

Agenda

Town of Gibsons

Committee-of-the-Whole

June 1, 2021 at 3:00pm

Held Electronically as per Ministerial Order M192

Council Chambers

Town Hall, 474 South Fletcher Road, Gibsons

604-886-2274 - www.gibsons.ca

Council



Mayor Bill Beamish
Councillor David Croal
Councillor Annemarie De Andrade
Councillor Aleria Ladwig
Councillor Stafford Lumley

STRATEGIC PLAN 2019 - 2022

OUR CORE OBJECTIVES

Increase Community Engagement

- We will inspire and encourage citizens of all ages to engage in the decision-making process
- We will actively listen to the ideas of all our stakeholders
- We will help our citizens understand the challenges and competing demands facing the community

Manage Our Assets

- We will focus on fiscal sustainability and support our staff in the prudent management of our natural and engineered assets, to ensure the Town can continue to deliver critical services and infrastructure in perpetuity

Plan for Sustainable Growth

- We will plan for the future in a manner that reflects our finite resources
- We will value the unique character of our Town and its neighbourhoods
- We will create spaces that promote a sense of community and are accessible to all
- We will preserve our green spaces
- We will support local business and foster a diverse economy

Advocate for and Facilitate A Range of Housing Types

- We will actively work toward increasing the supply and range of safe, secure and attainable affordable housing options

Increase Resilience to the Changing Climate

- We will apply a climate lens to the planning and development of actions, plans, policies and infrastructure projects
- We will adapt Town infrastructure to increase its resiliency to the local impacts and risks from climate change
- We will reduce the greenhouse gas emissions produced by the community and through the provision of municipal services to meet regional targets

Advocate and Collaborate on Regional Issues

- We will collaborate and partner with our neighbouring jurisdictions to effectively address shared opportunities and challenges



To view the Strategic Plan in full,
please go to: gibsons.ca/strategic-plan

visit gibsons.ca



Committee-of-the-Whole

AGENDA OF

June 1, 2021

Held Electronically, 3:00pm

As per Ministerial Order M192

We acknowledge that we are fortunate to be able to gather on the unceded territory of the Skwxwú7mesh Nation.

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. REPORTS

- 3.1 **Development Permit (Form and Character) for 1028-1042 Gibsons Way** Page(s)
5 - 37
Katie Thomas, Planner I

RECOMMENDATION(S)

THAT the report titled Development Permit (Form and Character) for 1028-1042 Gibsons Way be received;

AND THAT Council authorize the Development for Form and Character (DP-2020-03) for 1028-1042 Gibsons Way subject to the submission of an updated site plan showing:

1. the reconfiguration of driveways to meet Town of Gibsons Subdivision and Development Bylaw 1175; and
2. the refuse area with details of screening.

- 3.2 **New Community Amenity Contribution Policy** Page(s)
39 - 133
Director of Planning & Urban Systems

RECOMMENDATION(S)

THAT the report titled New Community Amenity Contribution Policy be received;

AND THAT Council identifies portions of the revenue received as Community Amenity Contributions as follows:

1. XX% to the Town's Affordable Housing Reserve Fund
2. XX% to the Town's Community Amenity Reserve Fund to assist with the funding of other public amenities deemed appropriate by Council;

AND FURTHER THAT Council replaces existing Policy 3.14 with the new Community Amenity Contribution Policy.

4. INQUIRIES

5. NEXT MEETING

5.1 *The next Regular Committee-of-the-Whole meeting to be held on Tuesday, June 15, 2021 at 3:00pm.*

6. ADJOURNMENT



STAFF REPORT

TO: Committee of the Whole

MEETING DATE: May 18, 2021

FROM: Katie Thomas
Planner 1

FILE NO:3220-GibsonsWay-1028

SUBJECT: Development Permit (Form and Character) for 1028-1042 Gibsons Way

RECOMMENDATIONS

THAT the report titled Development Permit (Form and Character) for 1028-1042 Gibsons Way be received;

AND THAT Council authorize the Development for Form and Character (DP-2020-03) for 1028-1042 Gibsons Way subject to the submission of an updated site plan showing:

- 1. the reconfiguration of driveways to meet Town of Gibsons Subdivision and Development Bylaw 1175; and**
 - 2. the refuse area with details of screening.**
-

BACKGROUND / PURPOSE

The Town of Gibsons has received an application for a Development Permit for a new car dealership at the site of Haley Dodge – 1028-1042 Gibsons Way, enclosed as Attachment A, the subject property is shown in figure 1.

The property is currently three lots and will be consolidated into one lot prior to Building Permit. The proposed consolidated lot will be spilt zoned Upper Gibsons Commercial (C-1) and Automobile Commercial 3 (C-3). The Official Community Plan designates the property in Development Permit Area 3 (DPA3) Upper Gibsons Commercial Area. Form and Character guidelines apply to all buildings and structures within a DPA and are evaluated with consideration to the intended use and project scope and context.



Figure 1: Location of subject property

The purpose of this report is to review the proposed building design in relation to the Development Permit Area No. 3 guidelines and consider authorization of DP-2021-03 for 1028-1042 Gibsons Way.

DISCUSSION

Role of staff, ADP and Council in Form and Character Development Permit Area decisions

Staff usually meet with an applicant at least once prior to application submission to explain the planning process, Development Permit guidelines, fees and timelines. Once an application for form and character is received, staff will assess the proposal and refer the application to the Building Official, Infrastructure Services, Gibsons and District Volunteer Fire Department, Squamish Nation and the Advisory Design Panel (ADP) for comments prior to Council's consideration of a decision.

Staff prepare a report evaluating the proposal against the Form and Character guidelines and make a recommendation to the ADP for consideration.

The ADP reviews the proposal alongside the Development Permit guidelines and provides comments as to whether the proposal fits with the guidelines, or if revisions should be made. The recommendations from the ADP will be used to prepare a staff recommendation to Council. Should the ADP provide several proposed changes, staff may take these back to the applicant in order for the application to be revised prior to taking the application to Council for consideration.

When presenting the application to Council, staff provides a report, application materials, referral comments, and minutes from the ADP as well as a staff recommendation.

Council's role is to decide whether the application meets the design guidelines outlined in the Official Community Plan's Development Permit Area and whether to authorize the permit.

Proposal

The applicant proposes to consolidate the three existing lots, shown in figure 2, into one lot. Lot D (1042 Gibsons Way) is zoned C-1 while Lots 52 and B (1028 Gibsons Way) are zoned C-3.



Figure 2: Survey of the existing buildings and the composition of the lots

The applicant proposes to demolish the two existing buildings and replace them with one large building which will serve as a dealership and service centre for vehicles. Due to the differing zones, there is a difference between front setbacks along Gibsons Way. The front of lots 52 and B will become an outdoor sales centre, with new vehicles parked here for sale, as shown in figure 3. A rendering of the proposed building is shown in figure 4.

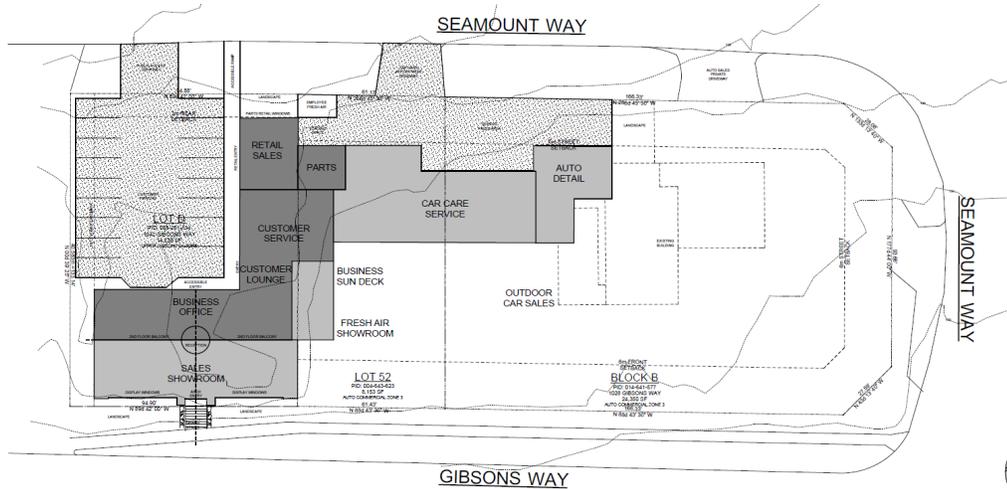


Figure 3: Proposed Site Plan



Figure 4: Rendering of the new proposed dealership

The Jeep/Ram/Dodge/Chrysler Canada's new corporate identity consolidates the standards of the four brands. The dealer standard has polished chrome in contrast to dark gray accented with polished wood. In the examples enclosed as attachment C, wood is the corporate contrast of Jeep compared to steel gray for Ram, red for Dodge and chrome for Chrysler as well as the chrome metal arch with grid windows reflecting the New York landmark Chrysler building. The

proposed building tries to merge these corporate standards with the DPA 3 design guidelines to provide an appropriate dealership within the Town of Gibsons context.

Development Permit Area Guidelines

The objective of DPA 3 is to improve the commercial area and enhance the appearance of private developments for the benefits of visitors, residents and businesses.

Staff have reviewed the application, enclosed as Attachment A, with DPA 3 guidelines. Table 1 summarizes the DPA 3 guidelines, provides staff comments and determines whether the proposal meets the design guidelines

DPA 3 Guidelines	Staff Comments
General Form and Character of Development	
Siting of buildings near the front of a parcel with the building's front face and main access facing the street	Yes – the showroom has been located along the front property line of 1042 Gibsons Way. Figure 2, shows that the front property lines of 1042 are located closer to the paved road than 1028 and neighbouring lot 52
Parking at the rear or side of buildings rather than the front.	No – there is a large expanse of parking area at the front of the building
Significant landscaping adjacent to public roadways and integrated within the site, use of both architectural and landscape features to provide a “gateway” or distinct entrance.	Yes- the proposed landscaping along Gibsons Way improves the existing condition of the site and creates an attractive frontage to the vehicle-centric property.
The form and character should support and enhance the small-town character.	The wood features help to bring some small-town character to an otherwise corporate building. Staff suggest that the landscaping helps to add personality to the property and create a more unique site.
West Coast design features should be included in the design.	The architect has had to merge corporate standards with the DP guidelines, the proposal uses wood elements to bring some west coast style to the building, and has incorporated a deck, with slanted wood features, which has a contemporary west coast feel. The landscaping, with the rock boulders helps to tie the building in with the landscape and improves the existing condition.
The use of natural colours is encouraged, and the use of a variety of complementary colours as accents is also encouraged to promote visual interest.	Yes - The corporate greys and silver colours are used, the wood-type elements break up the massing to promote some visual interest

DPA 3 Guidelines	Staff Comments
Design lighting to minimize light spill, glare and sky glow by using non-glare full cutoff fixtures.	Yes - Down lights are proposed minimizing light spill
Building Form, Scale and Massing	
Varied building forms will be encouraged. Long, single story buildings should incorporate elements that add vertical definition such as sloped roofs or façade treatments such as fascia or awnings.	Yes - The building is modulated with 2 heights and added roof modulation, the windows, garage doors and different siding to add vertical definition
Large areas of blank wall are not acceptable on a face with a pedestrian or residential area orientation.	Yes – no blank walls are proposed
Wall lines should be off-set and modulated along the building elevation to create visual interest along the building section	Yes – the building steps back dramatically
Pitching and stepping down of rooflines should be incorporated to vary height in the roofscapes of buildings.	Yes – The building steps down on the west side
General modification of standardized corporate franchise building designs or features may be required in the event of conflict with these design guidelines.	Yes - The landscaping plan helps to detract from the standardized corporate design
Siting of Building and Structures	
Buildings should be sited with the entrance to the buildings facing the street (Gibsons Way, North Road or the access road) to encourage creation of an interest and access for pedestrians. Buildings on corner sites should have façade interest facing both streets.	Yes - The pedestrian entrance is located along Gibsons Way, the entrance is emphasized with steps from the Gibsons Way sidewalk and the corporate Chrysler “archway”. Accessible access is located at the rear, next to the parking
Parking should occur at the rear or side of buildings rather than the front and shall be buffered from view by significant landscape islands.	No – Parking for the sales centre and service is located at the front of the building. The frontage is predominately outdoor vehicle sales. This is a compromise due to differing zoning and the OCP’s future vision.

DPA 3 Guidelines	Staff Comments
The buildings or structures should be used to reinforce the definition of street corners.	No -the building is situated along the west side of the property, with the east portion of the lot open for outdoor car sales.
Pedestrian Environment	
Buildings and structures should be pedestrian oriented at the ground level. <ul style="list-style-type: none"> • an emphasis on the fenestration • inclusion of weather protection along outside pedestrian routes, • weather protection must be integral with the building form 	Yes –the sales centre along the Gibsons Way frontage provides an active frontage with large windows. The proposal looks to provide an awning over the rear pedestrian entrance, which will likely be the most active entry to the building.
A minimum 3.0 metre planted edge between the sidewalk and the building or parking edge should be established	Yes – a landscaped buffer is proposed between the sidewalk and lots 52 and C – the updated landscape plan will include the frontage along lot B.
Landscaping	
A detailed professional landscaping plan shall be provided.	Yes- An extensive landscape plan has been submitted incorporating comments from the ADP regarding additional drought tolerant and native plantings..
Emphasis on major road edges is required through a combination of “street trees” and lower plantings.	Yes- the landscaping plan emphasizes each of the three street frontages.
Native plant materials are preferred, and shall include a mix of coniferous and deciduous species.	Yes – native plantings have been selected.
Parking	
Parking should not visually dominate a development. Parking areas should be integrated into developments by such means as incorporating significant landscaping, coordination of outdoor elements and linking of buildings with parking by distinctively paved walkways.	Improves existing condition - Parking currently dominates the property and the boulevard along Seamount Way currently as the lot is not designed in a way to provide the amount of parking required. As this is an automobile sales and servicing centre, staff suggest that some leeway is required when assessing the proposal with this particular guideline. The frontage along Seamount Way will be brought up the Local Connector 2 road standards, eliminating parking on the boulevard. This will help to remove the cluttered appearance along this frontage and provide better visibility for pedestrians and vehicles passing by.

