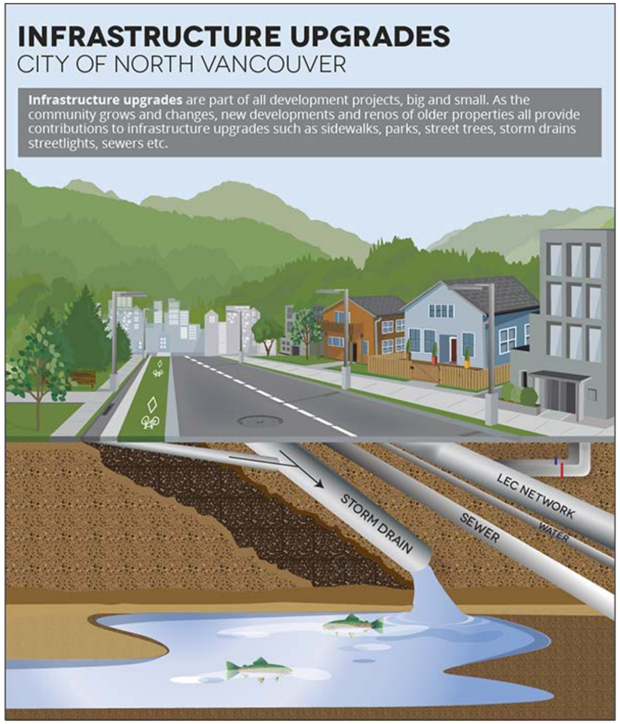
- Growth in the community (new residents, housing, businesses, etc.) creates additional demands on City and other services

- Existing community needs also require upgrades/replacement of City services and assets

Context – DCC Purposes

- **Development Cost Charges (DCCs) are collected for:**
  - **Sanitary sewer**
  - **Transportation (roads/sidewalks)**
  - **Drainage (storm sewer)**
  - **Parks**
  - **Water Utility**

- **School Districts, Metro Vancouver, and TransLink also have DCC-like charges imposed on new growth**



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Context – DCC Rates

- **The total DCCs per dwelling unit ranges between ~$16K-$29K**
- **Fees collected at time of subdivision (single family) or building permit**

Category	City of White Rock	Metro Van (GVS&DD)	School District (SSAC)	TransLink (2021)	Total
Single-Family	$19,295	$5,428	$700-$1,000	$2,975	**$28,700**
Townhouse	$11,253	$4,695	$600-$800	$2,470	**$19,100**
Apartment	$11,253	$3,530	$600-$700	$1,200	**$16,600**

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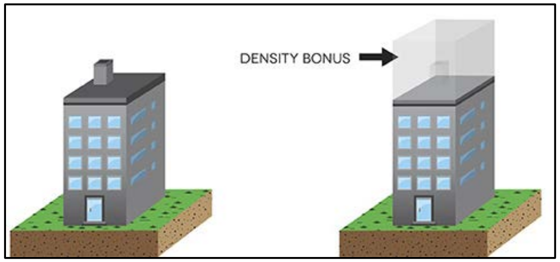
Context – CAC Purposes

- DCCs cannot be used for other growth-related community needs such as libraries, public parking, recreation centres, fire halls, social housing, arts/cultural facilities, etc., to serve an expanding population.

- This is where CACs have a role in obtaining community benefits from development when the growth can afford to pay to off-set the impacts created by rezonings / density bonus.



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Context – Some CAC Principles

- General DCC/CAC principles: should not be so high that it halts development (developers cannot afford to pay), as this will impact new housing supply and create upward pressure on prices. Phasing in changes or giving advance notice provides time for market to adjust.

- DCCs are fees and are non-negotiable amounts.

