



CITY OF WHITE ROCK

WORK PLAN FOR WHITE ROCK COMMUNITY HUB DEVELOPMENT
OPTIONS | JANUARY 12, 2024

URBAN SYSTEMS

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WHITE ROCK COMMUNITY HUB DEVELOPMENT OPTIONS

Urban Systems' Land Economics group (USL) is pleased to submit this work plan to prepare a financial analysis on development options for the White Rock Community Hub. Based on a number of conversations with staff and committee members, we understand that the City of White Rock would be interested in exploring the financial ramifications of different potential options that would result in a new Community Hub that could include, a new City Hall, affordable housing for seniors, a new library, and market commercial-retail space.

This proposed scope of work is to undertake financial analysis on a variety of City-owned sites that could be sold, while considering different potential development concepts. The workplan outlined below identifies a combination of proposed pro-forma analyses to meet the needs of this project.

Urban Systems will focus on scenarios that generate the highest revenue for the City of White Rock in order to support the new Community Hub development with the lowest investment required.



WORK PROGRAM

TASK 1

PROJECT START-UP

Urban Systems will organize a start up meeting to confirm development options for analysis with the White Rock project team. Other key topics for discussion will include:

- Ownership options for the affordable housing units (ie. does the city retain ownership?)
- Confirm land disposition approach (sale versus lease)
- Project timelines and communication, including check in-meetings.

TASK 2

RESEARCH

The financial models will require a variety of inputs that will rely on an up to date understanding of the real estate market in White Rock, including:

- Apartment sales values
- Land values
- Absorption rates
- Construction costs
- Affordable housing rental rates

TASK 3

CURRENT CITY HALL SITE ANALYSIS

Urban Systems will conduct a financial analysis through testing the sale of City-owned properties and estimated costs of redeveloping a new Community Hub that could include, City Hall, Library, and seniors' Affordable Housing. We will perform a residual value of land analysis using a number of assumptions regarding which properties will be sold and where the new facilities will be developed. Our objective is to find a scenario where a new Community Hub is developed with the lowest amount of investment required from White Rock through maximizing land disposition revenues.



POTENTIAL REDEVELOPMENT OPTIONS

Urban Systems will calculate the **revenue generated** (ie. residual land value) from the sale of the following property combinations and **calculate the cost** of developing a new expanded City Hall, Library, Affordable Housing and a commercial-retail component on different properties:

SCENARIO 1

SELL 1 RCMP + 2 Annex

BUILD Community Hub + RCMP

WHERE On sites: 3 + 4 + 5

SCENARIO 2

SELL 2 Annex + 3 City Hall Site

BUILD Community Hub

WHERE On sites: 4 + 5

SCENARIO 3

SELL 2 Annex + 3 City Hall Site + 4 Library

5 Evergreen Site

BUILD Community Hub

WHERE On Johnston Road Site

JOHNSTON RD. SITE ANALYSIS

We will conduct a financial analysis to determine the **residual value** of the site and the **cost for developing** a new Community Hub on this site under the following permitted densities:

- If zoned for a maximum of 12 storeys
- If zoned for a maximum of 25 storeys



Potential uses for the Johnston Road Site will include:

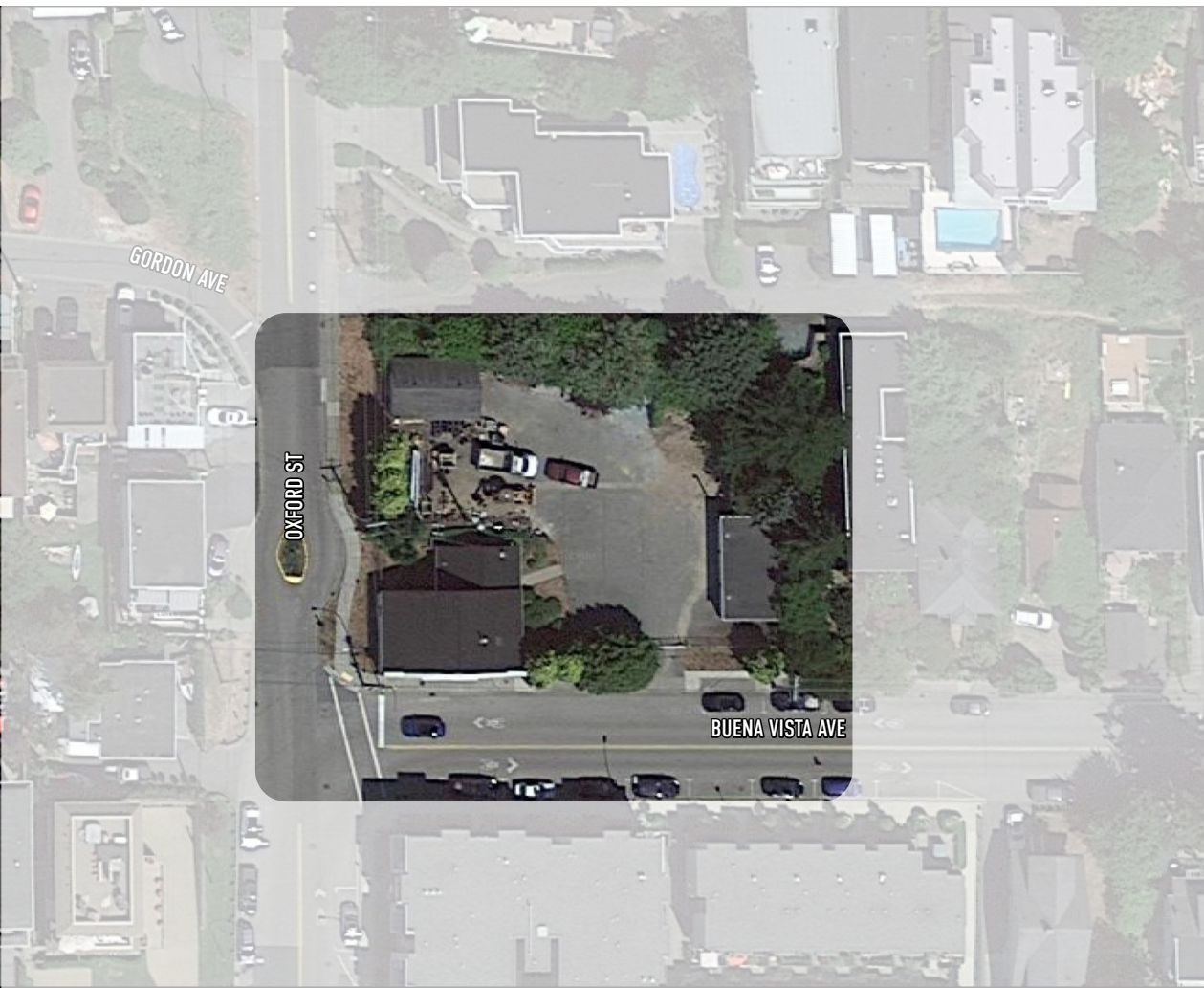
- A New City Hall and Library
- Affordable Housing
- Market Housing
- Commercial Use

Rezoning for 25 storeys will allow for more market housing and generate more revenue.

WATER YARD SITE ANALYSIS

Urban Systems will conduct a financial analysis to determine the residual value of the Water Yard site based on an agreed upon maximum allowable density, which will be determined in discussion with the White Rock project team.

It is assumed the functions currently occurring at the Water Yard would move to the Works Yard and there would be no replacement costs.



REPORTING & PRESENTATION

We will summarize the analysis and findings into a brief technical memo for the White Rock team to review. Our budget allows for one round of revisions from staff.

We will incorporate the comments and feedback from the White Rock project team and finalize the memo. Upon finalizing the memo, we will prepare presentation slides for White Rock Council. Two members of our team will be available to present and answer questions from Council.

KEY ASSUMPTIONS

Based on our discussions with the City of White Rock to date, it is assumed that the City-owned land will be sold to a developer in each of the scenarios. However, if the City would like to model land leasing, we would be open to discussing this approach as an additional task.

In addition, throughout the duration of the project, we will work with the City of White Rock to agree upon key assumptions that will impact the pro-forma analysis. Some of the important assumptions will include:

- Revenues and operating expenses for the seniors' affordable housing, including the level of subsidy, services, and amenities.
- Work with City of White Rock planners to inform the massing for development scenarios being tested.
- Work with City of White Rock to determine the cost for redevelopment of civic uses including:
 - New City Hall
 - New Library
 - New RCMP building.



BUDGET & TIMELINES

Based on the development options that will need to be reviewed there are approximately 15 different development pro-formas that will need to be created. The budget for this project would be \$72,360, including disbursements, but excluding GST.

TASK	DESCRIPTION	FEE	FEE WITH DISBURSEMENTS
1	Project Kick-Off - Ongoing Communication	\$2,000	\$2,160
2	Research to support Financial Models	\$4,000	\$4,320
3	City Hall Site Disposition & Development Scenarios	\$26,000	\$28,080
4	Johnston Site Disposition & Development Scenarios	\$20,000	\$21,600
5	Water Works Yard Disposition Scenario	\$5,000	\$5,400
6	Report Writing & Presentation	\$10,000	\$10,800
Subtotal		\$67,000	\$72,360
TOTAL including disbursements & excluding GST			\$72,360

Our budget includes fees for the following tasks in this project:

- Research into affordable housing to confirm revenues, size of units, level of service, etc.
- Market research to understand:
 - Sales values and construction costs of comparable apartments
 - Lease rates and construction costs of comparable commercial-retail spaces
- Preliminary planning work to determine size and number of units in hypothetical buildings.
- Check in meetings and in-person presentation to White Rock City Council

We are prepared to work within your timeline requirements, although there may be a need for some flexibility on certain milestones depending on how the workflow unfolds.



IN CLOSING

We trust that the above work program effectively captures the intent of this project as outlined in our recent phone calls. We would be happy to discuss our proposed approach, fee estimate, timing, or any other questions you may have.

Our team looks forward to working with you on this exciting project.

Sincerely,

URBAN SYSTEMS LTD.

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