DPA 3 Guidelines	Staff Comments
Parking lots should be paved and shall include landscaped areas within the lot. No more than 10 parking stalls in a row should be allowed without a landscaping break.	No – the applicant has proposed heavy landscape along the property lines to compensate for lack of vegetation in the parking areas.
Low, dense screening of street fronting stalls is required. This can be achieved through the use of landscape materials, or, a combination of landscape features such as arbors or trellises which run the length of the parking area.	Improves existing – the landscape plan improves upon the existing grassed slope with the inclusion of boulders and low shrubs. The proposed landscaping is low and dense along Gibsons Way to enable vehicles to be displayed to Gibsons Way traffic. There is no screening proposed.
Support service facilities and structures such as loading bays, refuse containers, storage areas, and utility services should be located and screened with walls, fencing, hedging, planting, other screening materials or a combination of these materials to minimize visibility from public areas.	Yes – all driveways are located at the rear from Seamount way. The property will have 3 driveways to serve three distinct areas of the property – sales, service and car display. The site plan does not show the refuse area.
Signage	
All signs should be architecturally coordinated with the overall design of buildings and landscaping and may require modification of corporate or franchise design elements	Yes – wall signs proposed
Freestanding signs should reflect a West Coast character by using elements of wood and / or stone.	n/a – existing freestanding sign to remain
Changeable illuminated copy signs shall not be permitted on properties in Development Permit Area No. 3,	Yes - No changeable illuminated copy signs proposed

REFERRAL COMMENTS

The application was referred to the following agencies for comment on February 2, 2021. The referral was resent March 24, 2021 following an update to the proposal and the inclusion of an additional lot.

- Skwxwú7mesh Úxwumixw
- Gibsons and District Volunteer Fire Department
- Town of Gibsons Infrastructure Services
- Town of Gibsons Building Department
- Advisory Design Panel

Comments received are shown in table 2 below.

Referral Agency	Comment
Town of Gibsons Building Department	No concerns
Town of Gibsons Infrastructure Services Department	Infrastructure Services provided comments on the frontage works required and servicing. Driveways are to be at least 50m apart and therefore the driveway may need to be reconfigured to meet the Subdivision and Development Bylaw.
Gibsons and District Volunteer Fire Department	Building Code requirements to be met; and approval recommended
Skwxwú7mesh Úxwumixw	No response
Advisory Design Panel	<p>THAT the Advisory Design Panel recognizes the challenges with the car dealership use and recommends approval subject to:</p> <ul style="list-style-type: none"> • An improved landscape plan with drought related native plants and an updated site plan; • Incorporating more West Coast wood design features; and, • A visual for Council's consideration.

Advisory Design Panel Review

The Town of Gibsons Advisory Design Panel (ADP) met for their inaugural meeting on April 7th and discussed the proposal for 1028-1042 Gibsons Way. The minutes from the meeting are enclosed as attachment D.

The recommendation from the ADP, shown in table 2, speaks specifically to updating the landscape plan, as the ADP saw a landscape plan that had been prepared for an initial proposal which has since changed. The landscape plan has now been updated, enclosed as attachment B to include all three lots and considers the suggestions from the ADP including additional drought tolerant native plants.

Bullet two of the recommendation speaks to incorporating additional wood features on the proposed new building. As this is a franchise building, the architect and owner have to work within a scope set out by Dodge/Chrysler corporate guidelines. The architect has pushed the corporate guidelines to incorporate the wood on the current proposal and have added additional wood elements to the vented service bays, as shown in figure 5.



WOOD SCREENS PROVIDE SECURE VENTILATION
FOR EMPLOYEE WORK AREAS

Figure 5: Wood ventilation screening for the service bays have replaced the metal screens as originally proposed prior to the ADP discussion

Renderings of the proposed building have been provided, the landscape plan has been updated and made more specific as per the ADPs request. The landscape Plan looks to substantially increase the vegetation on the property.

NEXT STEPS

Should Council authorize issuance of the Development Permit, the applicant may then proceed with a Building Permit application.

CONCLUSION

Staff note that several of the guidelines are not applicable to this particular land use, due in part to the fact that the Official Community Plan does not envision automobile sales along the Gibsons Way street frontage. When referencing the Upper Gibsons Commercial area, the OCP states the following:

Support the redevelopment of automotive and industrial uses on Gibsons Way to more compatible commercial and retail uses.

Over time, it is anticipated that this area will redevelop with a stronger retail orientation, with less emphasis on service and automotive uses.

The current zoning permits the automobile use and therefore staff note that some compromises may be required to allow the car dealership while taking the design guidelines into consideration.

Staff conclude that the proposed new building and extensive landscaping improves the existing site considerably and provides a stronger pedestrian experience, however, there is a compromise to the lack of definition at the Gibsons Way/Seamount Way corner.

The redevelopment of the site has an opportunity to improve and create a gateway to the Town's industrial area, along Seamount/Industrial and Venture Way.

RECOMMENDATIONS / ALTERNATIVES

Recommendations are listed on page 1 of this report. The Draft Development Permit is enclosed as Attachment E.

Attachments

- Attachment A – Application Proposal
- Attachment B – Landscape Plan
- Attachment C – Corporate Examples
- Attachment D – ADP minutes
- Attachment E – Draft DP-2021-03

Respectfully Submitted,



Katie Thomas
Planner I



Lesley-Anne Staats, MCIP, RPP
Director of Planning

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I have reviewed the report and support the recommendation(s).



Mark Brown
Chief Administrative Officer



GIBSONS WAY STREET IMAGE

SUNSHINE

1

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



SOUTH AERIAL IMAGE

Building Form

2

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



EAST AERIAL IMAGE



WEST AERIAL IMAGE

Building Form

3

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



NORTH AERIAL IMAGE

Building Form

4

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



GIBSONS WAY GRAND STAIR ENTRY IMAGE

Front Character

5

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



SUN DECK IMAGE

Innovative Design

6

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



FRESH AIR SHOWROOM IMAGE

West Coast

7

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



SEAMOUNT WAY STOREFRONT IMAGE

Commercial Design

8

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



SEAMOUNT WAY CAR CARE IMAGE

Modulated Forms

9

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



HEALTHY WORK ENVIRONMENT

Work Safe

10

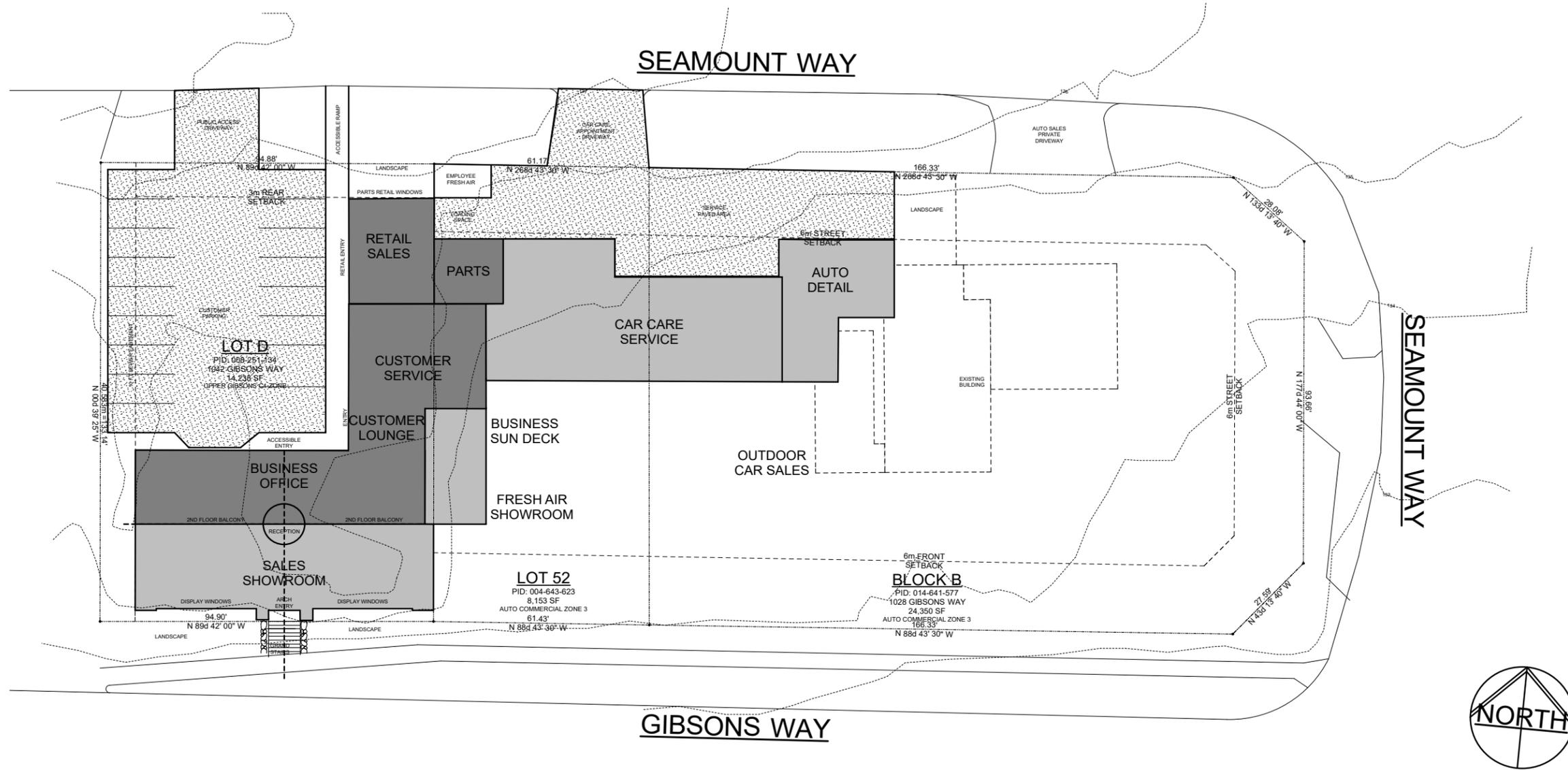
HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



1

Site Plan

1:369.23

Site Development

11

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - MARCH 18 2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



GIBSONS WAY STREET IMAGE

SUNSET
12

HALEY DODGE
1028 Gibsons Way, Gibsons, BC
Consolidated Business Model - MARCH 18 2021

Scott Davis Design
174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com

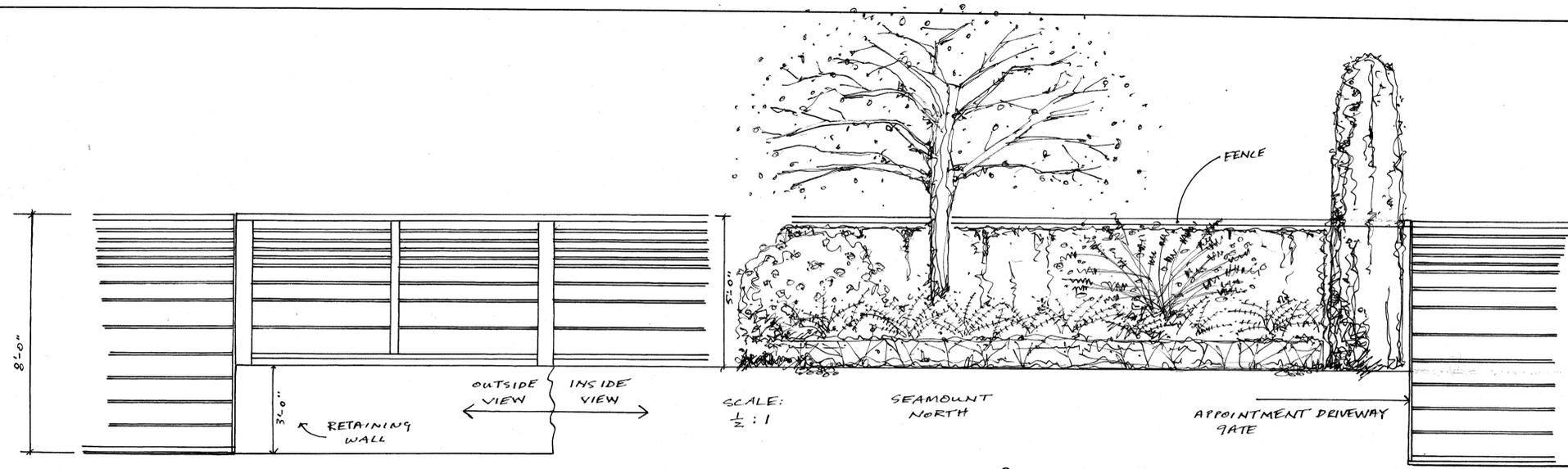


WOOD SCREENS PROVIDE SECURE VENTILATION
FOR EMPLOYEE WORK AREAS

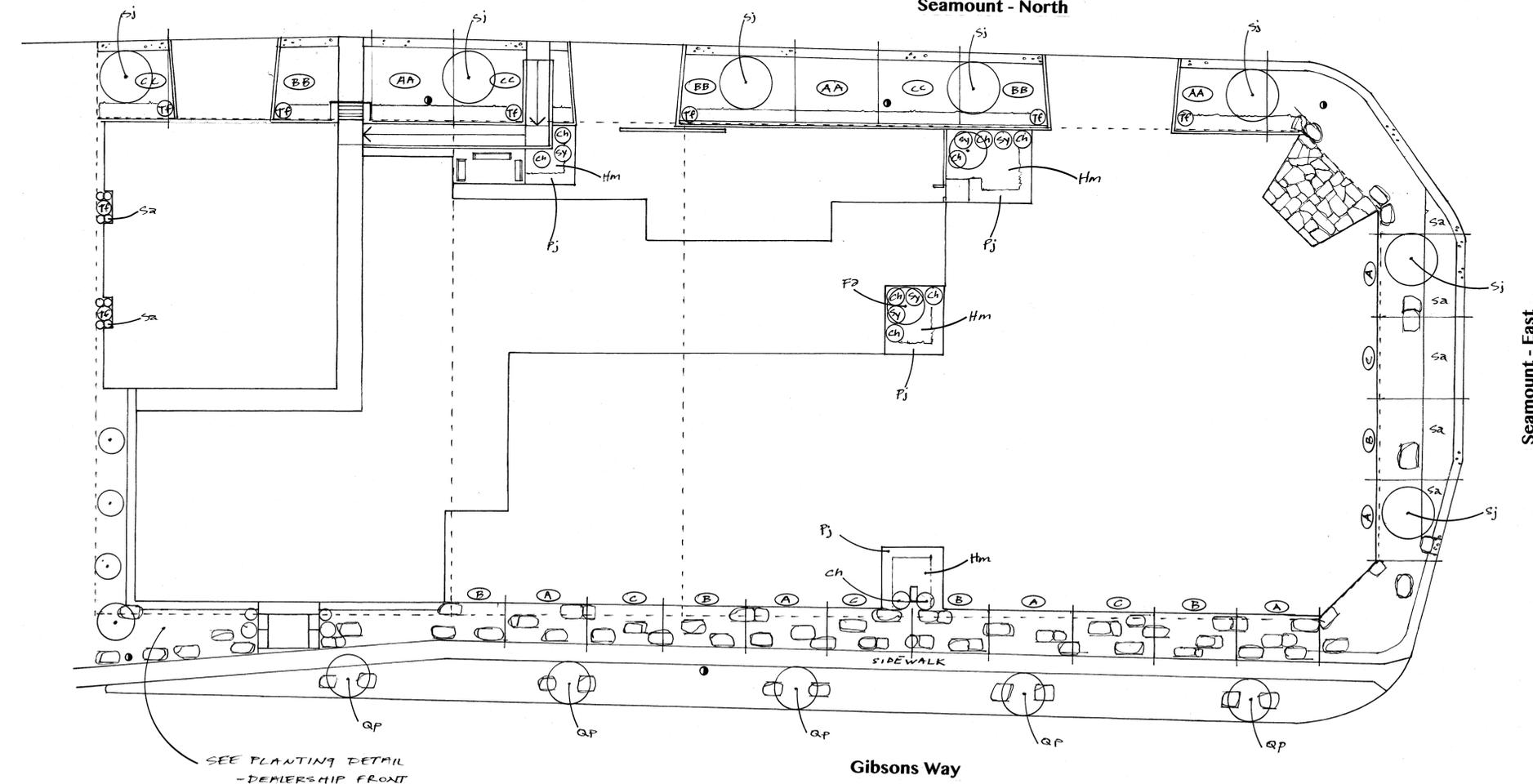
Vented Work Bays
10A

HALEY DODGE
1028 Gibsons Way, Gibsons, BC
Consolidated Business Model - 04-21-2021