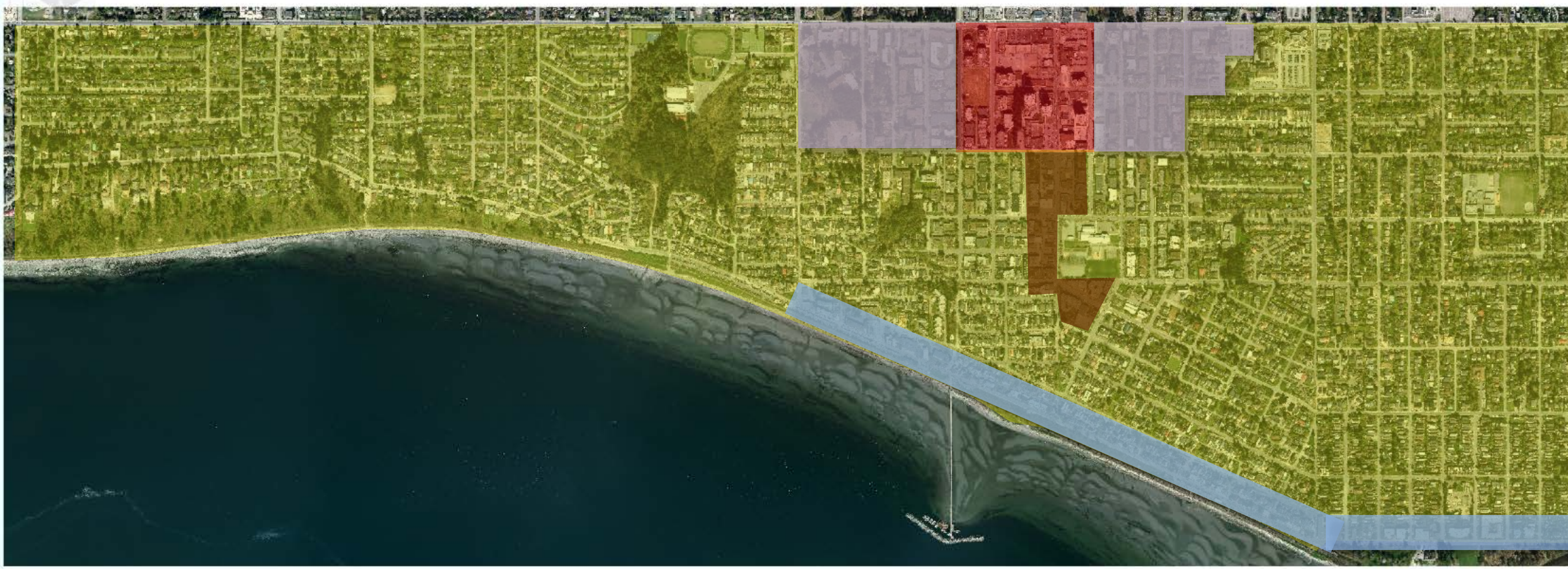
- CACs must be negotiated (though “target contribution rates” or density bonus approach are acceptable); councils must avoid the perception that they are selling zoning without consideration for broader planning principles and use of zoning for regulatory purposes.

Context – Determining CACs

- Some cities use a fixed/target rate (per unit or per floor area) to establish CACs:
  - Langley City & Township, City of North Vancouver, Maple Ridge, New Westminster, Pitt Meadows, Richmond
- Some cities have the capacity to do site-specific analysis/negotiation for each rezoning application:
  - Burnaby, Delta
- Some cities use both approaches, depending on the area or proposed amount of density:
  - Coquitlam, Vancouver, District of North Vancouver, Port Coquitlam, Port Moody, Surrey, West Vancouver, White Rock

Current Approach – Target Rate & CAC

- Town Centre (rezonings and CR-1 zone) = $40 per square foot
- Lower Town Centre = $30 per square foot
- Town Centre Transition = $40 per square foot (*less tenant assistance/rental*)
- Waterfront Village = $60 per square foot (smaller sites, waterfront views)
- Outside of target contribution rate areas = site specific market research report



Town Centre

Lower Town Centre

Town Centre Transition

Waterfront Village

Community Amenity Contribution (CAC) Area

Context – Determining CACs

Context – Determining CACs

Location	White Rock Town Centre	Surrey (Semiahmoo Town Centre)*	Surrey (other Town Centres)*	Langley (City)	Langley (Township)	New Westminster
Target Rate	**$40** per square foot above 1.75 FAR	**$15** per square foot above already permitted density (increasing to **$22.50** in 2021, **$30** in 2022)	Range from **$2.50** per square foot above already permitted density (Cloverdale in 2020) to **$40** (City Centre in 2022)	$2,000 per unit	$3,300-$6,500 per unit	**$50** per square foot above permitted density (6+ storeys) to **$120** per square foot (less than 6 storeys)