Scott Davis Design
174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



PLANT NOTES:
 PLANTS: PLANT SIZES SPECIFIED ACCORDING TO THE BC LANDSCAPE STANDARD AND CANADIAN LANDSCAPE STANDARD, LATEST EDITION. CONTAINER SIZES SPECIFIED AS PER CNLA STANDARD. PLANT AND CONTAINER SIZES ARE MINIMUM ACCEPTED SIZES. PLANT MATERIAL WILL BE MADE AVAILABLE TO DESIGNER FOR OPTIONAL REVIEW AT SOURCE OF SUPPLY. SUBSTITUTIONS MADE WITH APPROVAL OF LANDSCAPE DESIGNER. UNAPPROVED SUBSTITUTIONS WILL NOT BE ACCEPTED. ALL LANDSCAPE MATERIAL AND WORKMANSHIP AS PER THE BCNLA AND CANADIAN LANDSCAPE STANDARDS.
 SOIL: ALL SOIL TYPES AND DEPTHS AS PER THE BCNLA STANDARD AND APPROVED BY THE DESIGNER. SUITABLE BARK MULCH TO BE APPLIED TO PLANTED AREAS WHERE POSSIBLE TO A DEPTH OF 50mm MINIMUM.
 MAINTENANCE: A MAINTENANCE SCHEDULE SHALL BE ESTABLISHED TO MEET THE ONE-YEAR GUARANTEE PERIOD. MEET LOCAL LEGISLATION AND REQUIREMENTS, SET NECESSARY FIELD REVIEWS, SET A REGULAR MAINTENANCE PLAN FOR THE BCNLA DESIGNATION OF LEVEL: "WELL-GROOMED."



Plant Schedule
 Blvd. Trees - Shrubs

Key	Botanical	Common	Quantity	Size/Remarks
Gibsons Way:	Qp	Quercus palustris 'Green Pillar'	5	6cm cal/ 6'b&b
Seamount North:	Sj	Styrax japonica	4	6cm cal/ 6'b&b
	Tf	Taxus bac. 'Fastigiata Aurea'	5	5'b&b
Seamount East:	Sa	Sarcococca 'humilis'	420	#1
	Sj	Styrax japonica	2	6cm cal/ 6'b&b

Plant Schedule
 Dealership - Rest Area - Lot Displays

Key	Botanical	Common	Quantity	Size/Remarks
Ch	Choisyia ternata	Mexican mock orange	10	#3
Fo	Fagus syl. 'Purple Fountain'	Purple fountain beech	2	6'b&b
Hm	Hemerocallis 'Pardon Me'	Pardon me daylily	175	#1
Fj	Phormium 'Jack Spratt'	New Zealand flax	225	#1
Sy	Syringa 'Patsibiry'	Korsan lilac	5	#2
Tf	Taxus bac. 'Fastigiata Aurea'	Golden Irish yew	6	5'b&b

periplum
 garden design and construction
 1506 Henderson Avenue Roberts Creek BC V0w 2w2
 604-989-1201

Project:
HALEY DODGE

Legal Address: _____ Street Address: _____
1028 Gibsons Way Gibsons BC

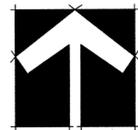
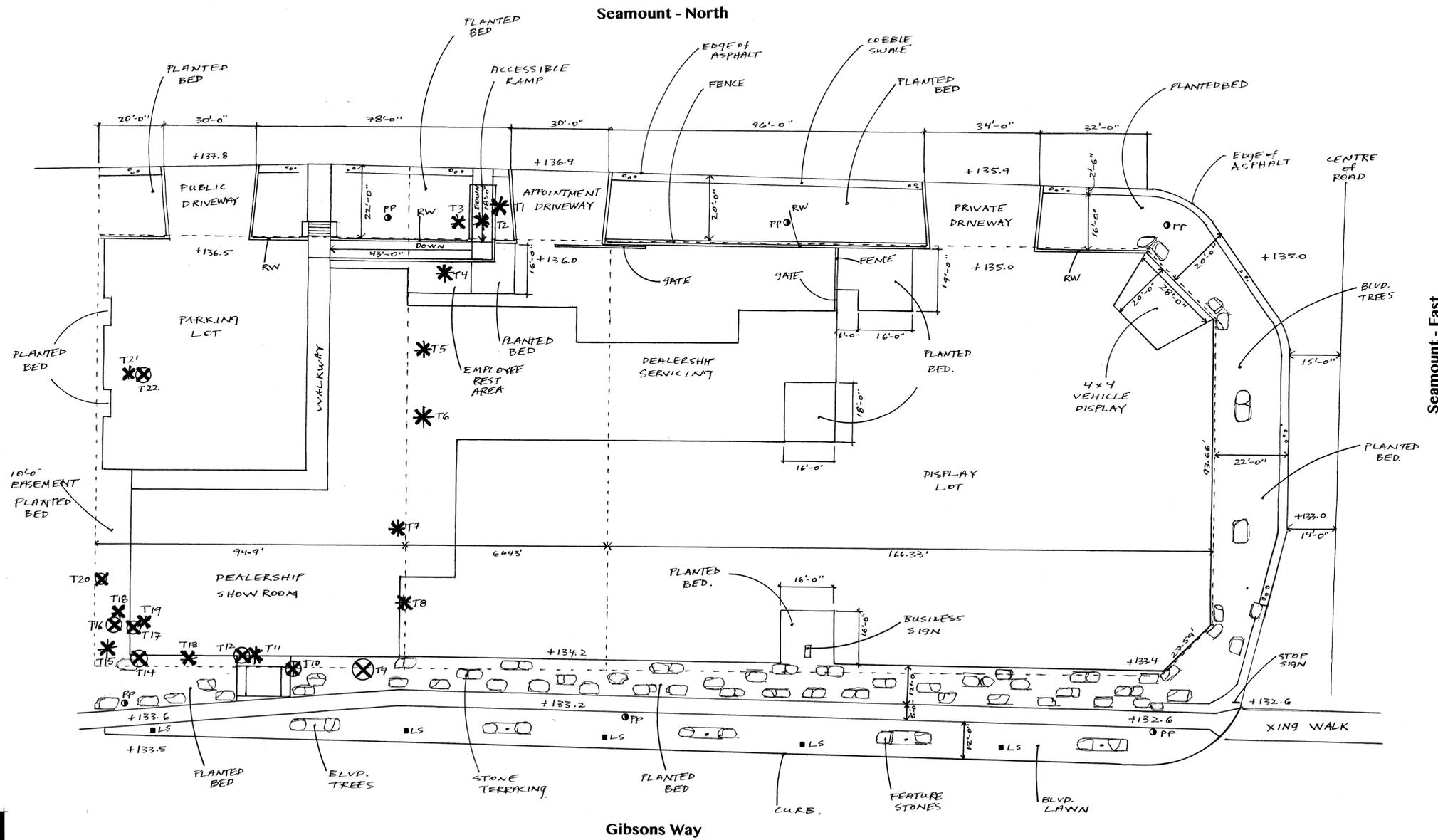
Lot Size:
 Site Area: 40,870.0 sf - 3,797.0 m2
 Structures:
 Driveway/Parking: 27,312.0 sf - 2,537.0 m2 (Approx.)
 Landscaped Area: 13,112.0 sf - 1,218.0 m2 (Approx.)
 Date: Start: Feb 2 2021

Plan : 2 Planting Plan 1 Site Plan 3 Planting Details

Scale: 1/16" = 1'-0"
 2 Planting Plan 4 Elevations
 Drawn by: LP Date Drawn: May 18 2021

Existing Trees To Be Removed:	
X T1 Spruce .22m.	X T12 Maple .15m
X T2 Fir .17m.	X T13 Fir .15m
X T3 Fir .15m.	X T14 Maple .15m
X T4 Fir .20m.	X T15 Fir .20m
X T5 Cedar hedge	X T16 Arbutus .15/20m.
X T6 Fir .25m	X T17 Arbutus .10m.
X T7 Fir .20m.	X T18 Fir .10m.
X T8 Cedar hedge	X T19 Fir .10m.
X T9 Maple .25m.	X T20 Alder cluster .10m.
X T10 Maple .13m.	X T21 Fir .10m.
X T11 Fir .22m	X T22 Alder .15m.

SITE KEY	
PL	PROPERTY LINE
PP	POWER POLE
LS	LIGHT STANDARD
X	TREE TO BE REMOVED
RW	RETAINING WALL
F	FENCE
AC	ACCESSIBLE RAMP
QP	QUERCUS PALUSTIS 'GREEN PILLAR'
SJ	STYRAX JAPONICA



periplum
garden design and construction
1506 Henderson Avenue Roberts Creek BC V0w 2w2
604-989-1201

Project:
HALEY DODGE

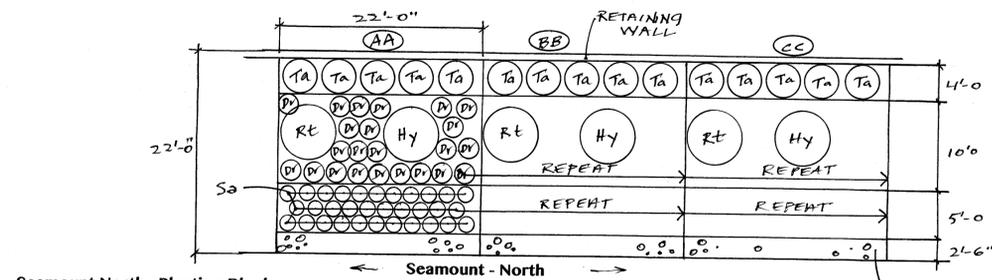
Legal Address: _____ Street Address: _____
1028 Gibsons Way Gibsons BC

Lot Size:
Site Area: 40,870.0 sf - 3,797 m2

Structures:
Driveway / Parking: 27,312.0 sf - 2,537.0 m2 (Approx.)
Landscaped Area: 13,112.0 sf - 1,218.0 m2 (Approx.)

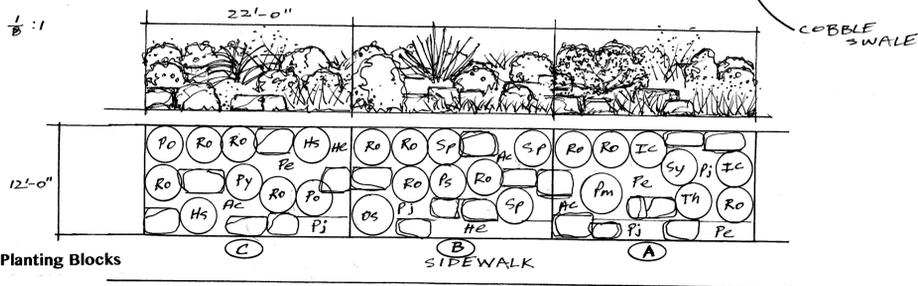
Date: Start: Feb 2 2021

Plan : 1 Site Plan 1 Site Plan 3 Planting Details
Scale: 1/16 : 1 2 Planting Plan 4 Elevations
Drawn by: LP Date Drawn: May 18 2021



Seamont North Planting Blocks

SCALE: 1/8" = 1'



Gibsons Way Planting Blocks

SCALE: 1/8" = 1'

Plant Schedule
Seamont North
Modular Blocks: AA, BB, CC

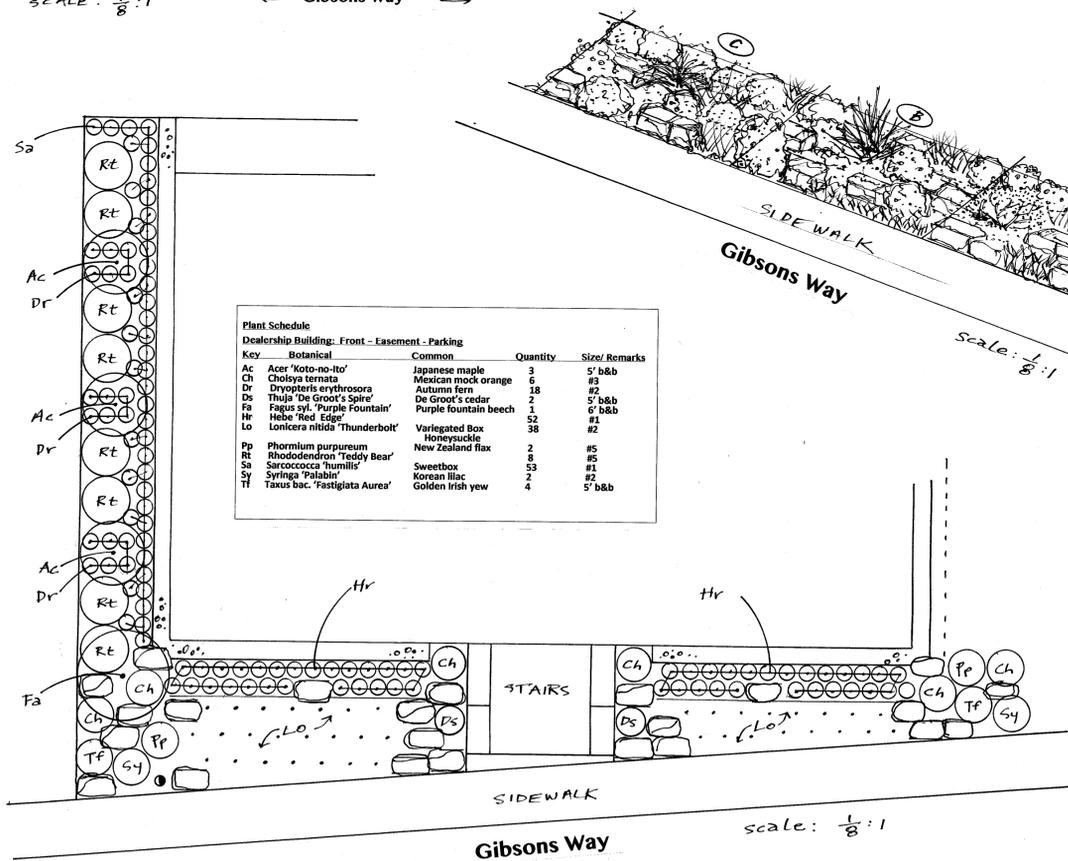
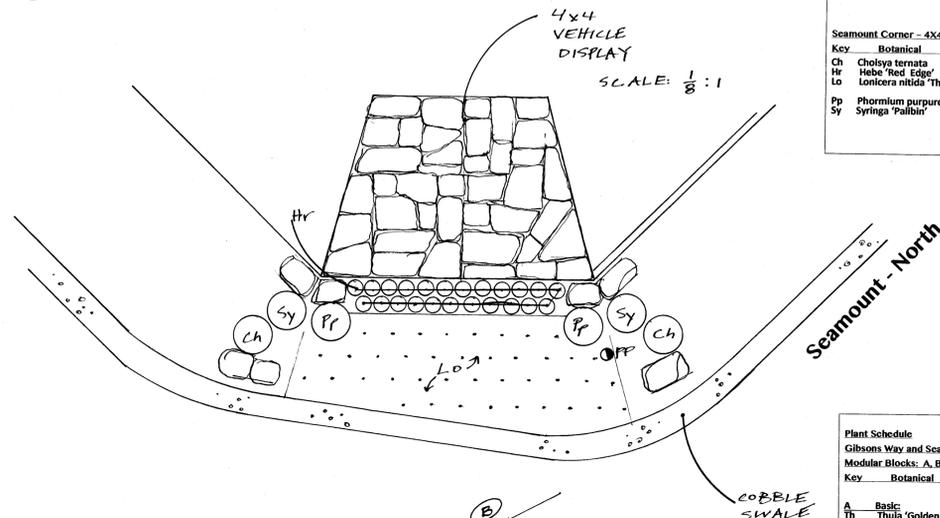
Key	Botanical	Common	Quantity	Size/Remarks
Dr	Dryopteris erythrosora	Autumn fern	23	#2
Hy	Hydrangea 'Big Ben'		1	#5
Rt	Rhododendron 'Teddy Bear'		1	#5
Sa	Sarcococca 'humilis'	Sweetbox	31	#1
Ta	Taxus 'hicksii'	Hicks yew	5	4' b&b

Plant Schedule
Gibsons Way Corner

Key	Botanical	Common	Quantity	Size/Remarks
Co	Chamaecyparis obtusa gracilis	Hinoki cypress	1	5'b&b
Ch	Choloya ternata	Mexican mock orange	2	#2
Hr	Hebe 'Red Edge'		17	#1
Lo	Lonicera nitida 'Thunderbolt'	Variegated Box	24	#2
Pj	Phormium 'Jack Spratt'	Honeysuckle	54	#1
Pp	Phormium purpureum	New Zealand flax	2	#3
Sy	Syringa 'Palibin'	Korean lilac	2	#3

Seamont Corner - 4x4 Display

Key	Botanical	Common	Quantity	Size/Remarks
Ch	Choloya ternata	Mexican mock orange	2	#3
Hr	Hebe 'Red Edge'	Variegated Box	24	#2
Lo	Lonicera nitida 'Thunderbolt'	Honeysuckle	3	#2
Pp	Phormium purpureum	New Zealand flax	2	#3
Sy	Syringa 'Palibin'	Korean lilac	2	#3



Haley Dealership Front

Plant Schedule
Dealership Building: Front - Easement - Parking

Key	Botanical	Common	Quantity	Size/Remarks
Ac	Acer 'Koto-no-ki'	Japanese maple	3	5' b&b
Ch	Choloya ternata	Mexican mock orange	6	#3
Dr	Dryopteris erythrosora	Autumn fern	18	#2
De	Thuja 'De Groot's Spine'	De Groot's cedar	2	5' b&b
Fa	Fagus sylv. 'Purple Fountain'	Purple fountain beech	1	6' b&b
Hr	Hebe 'Red Edge'		52	#1
Lo	Lonicera nitida 'Thunderbolt'	Variegated Box	38	#2
Pp	Phormium purpureum	New Zealand flax	2	#5
Rt	Rhododendron 'Teddy Bear'		8	#5
Sa	Sarcococca 'humilis'	Sweetbox	53	#1
Sy	Syringa 'Palibin'	Korean lilac	2	#2
Tf	Taxus bac. 'Fastigiata Aurea'	Golden Irish yew	4	5' b&b

Plant Schedule
Gibsons Way and Seamont East
Modular Blocks: A, B, C

Key	Botanical	Common	Quantity	Size/Remarks
A	Basic			
Th	Thuja 'Golden Globe'	Golden globe cedar	1	#3
Pm	Pinus mugo 'mughus'	Dwarf mugo pine	1	#1
ic	Ilex crenata convexa	Japanese holly	2	#2
Sy	Syringa 'Palibin'	Dwarf lilac	1	#2
Ac	Arctostaphylos uva-ursi	'Massachusetts'	34	11cm
Pe	Perovskia atriplicifolia	Russian sage	17	#1
Ro	Rosa med. 'Sevillana'		3	#2
Pj	Phormium 'Jack Spratt'	New Zealand flax	21	#1
B	Basic			
Os	Osmanthus hetero. variegatus	Variegated holly osmanthus	1	#3
Pt	Phormium 'Pink Stripe'	New Zealand flax	1	#3
Sp	Spiraea 'Goldmound'	Goldmound spiraea	3	#3
Ro	Rosa med. 'Sevillana'		4	#2
Pj	Phormium 'Jack Spratt'	New Zealand flax	10	#1
He	Helictotrichon sempervirens	Blue oat grass	20	11cm
Ac	Arctostaphylos uva-ursi	'Massachusetts'	34	11cm
C	Basic			
Po	Potentilla 'Goldfinger'		2	#2
Py	Phormium 'Yellow Wave'		1	#3
Hs	Hebe sutherlandii		2	#3
Ro	Rosa med. 'Sevillana'		4	#2
Pe	Perovskia atriplicifolia	New Zealand flax	12	#1
Pj	Phormium 'Jack Spratt'	New Zealand flax	14	#1
He	Helictotrichon sempervirens	Blue oat grass	12	11cm
Ac	Arctostaphylos uva-ursi	'Massachusetts'	34	11cm

periplum
garden design and construction
1506 Henderson Avenue Roberts Creek BC V0N 2w2
604-989-1201

Project:
HALEY DODGE

Legal Address: _____ Street Address: _____
1028 Gibsons Way Gibsons BC

Lot Size:
Site Area: 40,870.0 sf - 3,797 m²

Structures:
Driveway/Parking: 27,312.0 sf - 2,537.0 m² (Approx.)

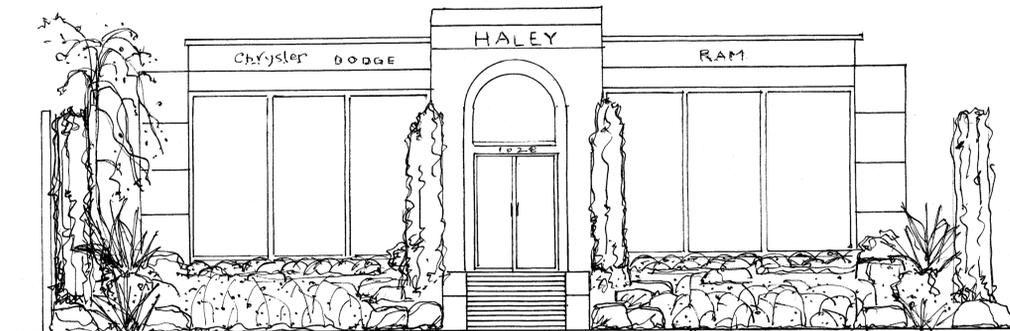
Landscaped Area: 13,112.0 sf - 1,218.0 m² (Approx.)

Date: Start: Feb 2 2021

Plan: 3 Planting Details 1 Site Plan 3 Planting Details

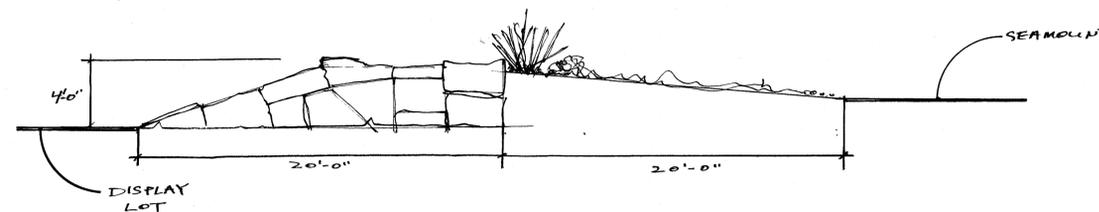
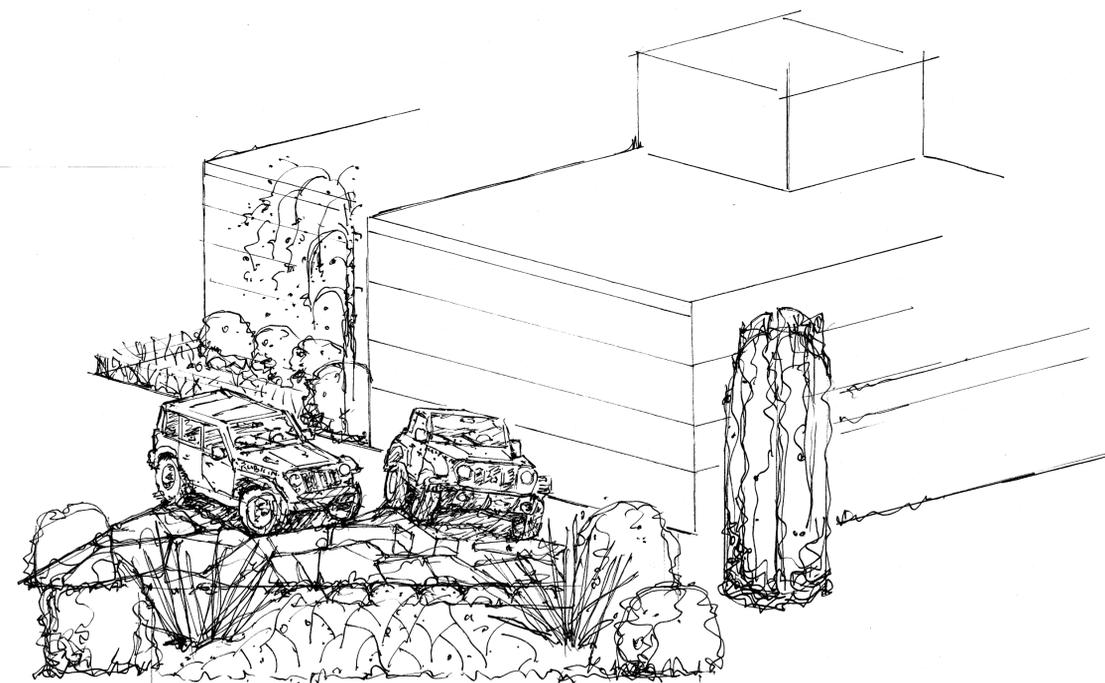
Scale: 1/16" = 1' 2 Planting Plan 4 Elevations

Drawn by: LP Date Drawn: May 18 2021



Haley Dealership Front

SCALE: 1/8" = 1'



4 X4 Display

SCALE 1/4" = 1'

periplum
 garden design and construction
 1504 Henderson Avenue Roberts Creek BC V0N 2W2
 604-989-1201

Project:
HALEY DODGE

Legal Address: _____ Street Address: _____
1028 Gibsons Way Gibsons BC

Lot Size:
 Site Area: 40,870.0 sf - 3,797 m2
 Structures:
 Driveway / Parking: 27,312.0 sf - 2,537.0 m2 (Approx)
 Landscaped Area: 13,112.0 sf - 1,218.0 m2 (Approx)

Date: Start: Feb 2 2021

Plan : 4 Elevations 1 Site Plan 3 Planting Details

Scale: 1/16" = 1' 2 Planting Plan 4 Elevations

Drawn by: LP Date Drawn: May 18 2021



Corporate Examples
CD1

HALEY DODGE

1028 Gibsons Way, Gibsons, BC

Consolidated Business Model - 04-21-2021

Scott Davis Design

174 Grandview Heights Rd.
Gibsons, BC V0N1V3
604.886.6890 Cell / 808.220.9482
sdavisarch@gmail.com



Advisory Design Panel

MEETING MINUTES

Wednesday, April 7, 2021
Held Electronically, 11:00am
As per Ministerial Order M192

PRESENT:

Scott Keck
Johan Stroman
Michael Mills
Councillor David Croal

Alicia LaValle
Ricardo Guerra
Douglas Avis

STAFF:

Lesley-Anne Staats, Director of Planning
Rebecca Anderson, Corporate Officer
Katie Thomas, Planner I
Kirsten Rawkins, Planner I
Laurie Mosimann, Recording Secretary

1. CALL TO ORDER

The meeting was called to order at 11:01am.

2. APPROVAL OF THE AGENDA

The April 7, 2021 Advisory Design Panel agenda was approved as presented.

3. NEW BUSINESS

3.1 Welcome and Introductions

Lesley-Anne Staats, Director of Planning, introduced herself and provided an opportunity for Council liaison, Town staff and Panel members to introduce themselves and state their interests as members of the Advisory Design Panel (ADP).

3.2 Orientation

Mrs. Staats provided a slide presentation with an overview of the Panel's purpose, the Terms of Reference, and the ADP Bylaw.

3.3 Election of Chair for 2021

Election of Chair and Vice-chair was tabled to the end of the meeting.

3.4 1028-1042 Gibsons Way - DP-2021-03

Katie Thomas, Planner I, presented the report titled Development Permit (Form and Character) for 1028 Gibsons Way.

RECOMMENDATION

THAT the Advisory Design Panel recognizes the challenges with the car dealership use and recommends approval subject to:

- An improved landscape plan with drought related native plants and an updated site plan;
- Incorporating more West Coast wood design features; and,
- A visual for Council's consideration.

3.5 594 Shaw Rd - DP-2021-05

Kirsten Rawkins, Planner I, presented the report titled Development Permit for form and character of a studio-to-garden suite conversion at 594 Shaw Road.

RECOMMENDATION

THAT the Advisory Design Panel recommends approval of application DP-2021-05 for 594 Shaw Road as presented.

Mrs. Staats returned to Item 3.3 of the agenda.

3.3 Election of Chair for 2021

RECOMMENDATION

THAT the Advisory Design Panel recommends to Council to consider the appointment of Councillor David Croal as Chair of the Advisory Design Panel.

Mrs. Staats called for volunteers for the position of Vice-chair.

RECOMMENDATION

THAT the Advisory Design Panel recommends to Council to consider the appointment of Michael Mills as Vice-chair of the Advisory Design Panel.

4. ADJOURNMENT

The meeting was adjourned at 12:59pm.