*Surrey also has separate public art and affordable housing CACs per unit (City-wide)

Proposed Next Steps

- Update target rates following end of COVID-19 pandemic (market reset), with intention to phase in rate adjustments in future years

Questions and Feedback

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Community Amenity Contribution Public Forum

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January 20, 2020

Presentation Outline

1. Overview of Current Policy
2. Best Practices
3. Options to Consider – Amenity Types/Projects

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Introduction

- Cities need to ensure that new infrastructure, amenities and services are in place to keep pace with new development

- Typically, municipalities in BC do this two ways:

  → **Development Cost Charges (DCCs)** tied to subdivision and building permit issuance. DCCs pay for infrastructure such as roadworks, sewers, water infrastructure, park acquisition and improvement

  → **Density Bonusing and Community Amenities Contributions (CACs)** tied to zoning/rezoning

Introduction

Density Bonusing:

- LGA Section 482 allows zoning bylaws to include the option of **additional (bonus) density in a given zone** subject to specific conditions, which can include providing amenities.
- This can include ‘cash-in-lieu of amenities’ to pool funds from various projects to achieve a common amenity.

Community Amenity Contribution (CAC):

- CACs are amenity contributions agreed to by the developer as part of a **rezoning process**. CACs can take several forms including community amenities, affordable housing, and financial contributions toward infrastructure that cannot be obtained through Development Cost Charges (DCCs).

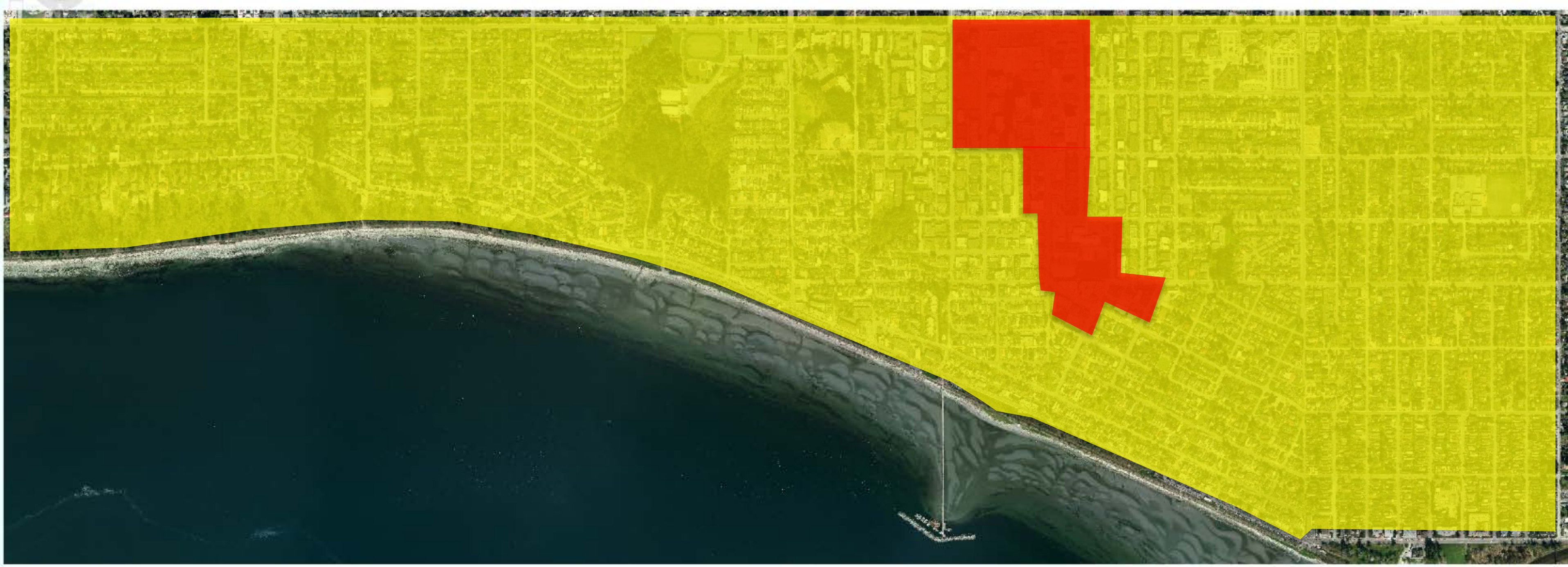
Introduction

How can CACs be used?:

Yes	No
Capital costs for new facilities	Tax reductions
Affordable housing	Operating/maintenance costs
Child care centres	Long term replacement costs
Public art	Reducing ice rental costs at the Arena
Streetscape/pedestrian upgrades	Fixing potholes
Expanding/enhancing the White Rock Pier	Reducing parking rates
Parks and recreation facilities	Free bus passes for residents
Arts and culture facilities	Costs for special events
Civic facilities (City Hall, library, Fire Hall, etc.)	Marketing or promoting the City

Current Policy

Two Approaches to Determining CACs In White Rock

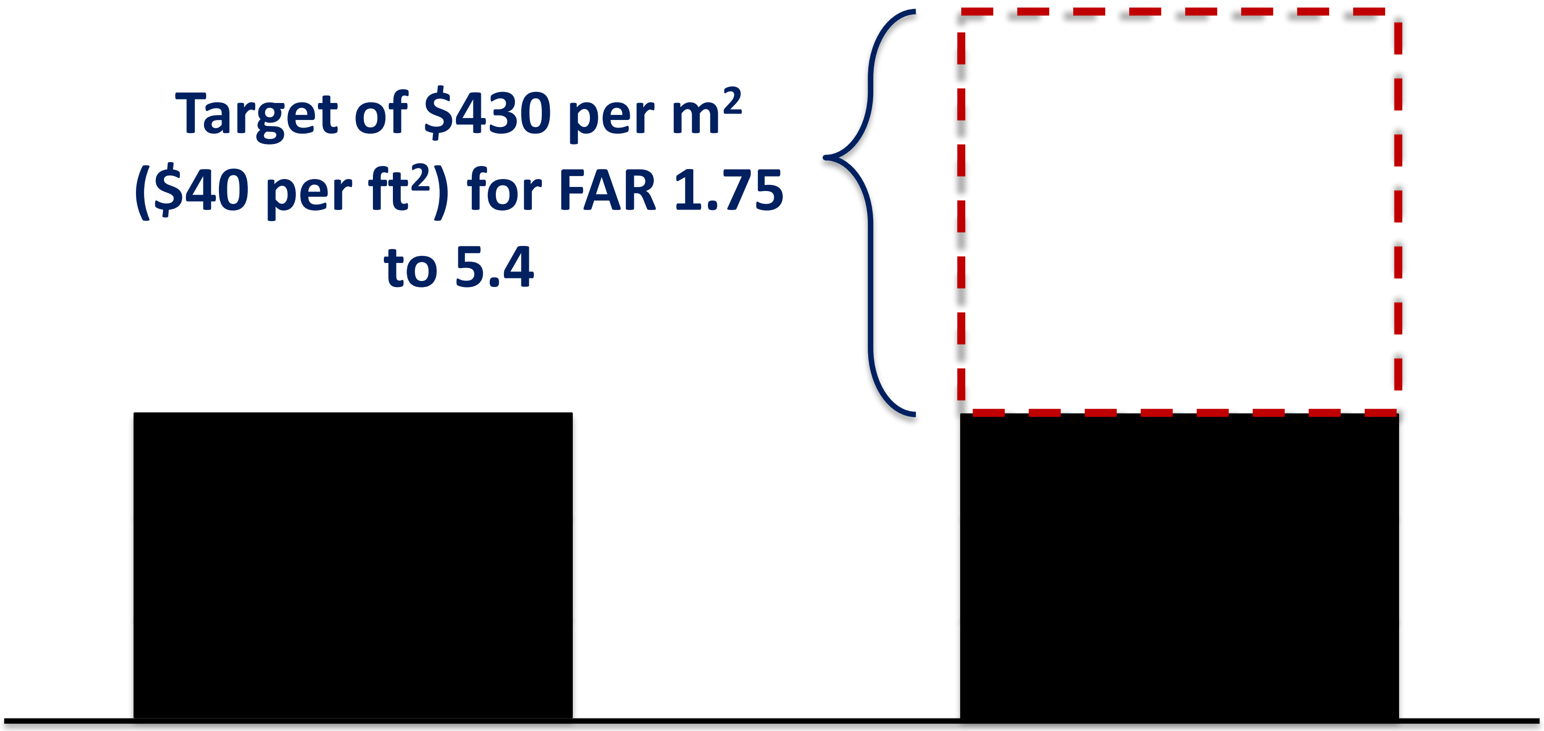


Target Rate Areas (Town Centre/Lower Town Centre)

Community Amenity Contribution (CAC) Area – Case by Case Basis

Current Policy – Density Bonus

Town Centre Area (CR-1 Zone – Pre-Zoned)