Lesley-Anne Staats, Director of Planning

Rebecca Anderson, Corporate Officer



DRAFT DEVELOPMENT PERMIT

FILE NO: DP- 2021-03

TO: **Haley Dodge SC**

ADDRESS: **1028 Gibsons Way
Gibsons, B.C. V0N 1V7
(Permittee)**

1) This Development Permit is issued subject to compliance with all of the Bylaws of the Town of Gibsons applicable thereto, except those specifically varied or supplemented by this Permit.

2) The Development Permit applies to those "lands" within the Town of Gibsons described below:

**Parcel Identifier: 008-251-134
004-643-623
014-641-577**

**Legal Description: LOT D BLOCKS 1 AND 2 PLAN 13577 EXC PL LMP 35187
LOT 52 BLOCKS 1 TO 4 DISTRICT LOT 689 PLAN 18134
LOT B BLOCKS 1 TO 4 DISTRICT LOT 689 PLAN 18134**

Civic Address: 1028-1042 Gibsons Way

3) The lands are within Development Permit Area No. 3 for form and character.

4) The "lands" described herein shall be developed strictly in accordance with the terms and conditions and provisions of this Permit, and any plans and specifications attached to this Permit which shall form a part thereof.

5) The building form and character is required to conform to the following plans:

- *Development Plans titled: 1028 Gibsons Way, dated March 18, 2021*
- *Landscape Plans titled: Haley Dodge, dated May 18, 2021*

6) In conjunction with the plans outlined under 5, the following further specifications apply:

- *< list conditions or last minute changes approved for the permit >*

7) This Development Permit applies to the form and character on the site. For details shown in off-site areas the plans may be subject to change following the provisions of a Servicing Agreement.

8) Minor changes to the aforesaid drawings that do not affect the intent of this Development Permit or the general appearance of the buildings and character of the development may be permitted, subject to the approval of the Director of Planning.

9) If the Permittee does not commence the development permitted by this Permit within twenty

four months of the date of this Permit, this Permit shall lapse.

- 10) This Permit is NOT a Building Permit.
- 11) As a condition of the issuance of the Building Permit, Council requires that the Permittee provide security for the value of \$ **XX,XXX** to ensure that the on-site landscaping component of the development is carried out in accordance with the terms and conditions set out in this permit.
 - (a) The condition of the posting of the security is that, should the Permittee fail to carry out the development hereby authorized according to the terms and conditions of this Development Permit within the time provided, the Town may carry out the development or any part of it by its servants, agents or contractors and deduct from the security all costs of so doing, it being understood that the surplus, if any, shall be paid over to the Permittee.
 - (b) If on the other hand, the Permittee carries out the landscaping component of the development permitted by this Development Permit within the time set out herein, the security shall be returned to the Permittee.
 - (c) Prior to issuance of a Building Permit, the Permittee is to file with the Town an irrevocable Letter of Credit or Certified Cheque as security for the installation of hard and soft landscaping in accordance with approved plans, such Letter of Credit to be submitted to the Town at the time of the Building Permit application.
 - (d) The Permittee shall complete the landscaping works required by this permit within six (6) months of issuance of the Building Permit.
 - (e) If the landscaping is not approved within this six (6) month period, the Town has the option of continuing to renew the security until the required landscaping is completed or has the option of drawing the security and using the funds to complete the required landscaping. In such a case, the Town or its agents have the irrevocable right to enter into the property to undertake the required landscaping for which the security was submitted.
 - (f) Upon completion of the landscaping, a holdback of 10% of the original security, plus any deficiencies, will be retained for a 1-year period, to be returned upon written final approval from the Landscape Architect.
 - (g) The following standards for landscaping are set:
 - (i) All landscaping works and planters and planting materials shall be provided in accordance with the landscaping as specified on the Site Plan and Landscaping Plan which forms part of this Permit.
 - (ii) All planting materials that have not survived within one year of planting shall be replaced at the expense of the Permittee.

Development Permit 2021-03

AUTHORIZING RESOLUTION PASSED BY COUNCIL

THIS THE XX DAY OF <month>, 202X.

ISSUED THIS ___ DAY OF _____, 202X.

Bill Beamish, Mayor

Rebecca Anderson, Corporate Officer

Beginning in December 2019, Urban Systems completed a background review on financing growth and the role of CACs; review of best practices; review of CACs in comparable communities; review of the Town's existing policy; held a staff/Council workshop; interviewed stakeholders; and identified suitable options for the Town of Gibsons. The CAC Policy Options and Recommendations Report was submitted to the Town in September 2020, enclosed as Attachment B.

Following this work, Urban Systems completed pro forma financial calculations and analyses of case study sites under multiple projected land use types and tenures to determine appropriate CAC rates for the Town of Gibsons. After completing this detailed financial analysis (enclosed as Attachment C), the recommended Policy was drafted with recommended CAC rates.

SUMMARY

This section outlines the summary of the new CAC policy:

- The following target rates for CAC contributions are recommended for new development:
 - Single-Family Lot - \$10,000 per lot
 - Duplex, townhouse, apartment - \$4,000 per unit
- An applicant may opt to use a negotiated approach at any time, at their expense, based on an economic analysis completed by a third-party consultant and provide the Town with 50% of the increase in land value from existing zoning;
- The following CAC exemptions apply:
 - Not-for-profit organizations serving the community
 - Rental housing
 - Council may, at its discretion, waive some or all of the CACs as part of rezoning where affordable housing or another public amenity is being provided directly by the applicant.

DISCUSSION

Current Affordable Housing and Community Amenities Policy 3.14

The current Community Amenity Contribution (CAC) policy (enclosed as Attachment D) includes definitions and concepts of CAC contributions, and ultimately directs staff to negotiate amenities with the applicant before a Public Hearing, based on Section 482 of the Local Government Act (LGA) which states:

Density benefits for amenities, affordable housing and special needs housing

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*

- Bylaw 1069 – establishes affordable housing reserve fund – (balance of \$529,738, as of Dec 31, 2020 – note that \$310K is committed to the Shaw Rd Affordable Housing Project)

Monies in the Affordable Housing Reserve Fund shall be used for enabling, facilitating, subsidizing, or supporting affordable housing in the Town of Gibsons and shall include, but not be limited to, land acquisition, the construction, purchase, or relocation of dwelling units, debt repayments associated with borrowing for the purpose of providing affordable housing, and the establishment, operation, and funding of partnerships, societies, commissions, or municipal-owned corporations for the purpose of providing, maintaining, or otherwise managing affordable housing.

- Bylaw 573 – establishes public parking in the Downtown Area reserve fund – (balance of \$124,633, as of Dec 31, 2020)

The monies so set aside and any interest earned thereon shall be expended solely for the provision of new and existing off-street parking spaces.

- Byaw 586 – establishes parkland acquisition reserve fund – (balance of \$30,482, as of Dec 31, 2020)

The monies so set aside and any interest earned thereon shall be expended solely for the purpose of acquiring park land.

Council may decide to split up the CAC contribution into more funds, such as those listed above.

POLICY / PLAN IMPLICATIONS

Strategic Plan Implications

This policy aligns with the Council strategic objectives that include:

- *Plan for Sustainable Growth* – securing a policy to establish the “growth pays for growth” approach ensures funding for future amenities that will promote a sense of community, value the existing neighbourhoods, and preserve green spaces.
- *Advocate for and Facilitate a range of housing types* – securing contributions to the Affordable Housing Reserve Fund will provide Council with the funds to financially support more affordable housing projects.

- *Increase community engagement* – the development of this policy included a staff/Council workshop and interviewing stakeholders in the development community.

Financial Plan Implications

This policy establishes a clear procedure for directing financial contributions and provides clarity on the negotiation of CACs with developers. This policy supports building the Town's CAC and Affordable Housing Reserve Funds.

Official Community Plan

Section 9.4 of the Official Community Plan outlines Affordable and Alternative Housing policies as well as Density Bonusing and Community Amenity Contributions:

The Local Government Act (section [482]) allows municipalities to permit additional density in designated areas or on specific parcels of land in exchange for defined community amenity contributions from developers. These amenity contributions can take various forms including special needs and affordable housing. This is an important tool in the provision of affordable housing and other community amenities, and density bonusing represents an approach recommended by BC's Ministry of Community, Sport and Cultural Development.

Housing Needs Assessment Implementation Framework

The Housing Needs Assessment Implementation Framework Report provides the following recommendations to establish contributions to the Affordable Housing Reserve Fund:

- Expand the use of density bonusing beyond the live-work and CDA-2 zones to other zones near the Town Centre to secure more contributions to the Affordable Housing Reserve Fund; and
- Consider regular, established contributions to the Affordable Housing Reserve Fund that are not directly linked to the development market.

Although this report does not speak to expanding zoning, and a CAC policy is directly linked to the development market, this policy secures a percentage of the contributions to the Affordable Housing Reserve Fund, whereas currently, it is negotiated on a case-by-case basis.

NEXT STEPS

Once Council has adopted the new policy, it will apply immediately to all new rezoning applications.

RECOMMENDATIONS / ALTERNATIVES

Staff's recommendations are on page 1. Alternatively, Council may choose to make some changes to the draft policy before adopting it.

Attachments

- Attachment A – New Community Amenity Contribution Policy
- Attachment B – CAC Policy Options and Recommendations report
- Attachment C – Technical Memo – Financial Analysis for proposed CAC Rates
- Attachment D – Existing Affordable Housing and Community Amenities Policy 3.14

Respectfully Submitted,



Lesley-Anne Staats, RPP, MCIP
Director of Planning

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I have reviewed the report and support the recommendation(s).



Mark Brown
Chief Administrative Officer



TOWN OF GIBSONS POLICY MANUAL **DRAFT**

SECTION:	POLICY #:
TITLE: COMMUNITY AMENITY CONTRIBUTION POLICY	ADOPTED DATE:
REVISED DATE:	APPROVED BY: COUNCIL
REVISED DATE:	RESOLUTION #:

1. PURPOSE

1.1.1. The purpose of the Community Amenity Contribution Policy is to offer guidance for the provision of Community Amenity Contributions (CACs) in the Town of Gibsons.

2. DEFINITIONS

2.1.1. WHAT ARE CACs?

Community Amenity Contributions (CAC) are monetary (or in-kind) contributions made by the developer to the Town as part of the rezoning process. CACs are intended to help offset the cost of providing community amenities associated with new residential development(s) that are seeking a change in use or change in density. CAC rates are derived from the change in land value under higher density zoning.

2.1.2. WHAT AMENITIES WILL BE FUNDED THROUGH CACs?

A *community amenity* is any public benefit, improvement, or contribution that can enhance the quality of life for a community. Amenities may include, but are not limited to affordable housing, civic facilities, plazas, pedestrian and cycling improvements, recreation facilities, arts and culture facilities, heritage conservation, environmental enhancements, public art, and parkland improvements.

3. OBJECTIVE

3.1.1. The CAC Policy aims to be fair, reasonable, consistent, and transparent.

4. POLICY

4.1.1. WHO PAYS CACs?

The CAC program applies to all new residential development in Gibsons that requires rezoning approval from the Town, including single-family subdivisions, duplexes, townhouses, apartment uses, and mixed-use development with residential components. CACs are payable by the rezoning applicant prior to Council consideration of adoption of the Zoning/OCP Amendment Bylaw.

4.1.2. CAC REVENUE ALLOCATION

CAC revenue received by the Town of Gibsons shall be allocated as follows:

- XX% to the Town’s Affordable Housing Reserve Fund
- XX% to the Town’s Community Amenity Reserve Fund to assist with the funding of other public amenities deemed appropriate by Council.

4.1.3. CAC TARGET RATES

CACs shall be based on the target rates outlined below:

Form of Development	Target CAC Rate
Single Family Lot	\$10,000 per lot
Duplex, Townhouse, Apartment, Live-Work	\$4,000 per dwelling unit

4.1.4. CREDIT FOR EXISTING RESIDENTIAL USE

Credit shall be given for existing residential units (except secondary suites and lock-off suites) on a lot at the time of submission of a rezoning application that is intended to be either demolished or retained as part of redevelopment of the lot. Credit will be calculated on a per unit basis.

Example 1: An existing lot containing a single-family home is subdivided to create 1 additional new lot to accommodate a new duplex and the existing single-family home is demolished.

- On new lot, pay \$10,000 for creation of a new lot and \$4,000 for net new residential unit
- On existing lot, no CAC if single-family home replaced by residential use permitted under existing zoning

Example 2: Existing lot containing single-family home is demolished and rezoned to accommodate apartment development.

- Pay \$4,000 per net new residential dwelling unit gained through rezoning
- Credit of \$10,000 for demolished single-family home

Example 3: Lot assembly of three single-family lots to be demolished and replaced by apartment building

- Pay \$4,000 per net new residential unit
- Credit of \$10,000 for each demolished single-family home

4.1.5. NEGOTIATED APPROACH

An economic analysis conducted at the applicant's expense may be used to determine the amount of CAC an approvable project can support. The Town considers 50% of the increase in land value from existing zoning to be a reasonable balance between the need for CACs and a project's economic viability. This analysis is to be completed by an independent third-party consultant agreed upon by the applicant and the Town of Gibsons. Examples of when an applicant may opt to use an economic analysis include but are not limited to:

- Where the proposed density exceeds what is permitted in the OCP
- Where a subdivision of more than 10 lots is being proposed
- Where a complex project, such as a phased development, is being proposed
- Where an applicant wishes to undertake their own economic assessment, at the applicants expense

4.1.6. CAC EXEMPTIONS

- Not-for-profit organizations serving the community will not normally be expected to provide CACS.
- Rental housing
- Council may, at its discretion, waive some or all of the CACS as part of rezoning where affordable housing or another public amenity is being provided directly by the applicant.

5. SCOPE**5.1.1. WHEN DO CACs APPLY?**

The CAC Policy is a Town-wide program that applies to all new residential floorspace that is subject to a rezoning application. It does not apply to commercial, industrial or institutional development.

6. PROCEDURE

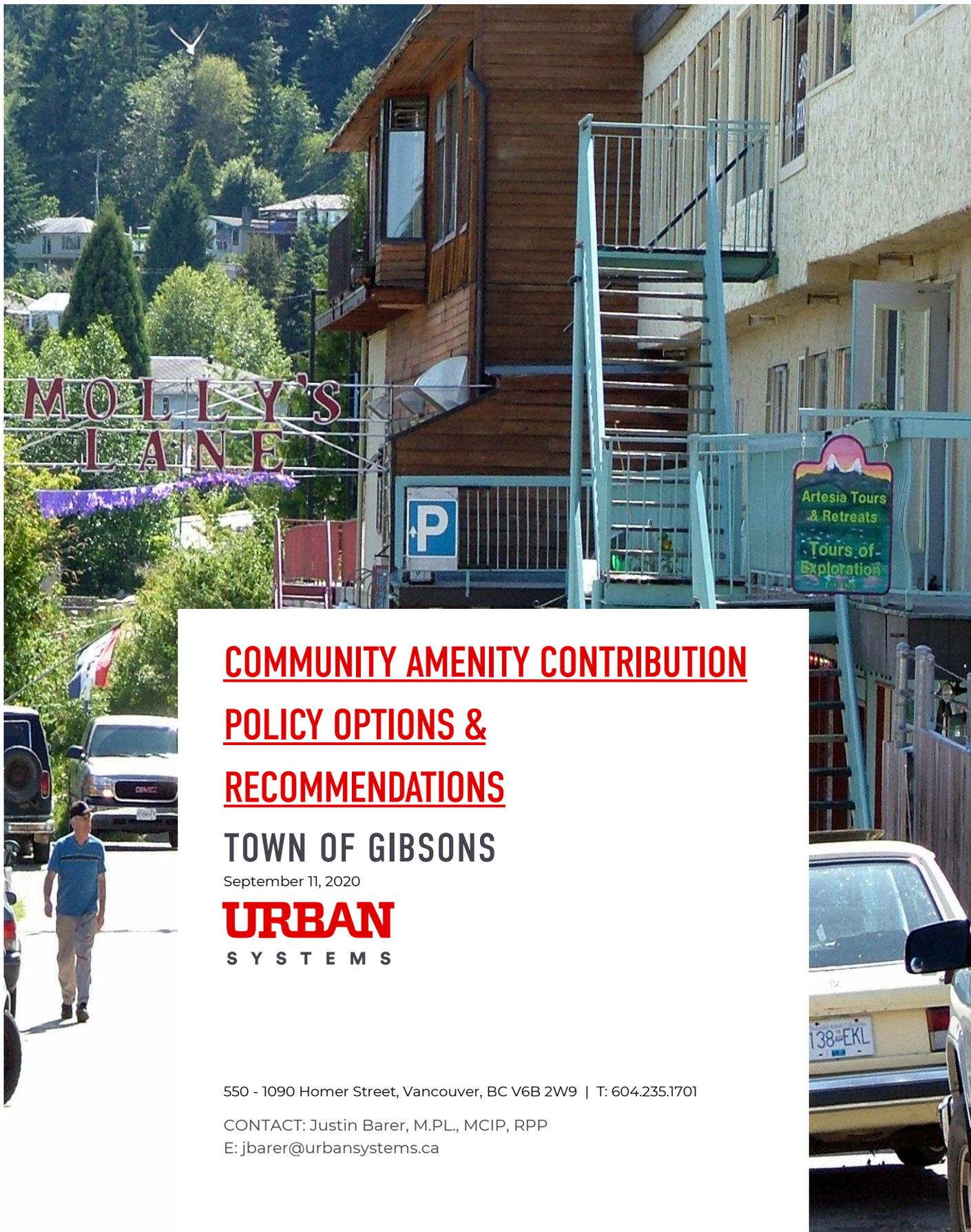
- 6.1.1. The Planning Department will provide this policy to developers who inquire about zoning amendment or OCP amendment processes.
- 6.1.2. The Planning Department will provide a community amenity contribution offer letter to Council for consideration.
- 6.1.3. Any rezoning application that has been received by the Town prior to the date of Council amendments to this policy shall be exempt from the amendments if the rezoning process, including Council adoption of the Zoning Bylaw Amendment, is completed within one year of the adoption date of the amendments. If the process is not completed within one-year of the date of Council amendments to this policy, payment of the Community Amenity Contribution under the amended policy shall apply.

7. RESPONSIBILITIES

- 7.1.1. Council is responsible for accepting the Community Amenity Contribution offer prior to adoption of a zoning amendment or Official Community Plan amendment bylaw.
- 7.1.2. The Director of Planning is responsible for administering this Policy.

8. REVIEW DATE

- 8.1.1. CAC target rates will be reviewed every two to five years to ensure alignment with market considerations. However, Council may amend the value of the CAC target rates and any other aspect of this policy as it deems appropriate in response to changing community needs.



COMMUNITY AMENITY CONTRIBUTION
POLICY OPTIONS &
RECOMMENDATIONS

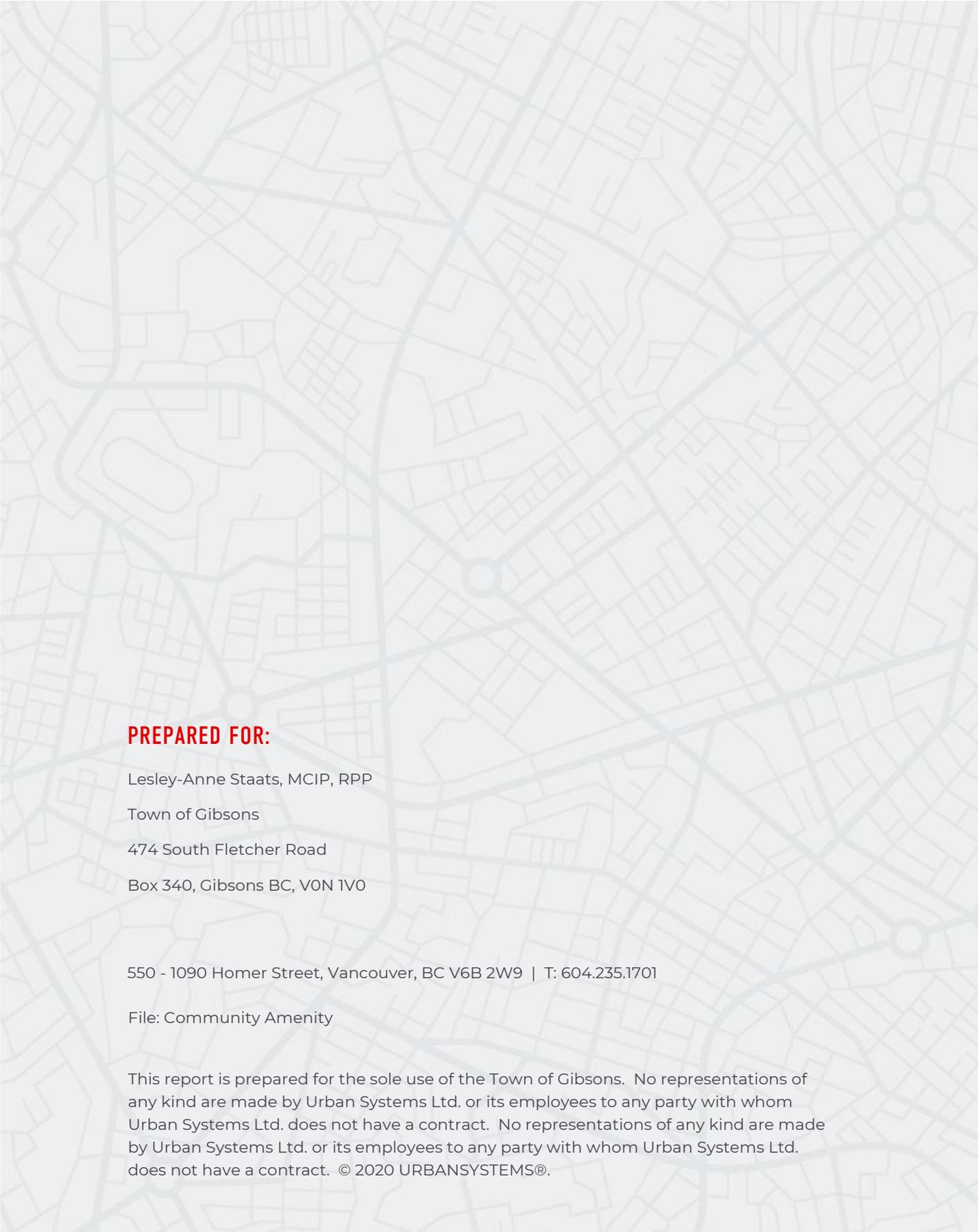
TOWN OF GIBSONS

September 11, 2020

URBAN
SYSTEMS

550 - 1090 Homer Street, Vancouver, BC V6B 2W9 | T: 604.235.1701

CONTACT: Justin Barer, M.PL., MCIP, RPP
E: jbarer@urbansystems.ca



PREPARED FOR:

Lesley-Anne Staats, MCIP, RPP

Town of Gibsons

474 South Fletcher Road

Box 340, Gibsons BC, V0N 1V0

550 - 1090 Homer Street, Vancouver, BC V6B 2W9 | T: 604.235.1701

File: Community Amenity

This report is prepared for the sole use of the Town of Gibsons. No representations of any kind are made by Urban Systems Ltd. or its employees to any party with whom Urban Systems Ltd. does not have a contract. No representations of any kind are made by Urban Systems Ltd. or its employees to any party with whom Urban Systems Ltd. does not have a contract. © 2020 URBANSYSTEMS®.

CONTENTS

1.0	Introduction.....	2
2.0	Financing Community Growth.....	3
2.1	Density Bonusing.....	4
2.2	Community Amenity Contributions.....	4
3.0	Approaches to Density Bonusing and CACs.....	5
3.1	Density Bonus Provisions in a Zoning Bylaw (Formulaic).....	5
3.2	Target Fixed Rate CACs at Rezoning (Formulaic).....	7
3.3	CACs based on land lift (Negotiated).....	9
3.4	Hybrid approaches (Negotiated).....	11
4.0	Stakeholder Engagement.....	13
4.1	Staff Workshop.....	13
4.2	Developer Consultation.....	14
5.0	Financial AssessmentS.....	17
5.1	Site 1 Analyses (Marine Drive).....	18
5.2	Site 2 Analysis.....	20
5.3	Take-Aways.....	23
6.0	Recommendations.....	25

1.0 INTRODUCTION

The Town of Gibsons updated its Official Community Plan (OCP) in 2015. It was made explicit that the Town would review and update its approach to the Community Amenity Contribution and Affordable Housing Policy “to reflect a change to a density bonusing approach to affordable housing.” The current Community Amenity Contribution (CAC) policy directs staff to negotiate amenities with the applicant, based on Section 482 of the *Local Government Act*. As the pace and pressure of development has increased in Gibsons, establishing a clear policy to guide and support the Town in the collection of CACs has become imperative.

This report summarizes the process undertaken to develop CAC policy recommendations for the Town of Gibsons, and includes the following sections:

1. Financing Community Growth
2. Approaches to Density Bonusing and CACs
3. Stakeholder Engagement
4. Financial Assessments
5. Recommendations

2.0 FINANCING COMMUNITY GROWTH

As communities grow through new development the demand for amenities grows simultaneously. Infill and higher density development increase a community's population, resulting in more individuals accessing the same services and amenities. To maintain a healthy community, it is imperative that amenities grow proportionally to the number of residents.

There are varying philosophies on the approach to financing community growth. The 'growth pays for growth' philosophy has evolved in Canadian communities over the last 20+ years, premised on the idea that new development needs to respect the capacity of existing community infrastructure and should be fiscally responsible for the increased capacity (i.e., that new development should not be a burden on existing local taxpayers). Additionally, higher quality amenities are required to support changing populations and urban forms. Local governments in British Columbia have tools available to ensure that new development pays for or contributes to the cost of new infrastructure and community amenities.

Municipalities and regional districts can ensure that developers pay for and install services on or off-site through the collection of Development Cost Charges (DCCs). DCCs are heavily legislated under the *Local Government Act* and may only be used to pay for new or expanded infrastructure such as sewer, water, drainage, parks and roads. However, DCCs cannot be used to pay for additional community amenities such as libraries, fire halls, public art and affordable housing. To secure these amenities, municipalities are putting an increased reliance on the rezoning process by implementing Density Bonusing and Community Amenity Contribution policies.

In general, there are two philosophical approaches to zoning-based tools for achieving community amenities – the “Basket of Goods Approach” and the “Value Capture / Ability to Pay Approach”.

- The **Basket of Goods Approach** mirrors the process of establishing a DCC bylaw. In this approach a list of amenities (i.e., Basket of Goods) and associated capital costs are identified for (or with) the community. The share of that capital cost that should be attributed to new growth is determined and is apportioned accordingly amongst new development to establish rates.
- The **Value Capture / Ability to Pay** approach is based on the notion that rezoning creates increased land value. The act of increasing the allowable density, or changing the use, on a site often increases that site's value. This is known as 'land lift'. Local governments create this value by nature of their approving authority.

This approach looks at who should benefit from the land lift, and in what proportions. Generally, it is negotiated at the time of rezoning.

2.1 DENSITY BONUSING

Density Bonusing is one tool available to local governments to secure community amenities; it permits developers to build additional floor space in exchange for community amenities. Density Bonusing is legislated under Section 482 of the *Local Government Act*, establishing the framework for municipalities to incorporate density bonusing provisions into their zoning bylaws. Density bonusing provisions are intended to provide options for developers to either build to the base or bonus density.

2.2 COMMUNITY AMENITY CONTRIBUTIONS

Community Amenity Contributions are another tool to secure community amenities in exchange for additional density. The key difference is that CACs are not explicitly legislated in the *Local Government Act*. The lack of legal authority has created uncertainty about implementing CAC policies and inconsistency in local governments' approach to implementation. CACs are an agreed contribution obtained by the local government at the time of rezoning. It is optional in that development could be undertaken under as-of-right conditions without a CAC. CACs are either provided in kind, or as cash-in-lieu payments.

The Ministry of Community, Sport and Cultural Development published a provincial guide to CACs (*Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability*, 2014) that has become a go-to resource for municipalities. The guide provides some best practices with respect to CACs, such as:

- Encourage density bonusing and fixed-rate CACs where possible
- Discourage negotiated CACs that focus on capturing all land lift
- CAC rates should be moderate / proportional to avoid impact on development and should not negatively impact the price of housing
- There needs to be a "nexus" between the CAC and the needs of the community
- CACs should be used to pay for capital costs only
- Many of these principles also apply to density bonusing

3.0 APPROACHES TO DENSITY BONUSING AND CACS

Local governments take different approaches to implementing density bonusing and CAC policies. Generally, we can group these into four common approaches, each with their own sub-stream variations:

1. Density Bonus Provisions in a Bylaw
 2. Target Fixed Rate CACs at Rezoning
 3. Negotiated CACs based on Land Lift
 4. Hybrid Approaches
- } Formulaic

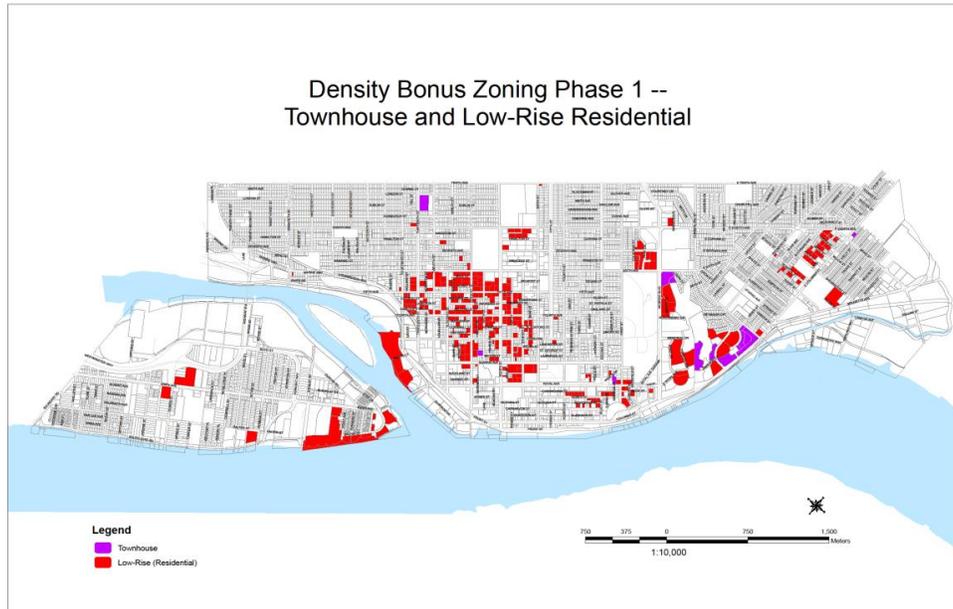
Each of these four approaches will be reviewed, providing examples from other municipalities in BC. The first two approaches, while technically different from one another, can be referred to as **formulaic approaches**.