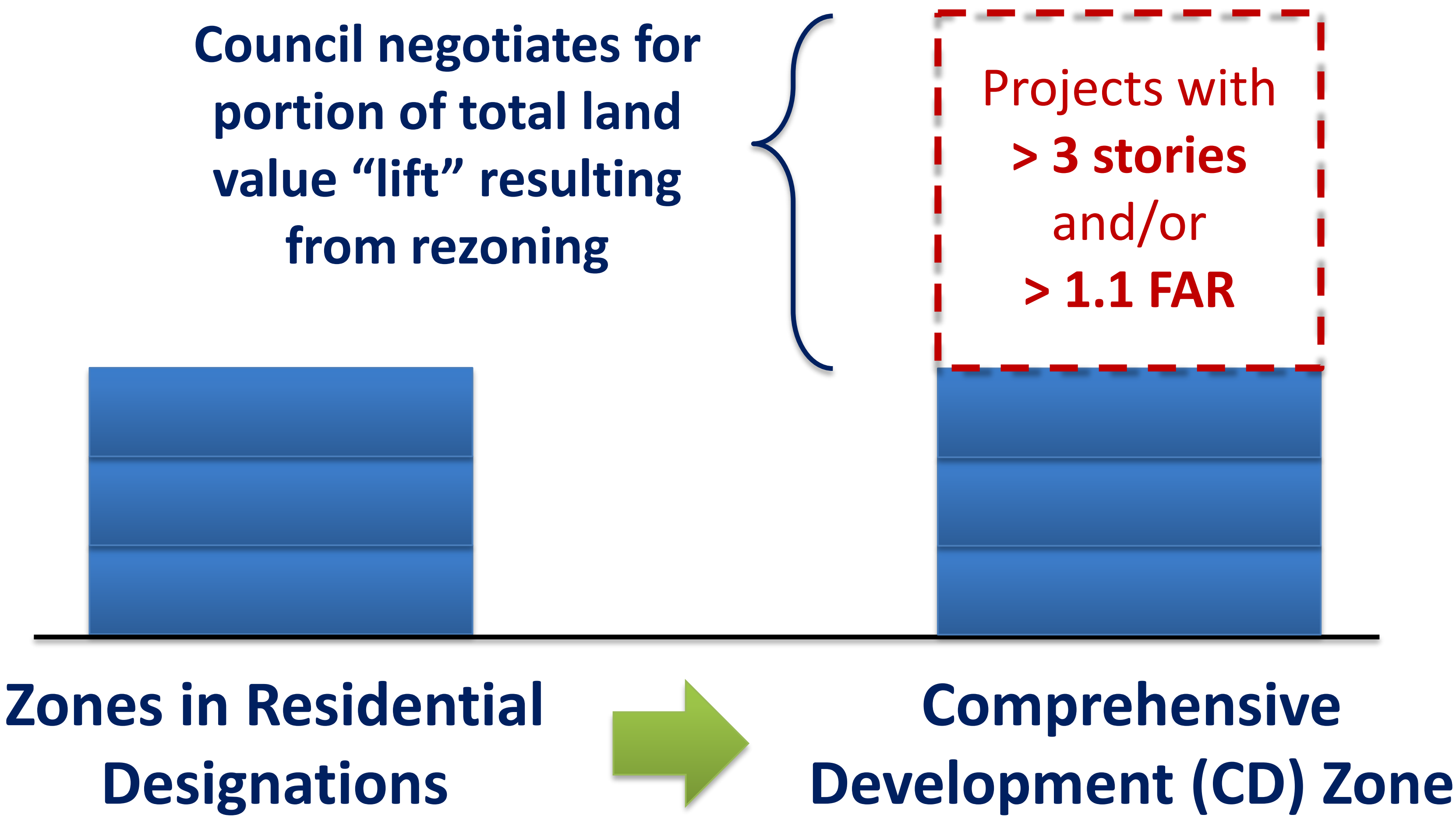


Base Limit:
Max FAR: 1.75
Max Height: 10.7m (35.1ft)

Density Bonus Limit:
Max FAR: 5.4
Max Height: 80.7m (265ft)

Current Policy – CAC

Residential Rezonings Outside Town Centre



Current Policy

Where Do Contributions Currently Go?

CAC Reserve Fund Bylaw:

'Amenity' definition in Bylaw also specifies items such as:

- → *Library, museum or archive (e.g. civic uses)*
- → *Arts and cultural centre*
- → *Child care facility*
- → *Heritage conservation*
- → *Greenhouse gas reduction measure*
- → *Community energy facility*
- → ***Similar things that benefit the City and the well-being of its community***

Current Policy

Where Do Contributions Currently Go?

Policy 511:

Eligible amenities for **Density Bonus** and **CAC** include:

- → *A building or space within a building for civic uses, including but not limited to office, meeting or convention space*
- → *Open space and pedestrian routes (new and improved)*
- → *Publically accessible parking*
- → *Outdoor public art*
- → *A transit station "bus loop" and/or transit shelters*
- → *Special needs or non-market affordable housing*
- → *People movement infrastructure (e.g. funicular) to Waterfront*

Presentation Outline

1. *Overview of Current Policy*
2. ***Best Practices***
3. *Options to Consider – Amenity Types/Projects*

Best Practices - CACs

Practices to <u>Employ</u> for CACs:

- Analysis of amenities needed to address future growth
- Do not focus on rezonings as a revenue source
- Principles of negotiation:
  - → *Amenities should be connected to the development; and*
  - → *Contribution should be proportionate to the development*
- CACs should be limited to:
  - → *Capital costs; **it is important to note that incremental operating costs for a new facility paid for by CACs must be funded from property taxes or another sustainable revenue source***