3.1 DENSITY BONUS PROVISIONS IN A ZONING BYLAW (FORMULAIC)

Inserting density bonus provisions into a zoning bylaw is the most clear and direct approach. There are two ways to implement this approach.

The first is to **pre-zone** specific parcels or to include density bonus provisions into an existing zone. For example, the City of New Westminster used the 'pre-zone' approach in 2010 when they included density bonus provisions directly into their townhouse and low-rise multiple dwelling zones. A fixed rate (based on \$/sq. ft. above a base density) is applied and varies depending on location within the City and built form. In this case, the developer can choose to build to the base density at no additional cost, or the bonus density at the stipulated rate. Should the developer choose to build at the bonus density, no rezoning is required, and the contribution is triggered by a development permit.

Figure 1: Parcels in New Westminster that have been Pre-Zoned with Density Bonus Provisions



The second approach is to **require a rezoning** to access the increased density. Generally, this includes the following three options:

- Rezone to an existing zone that includes density bonus provisions
- Rezone to a customized comprehensive development (CD) zone that permits the increased density
- Rezone to a 'zone on a shelf' that has been created to allow for the increased density

To continue with the City of New Westminster as an example, they have also implemented a rezoning approach to density bonusing. The high-density residential and mixed-use zones require a rezoning process to access the bonus density. Instead of building the bonus density directly into these zones, separate bonus density zones were created.

- For example, to access the bonus density in the C4 Zone, applicants must rezone to the C4 (DB) Zone.
- The rezoning triggers public consultation and Council approval.

- Similar to the pre-zone approach, rates are set on a \$ / sq. ft. basis depending on the area of the city and the form of development. The table of rates is included in Figure 2 below.

Figure 2: Table of Rates for Density Bonusing in New Westminster

Housing Form	Location	Contribution Per Area Above Base Density
Townhouse	Mainland	\$120 / sq. ft.
	Queensborough	\$120 / sq. ft.
	Downtown	\$90 / sq. ft.
Apartment (Six Storeys or Less)	Mainland	\$120 / sq. ft.
	Queensborough	\$65 / sq. ft.
	Downtown	\$90 / sq. ft.
Apartment (More Than 6 Storeys)	Downtown	\$50 / sq. ft.

3.2 TARGET FIXED RATE CACS AT REZONING (FORMULAIC)

A similar but technically different approach is to implement CAC targets for rezoning applications. This approach may be attractive if including density bonus provisions directly into the bylaw is not practical or feasible (i.e., there is not a desire to open the zoning bylaw to amendments).

Since CACs cannot be implemented as a charge or fee, this approach establishes a “target rate” or rates for increased density. Should a developer wish to increase density on site, a rezoning process is required (typically to a comprehensive development zone). The process is entirely voluntary and is initiated by the applicant.

The City of Victoria provides an example of target fixed rate CACs. Victoria's OCP has identified certain land use designations where growth and density are expected. Within these designations the OCP identifies both a base and maximum allowable density. To access the bonus density, applicants may undergo a rezoning, given adherence to certain criteria (see Figure 3). Target CAC rates are set on a \$ / sq. ft. basis depending on the OCP designation.

Figure 3: City of Victoria Target Fixed Rate CAC Table

OCP Urban Place Designation	FixedRate Target Eligibility*	Amenity Contribution Target for standard rezonings**	Negotiation for on-site affordable housing expected***
Urban Residential	✓	\$5/sq. ft. (\$53.82 per sq. m.) of bonus density	
Small Urban Village	✓	No amenity contribution for standard rezonings	
Large Urban Village	✓	\$5/sq. ft. (\$53.82 per sq. m.) of bonus density	
Core Residential and Core Business requesting less than 30,000 sq. ft. of bonus density	✓	\$12/square foot (\$129.17/sq. m.) of bonus density	
Town Centre		Based on economic analysis	✓
Core Residential and Core Business requesting 30,000 sq. ft. or more of bonus density		Based on economic analysis	✓
Core Historic		Based on economic analysis	
Core Inner Harbour Legislative		Based on economic analysis	
Core Songhees Area		Based on economic analysis	

* Proponents of a rezoning eligible for a fixed rate target may choose instead to propose amenity contributions based on an economic analysis of the individual project (see 5., below).
 ** A standard rezoning is defined as a project which:
 1. Does not require an amendment to the Urban Place Designation in the OCP;
 2. Does not require rezoning from industrial, general employment or institutional zoning to residential or residential mixed use zoning;
 3. Does not require significant on-site circulation or public amenities specified in a City plan;
 4. Is no larger than one city block;
 5. Does not contain a building which is eligible for heritage designation, listed on the heritage register, or identified by a Local Area Plan as being of heritage merit;
 6. Is not subject to a Master Development Agreement (MDA).
 *** Affordable housing contributions offered by applicants may be considered in any Urban Place Designation on a case-by-case basis.

The City of Victoria is also an example of a hybrid approach but provides a clear example of target fixed rate CACs.

Considerations for Formulaic Approaches

Advantages	Disadvantages	Most Appropriate For
<ul style="list-style-type: none"> • Predictable • Creates certainty • Low target rates will not affect financial viability of a project • Rates can be changed over time, either through a standard increase provision, or through periodic review 	<ul style="list-style-type: none"> • Does not account for site-specific considerations • Can, in certain cases, negatively affect financial viability or desirability of a project • Some rezonings could have yielded higher contributions 	<ul style="list-style-type: none"> • Small or 'standard' rezonings that have a modest increase in density • Straightforward rezoning applications • Rezonings that are consistent with OCP or Neighbourhood Plan targets

3.3 CACS BASED ON LAND LIFT (NEGOTIATED)

Although this approach is not recommended in the Provincial guide, many local governments use a negotiated approach based on economic analysis to determine land lift to achieve CACs. Land lift, as a reminder, is the additional value of the land that is created through a change of use or change in density (or both). Land value is a function of development entitlements, and can be calculated through a 'residual' approach, as follows:

$$\text{Revenue} - \text{Cost} - \text{Profit} = \text{Land Value}$$

The negotiated approach is premised on who should benefit from this land lift – the community, the municipality, the developer, or some combination of the three. Sometimes this approach uses one of the formulaic approaches as a basis, where a \$ / sq. ft. rate is used as a baseline for negotiation. The \$ / sq. ft. baseline may be from previous CACs collected, or a target that the municipality is hoping to achieve. Generally, a negotiated approach is most useful (and justifiable) for larger or more complex rezonings, where local governments want to have the latitude to ensure the right mix of amenities is achieved. Negotiations often slow the rezoning process and can create significant uncertainty for the development proponent. If all rezonings are

subject to negotiated amenity contributions, it is likely to reduce the supply of development sites and the overall pace of development, thereby inadvertently contributing to higher housing costs.

An example of a negotiated CAC based on pro forma land lift analysis is shown below:

Simplified Example of Negotiated CAC based on Land Lift Analysis – Arbutus Village Redevelopment, Vancouver*	
<u>Revenue Calculations:</u>	
• Gross projected sales of new units:	\$351.5 million
o Less commissions & marketing:	\$16.0 m
• Net sales of new units:	\$335.5 m
• Net Operating Income (annual), commercial space:	\$4.1 m
• Capitalized Value of commercial @ 6% cap rate:	\$68.8 m
• Total Revenues / Values of Project:	\$404.3 m
<u>Cost Calculations</u>	
• Land value before redevelopment	\$29.0 m
• Demolition	\$4.0 m
• Servicing	\$12.6 m
• Hard Costs	\$173.8 m
• Soft Costs	\$43.0 m
• Business interruption costs	\$1.4 m
• Tenant Improvements (TIs):	\$10.0 m
• Total Construction Costs	\$261.2 m
• Contingency	\$18.2 m
• Interest costs on construction	\$19.2 m
• Total Costs (construction, interest, land)	\$298.6 m
• Profit (15% on cost)	\$44.8 m
o Less profit on built amenities	\$3.8 m
• <u>Total Project Costs incl. Profit</u>	\$339.6 m
<u>Land Lift & Gross CAC</u>	
• Revenue less cost less profit	\$64.7m
• CAC @ 75% of lift	\$48.5 m

<u>CAC In-Kind vs. Cash Calculation</u>	
• Rental and Seniors Hard Cost	\$20.7 m
• Hard Cost for Neighbourhood House	\$1.1 m
• Hard Cost Adult Day Care	\$660k
• Associated Parking Hard Costs	\$2.8 m
• Total Built Amenity Hard Costs	\$25.3 m
• Soft Costs	\$4.3 m
• TIS on NH and ADC	\$834k
• Contingency	\$2.0 m
• Interest	\$2.2 m
• Total Cost of Built Amenities	\$34.63 m
• Total Cash CAC (\$48.5 - \$34.6)	\$13.9 m

*Based on an early iteration of work prepared during CAC negotiations. Numbers do not reflect final figures that were agreed upon between the City and the developer.

3.4 HYBRID APPROACHES (NEGOTIATED)

Many local governments create a hybrid approach, combining the first three approaches or implementing different approaches for different areas of their municipality. The following demonstrates two examples of hybrid approaches.

1. A new zone is created that indicates both a base and bonus density. This zone is not applied to any parcels. It provides developers with a variety of options:
 - o Build under existing zoning on the parcel, ignoring the newly created zone
 - o Re-zone to the new zone and build to the base density. This does not trigger any amenity contributions
 - o Re-zone to the new zone and build to the bonus density in exchange for a defined amenity contribution
 - o Re-zone to a comprehensive development zone, ignoring the newly created zone, and negotiate CACs based on the land lift
2. A maximum density is specified for an area in an OCP or Neighbourhood Plan but does not set out the process for amenity contributions. It is assumed in this case that amenity contributions will be negotiated at the time of rezoning. There

is uncertainty in the outcome, as any of the above approaches could be implemented for amenity contributions.

Considerations for Negotiated Approaches

Advantages	Disadvantages	Most Appropriate For
<ul style="list-style-type: none"> • More flexible • Allows for site-by-site analysis • Accounts for current market conditions and financial realities • Ensures CAC does not exceed an amount that can be supported by each rezoning 	<ul style="list-style-type: none"> • Time consuming and expensive • Creates uncertainty • May result in little to no CAC • Not consistent with the Provincial guide 	<ul style="list-style-type: none"> • Large, complex rezonings • Sites identified as appropriate for large amenities / public facilities • Sites involving change in use and change in density • Rezoning that exceed densities identified in an OCP

4.0 STAKEHOLDER ENGAGEMENT

As part of this study, Urban Systems consulted Town Staff and members of the development community. This provided valuable insights into the approvals process, how the existing system functions (or does not function), and the climate of the development market in Gibsons.

4.1 STAFF WORKSHOP

In February 2020, a workshop was facilitated by Urban Systems for members of Staff and Council. Attendance included the Director of Finance, the Mayor, three councillors the Director of Planning and the CAO. The workshop was approximately three hours and covered the following topics:

- Goals for Gibsons CAC / Density Bonusing Policy
- What are CACs and Density Bonusing?
- Approach to CACs and Density Bonusing
- Implementation
- Keys to Success
- Case Study

Throughout the workshop there was much discussion regarding past approaches the Town has taken, how things have changed, and how to better reflect this in the policy. Some key takeaways from the workshop include:

Goals for Gibsons

- There is a need to be proactive and work towards long-term community plans. Gibsons is much more in tune with community amenity needs.
- The character of the amenities needed is changing with growth (i.e., affordable housing would not have been a priority previously). The amenities provided need to suit the needs of the community.
- There is a desire amongst all parties for predictability and consistency.

Approaches

- Gibsons has tried both the Basket of Goods and Value Capture / Ability to Pay approaches. The concern is less about how to collect the value but how to allocate the funds received.
- There is concern that if a land lift approach is implemented, the developer may not build to a higher density. A flat rate CAC that is set low enough not to impede development is desirable, ensuring benefit to the Town and continued development.

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

- It was noted that not all developers in the community are willing to share their financials, which can make negotiations challenging.
- A formulaic approach makes it easy and transparent for staff and applicants.
- Density Bonusing can capture and support desired development in central areas.
- Hybrid, or negotiated approaches may be suitable for some areas of Town, more complex sites, or master-planned multi-phase projects.

Implementation

- The process to update the Zoning Bylaw is much more complicated than enacting a policy.
- It is important for the community to understand how amenities are being provided in the community, regardless of implementation approach.
- The end result needs to work for both Town staff and developers.
- Gibsons is a relatively small town and there is an increased responsibility and expectation for transparency of process.
- In the past, the policy approach has not always worked for the Town.
- Rates should not be based on (negotiated) historical precedent, as those 'asks' were not generally based on a clear picture of project financials.
- The Town's OCP provides a future-looking picture of where density is desirable in Gibsons. This sets the direction, so the community has an understanding of where development is likely to occur.

4.2 DEVELOPER CONSULTATION

A workshop was scheduled to engage the development community with respect to introducing a CAC / Density Bonusing in Gibsons. In light of COVID-19, the engagement approach was shifted to an online survey and follow-up interviews.

Developer Survey

A total of 18 surveys were distributed to development industry contacts in early April 2020. Using a Google Forms platform, the survey was designed to be a short and accessible tool for the development community to share their thoughts and insights on CAC / Density Bonusing experiences and lessons learned. The survey also requested information to assist Urban Systems in completing future pro forma / financial analyses, such as location and type of recent development, construction costs (hard / soft), and expectations on return. A copy of the survey (with responses) is included in **Appendix A**.