  - → *Earmarked for specific projects; and*
  - → *Kept in reserve funds and used only for intended projects*

Best Practices - CACs

Practices to <u>Avoid</u> for CACs:

- Imposing a specific charge for which there is no legal authority
- Presenting a developer with a list of “required” contributions for rezoning to proceed
- Any policy that discourages or excludes negotiation between the developer and the municipality

Presentation Outline

1. *Overview of Current Policy*
2. *Best Practices*
3. ***Options to Consider – Amenity Types/Projects***

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Options to Consider – Amenity Types

The City currently has approximately **$6** million in CAC funds that are not allocated to a project. **The City is expecting to receive an additional $7M by 2021, for a total of $13M in unallocated CAC funds.**

Options to Consider – Amenity Types

As part of the Financial Plan process, Council can direct that the use of existing CACs can be spent on:

- → *Expanding/enhancing the Pier during the Phase 2 remaining upgrades*
- → *Social supports (affordable housing, child care facilities)*
- → *New civic facilities (City Hall, arts space, etc.)*
- → *Public art*
- → *Park/plaza upgrades (Maccaud Park, Five Corners Plaza, Waterfront all-ages & abilities playground) or land acquisition*
- → *Mobility improvements (funicular, transit shelters, parking)*
- → *Other…*

Options to Consider – Amenity Types

Eligible amenities for **Density Bonus** and **CAC** should include (or be focused on):

→ *More activities on the waterfront (water activities, sporting), Instagrammable 'selfie' spots, a boutique hotel, small convention space (suggested by Explore White Rock)*

→ *???*

→ *???*

Options to Consider – Density Bonus

Potential Density Bonus Area Expansion

Current Density Bonus Area (Town Centre / Lower Town Centre)

Potential Density Bonus Area Expansion