Key takeaways include:

General Approach

- Ensure that CAC / Density Bonus program applies to residential rezonings only
- Cost and time to implement may be an impediment to future development
- CAC / Density Bonusing should not apply if affordable housing is provided in the development
- Affordable housing should be supported by the whole tax base, not just new development
- In kind v. cash in lieu contribution is context dependent
- Need to densify certain areas as there are restricted areas for growth (e.g., Lower Gibsons)
- Upper Gibsons, Eagle Crest and Town Centre are the areas where densification is anticipated

Development Costs

- Participants recently completed various forms of residential development (e.g., single family, duplex, townhouses and apartments)
- Hard construction costs are around \$250 - \$300 / sq. ft.
- Underground parking is between \$35,000 to \$45,000 per stall
- Surface parking is between \$5,000 to \$10,000 per stall
- Soft costs equate to approximately 20-25% of hard costs
- Typical return expectations are between 15% and 20% on cost
- Sales / rental / lease rates are approximately \$300 / sq. ft.

Developer Interviews

A total of five participants completed the survey. Each of these five participants were invited to further discuss their responses over the phone, in greater detail. A total of two developer interviews were completed. Full developer interview notes are provided in **Appendix B**. Key takeaways include:

General Approach

- Fixed rate is far better than negotiated. When trying to establish project costs you need to understand all the factors.
- Clear purpose and costs would help development on the Sunshine Coast in general. There is an unfair perception about negotiated amenity contributions

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

- No preference for pre-zone v. rezone format for Density Bonusing, but pre-zone avoids public hearings which can result in project delays.
- Over 5-acre development site is appropriate for negotiated approach
- Affordable housing gets pushed for new development to deliver, this increases associated costs. Affordable housing should not be considered a community amenity, it should be treated separately.

Areas for Densification

- There is a definite opportunity to push density in Upper Gibsons.
- Gopsel Rock is challenging to densify because of road configuration / access
- Infill development should be anticipated in Lower Gibsons
- North of Sunnycrest, however stormwater system is a limitation here

Gibsons Development Market

- Typically 4 lots are acquired for assembly
- Decision to develop under existing rights for some properties due to requirements / challenges associated with rezoning. If the current zoning works, there is little incentive to get additional density. The process is not always worth the extra lots / units.

5.0 FINANCIAL ASSESSMENTS

While detailed and broadly representative financial analyses of development typologies (which would form the basis of CAC or density bonus rates) will be undertaken in a future work phase, this section provides high-level examples, on two case-study sites, of the types of analysis that can be prepared as part of such an exercise. The case study sites were selected by municipal staff. The analyses test the land value implications for each site under multiple development conditions; the purpose is to illustrate how the ability of a project to contribute a CAC (either cash or in-kind) changes depending on type, tenure, and other conditions of development. It also illustrates the importance of conducting analyses on a representative cross-section of sites when setting target rates.

The two test sites are presented in Table 1 below. The table provides details on site sizes, current zoning, OCP designations (and associated use / density intent), and their most recent assessed values per BC Assessment.

Table 1: Test Sites

	Site 1: Marine Drive	Site 2: School Road
Site Area	8,447 sq.ft.	14,079 sq.ft.
Allowable Use under Current Zoning	Single Family	Single Family
OCP Designation	Medium Density Residential (special character)	Medium Density Residential
OCP Intent	Single detached and multi-unit residential in a single-detached building form.	Multi-unit residential (apartment and condos) greater than 3-storeys.
Floor Space Ratio (FSR) under OCP	0.5 to 0.75	0.7 to 1.2
Current (2019) Assessed Value	\$1,859,800	\$480,200

Pro forma analyses have been prepared for each site to test the supportable land values, and associated land lift, for the following development conditions:

Table 2: Financial Scenarios Tested

Scenario	Site 1: Marine Drive	Site 2: School Road
Scenario 1	Townhomes at 0.5 FSR	Rental apartment at 1.2 FSR with 2 sub-market units
Scenario 2	Townhomes at 0.75 FSR	Rental apartment at 1.2 FSR with no sub-market units
Scenario 3	Townhomes at 1.2 FSR	

5.1 SITE 1 ANALYSES (MARINE DRIVE)

Site 1 is comprised of 2 legal parcels, making up nearly 8,500 square feet along the Gibsons waterfront. The site is currently vacant. There has been interest from the local development community in building townhomes along Marine Drive, replacing small single homes. Financial testing for this site looks at the following scenarios:

- 0.5 FSR – 4 townhomes averaging 1,050 square feet each
- 0.75 FSR – 6 townhomes averaging 1,050 square feet each
- 1.2 FSR – 10 townhomes averaging 1,015 square feet each

The 1.2 FSR scenario exceeds the maximum OCP density and would therefore require an OCP amendment. Additional time and cost for this process is included in the pro forma for that scenario.

The following revenue, cost and profit assumptions are common across all scenarios:

- Gross sales revenue: \$595 per square foot
- Hard costs: \$240 per square foot
- On-site servicing: \$100,000
- Landscaping: \$50,000
- Allowance for rezoning, permits: \$150,000
- Soft costs and professional fees: 5%

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

- Project management: 1.5%
- Contingency on hard and soft costs: 5%
- Realtor commissions: 3% of gross residential value
- Marketing costs 1.5% of gross residential value
- Profit allowance: 15% on cost
- Interest rate on construction financing: 3.0%
- Proportion of construction financed: 75%
- Municipal DCCs: \$8.84 per square foot (residential)

The residual land calculations are as follows:

- 4-Units, 0.5 FSR: the project could be constructed and sold at a 15% profit while achieving a residual land value of about \$610,000. In other words, a developer could afford to pay \$610,000 for the site and achieve the required profit threshold.
- 6-Units, 0.75 FSR: the residual land value increases to approximately \$1.03 million, or a lift of \$420,000 over the base density.
- 8-Units, 1.2 FSR: the residual land value increases further, to approximately \$1.5 million. This is an additional lift of \$475,000 over the medium density.

If CACs were charged on the basis of 50% of land lift over the value under base OCP density, then:

- The 6-unit scenario could contribute approximately \$200,000 in CACs
- The 8-unit scenario could contribute approximately \$440,000 in CACs

However, the assessed value of the parcels in question is nearly \$1.9 million according to BC Assessment. If land lift is calculated on that basis (i.e. the lift compared to as-of-right zoning), then there is negative lift even in the 1.2 FSR scenario, and thus no CAC could be achieved. Even at 1.2 FSR, the project profit margin would have to drop to only 5% (far below what would be required for bank financing) before the project could pay the assessed value for the land, and to 3% before it could pay a \$100,000 CAC. If a developer purchased the land at current assessed value, a significantly denser development (e.g. condo apartments) would likely be required.

5.2 SITE 2 ANALYSIS

Site two is a larger, single parcel on School Road. It is assumed that the single family home on the site will be demolished, and replaced with a 4-storey multi-family project with parking at the ground level and 16 total units.

Financial testing for this site looks at the following scenarios:

- Multi-family rental at 0.7 FSR
- Multi-family rental at 1.2 FSR
- For each of the above, test:
 - All units at market rental rates (\$1.85 per square foot)
 - 2 units at sub-market rates (\$1.31 per square foot)

The current assessed value of the parcel, as presently zoned, is \$480,200.

The following revenue, cost and profit assumptions are common across all scenarios:

- Market rental rates: \$1.85 per square foot
- Non-market rental rates: \$1.31 per square foot
- On-site servicing \$150,000
- Landscaping: \$100,000
- Allowance for rezoning, permits: \$150,000
- Soft costs and professional fees: 7.5%
- Project management: 3.0%
- Contingency on hard and soft costs: 5.0%
- Initial lease-up costs: \$2,000 per unit
- Interest rate on construction financing: 3.0%
- Proportion of construction financed: 70%
- Municipal DCCs: \$8.84 per square foot (residential)
- Cap Rate: 4.5%
- Target Internal Rate of Return (IRR¹): 6.5%

¹ IRR is a common return metric used to gauge investment performance. It is expressed as a percent and represents the annualized rate of earnings.

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

The results of the analysis are as follows:

- At 0.7 FSR (base OCP density), the project would yield just over 9,800 gross square feet, and up to 8,850 square feet of net leasable floor space. It is assumed that this would translate to approximately 11 units.
- At this density, and based on the inputs described above, the project returns a residual land value below the current assessed value. In other words, a viable rental project would likely not be feasible at this density
 - If 100% of units were offered at market rates (\$1.85 per square foot), the residual land value is nearly equal to the current assessment (\$472,000)
 - If 2 of the 11 units were offered at sub-market rates, the residual land value drops to \$227,500.
 - Effectively, the provision of 2-submarket units at this density has an equivalent amenity value of approximately \$245,000 (\$122,500 per unit) based on the lost cash flow potential. However as noted above, at 0.7 FSR the project is not viable even at 100% market rates, so the opportunity cost of non-market units is irrelevant.
- At 1.2 FSR (max OCP density), the project yields nearly 17,000 gross square feet, and about 15,200 square feet of net leasable area. It is assumed this translates to 16 units, based on a recent rezoning submission. At this density, the project achieves a residual land valuation in excess of current assessed, which indicates a likely viable project.
 - If 100% of units were offered at market rates, the implied residual land value is over \$675,000 or 40% above current assessed value.
 - If 2 of the 16 units are provided at sub-market rates, the implied residual land value is just over \$500,000.
 - The provision of 2-submarket units at this density has an equivalent amenity value of approximately \$176,000 based on these calculations.

The residual valuation approach taken above likely slightly overstates the residual land value differential between scenarios, as a good portion of the return calculation is contingent on an eventual sale of the property after mortgage paydown is complete (i.e. year 30). However, it does serve to illustrate a few key points:

1. A viable rental project would be highly challenging at OCP base density, unless market rents were substantially higher, the imputed land value for the project were much lower (i.e. if the developer had purchased the property many years ago), or other substantial cost savings could be found.

2. At the higher OCP density (1.2 FSR) a rental project is feasible, even with provision of some sub-market units. The provision of sub-market units brings the residual value down to just above assessed value, likely enough to incent property sale from the vendor while allowing the developer to achieve required returns. But, the comparative analysis also shows that the developer foregoes significant long-term value by providing these units.

Another way to look at the implied amenity value of the provision of sub-market units is to isolate those units and calculate their value as implied by net cash flow under non-market vs. market circumstances. This is presented in Table 3 below, which shows the value of a single unit under non-market vs. market conditions.

Table 3: Non-Market vs. Market Unit Capitalized Values

	Non-Market Unit	Market Unit
Unit Size	637 square feet	637 square feet
Rental rate (\$/sq.ft./month)	\$1.31	\$1.85
Annual gross rent	\$10,014	\$14,141
Vacancy loss allowance	\$500	\$707
Operating Expenses	\$4,250	\$4,250
Property tax	\$403	\$703
Net Operating Income (NOI)	\$4,860	\$8,480
Implied Value at 4.5% cap rate	\$108,000	\$188,500

Table 3 illustrates that the same 637 square foot unit has an implied value of \$108,000 as a non-market unit, and \$188,500 as a market unit. The implied amenity value of this unit being provided at non-market rates is nearly \$80,500. For two units, this is \$161,000. This is slightly lower than, but still quite close to, the implied amenity value calculated through the residual land valuation approach above (\$176,000)

5.3 TAKE-AWAYS

These high-level analyses of two sites and two building typologies illustrate a number of important points to keep in mind for a future CAC rate-setting exercise:

1. When calculating an appropriate CAC amount, and particularly if running calculations to set appropriate flat rate CACs applicable to many projects in different areas, it is important to consider not only the incremental value between density levels permitted in the OCP (e.g. base vs. max density), but also the implied value of the site under current zoning. As shown in the Site 1 analysis, there is a disconnect between the assessed value under current zoning and the residuals under base and max OCP density.
2. BC Assessment values may not always accurately represent what is achievable under current zoning. In the Site 1 analysis for instance (which is a vacant site), achievable development under existing zoning would be significantly constrained by the combination of requirements stipulated in the four applicable Development Permit Area overlays. The site's actual value under existing zoning is likely less (and possibly much less) than indicated by the property assessment; a developer may therefore be able to purchase it for closer to the amount indicated by the OCP density residual calculations, or less. Given that there is active developer interest in townhouse projects along Marine Drive, it follows that such projects are, under the right conditions, financially viable, and some may generate enough land lift to pay a CAC. The point is simply that, this case may not be representative of others, thus underscoring the importance of multiple site analyses to identify patterns.
3. Conditions can vary significantly from site to site, and the ability to pay a CAC or provide a built amenity can therefore vary widely. Analysis of a single project on a single site should not be taken as representative of what is typical for a typology, a tenure type, or an area, and therefore should not form the basis of a flat rate target. To determine appropriate flat rates that would be achievable under most circumstances in a given area, those target rates must be set based on a representative series of financial analyses.
4. There will always be special conditions, and special sites, or even entire areas of the municipality where a negotiated approach to CACs and affordable housing contributions on a site-by-site basis will be more appropriate. In some cases, it may be more appropriate for a developer, such as in the case modelled for Site 1. In that case, even if a flat CAC rate were stipulated, a developer who paid closer to assessed value may opt for a negotiated approach in the hope of achieving a

lower CAC due to site-specific circumstances. In other cases, it will be in the interest of the municipality to negotiate for a variety of reasons:

- a. Potentially wide variation in amenity contribution and affordable housing that can be supported by rezonings in a given area. Some rezonings may be able to support a much higher contribution than others, and this variability would not be captured through flat rates
- b. Potentially a small number of sites in a given area that are financially viable rezoning candidates (i.e. an area where there is unlikely to be a lot of volume of rezoning applications)
- c. Potential inclusion of on-site affordable housing units within a rezoning may require negotiations, even if a target is established.

6.0 RECOMMENDATIONS

Through this study it has become clear that the Town of Gibsons is interested in developing a transparent and consistent approach to CACs / Density Bonusing. This approach is preferred by staff, Council and the participating representatives of the development community. There is value for the Town and the development community in putting forth a transparent, consistent approach to CACs that will apply to the majority of development sites and conditions, while simultaneously retaining a negotiated approach to CACs in certain circumstances. The Town should endeavour for a flat target rate policy to fund (or build) the majority of amenities, while maintaining enough flexibility to that negotiations occur for projects where they are most appropriate.

We make the following recommendations based on the results of this study:

1. Considerations for Rezoning Proposals
 - Rezoning proposals, regardless of their ability or inability to pay a CAC, must be considered on their merits based on the policies of the Official Community Plan, and informed by relevant neighbourhood plans, other adopted municipal plans, and unique characteristics of a given site.
 - It should not be assumed that a rezoning will be approved because amenity contributions are proposed in accordance with a future policy.
2. Exemptions from CACs
 - Consider making exemptions from CAC policy for the following types of developments:
 - o Purpose-built rental projects and mixed-use projects where 100% of the residential portion is rental, and where the tenure is secured by legal agreement for at least 30 years.
 - o 100% non-market projects owned / operated by non-profits or government agencies, secured by legal agreement.
 - o Projects with heritage conservation contributions greater or equal to the value of a CAC as determined by economic analysis.

3. Develop Density Bonus Rates and / or Fixed Rate Target CACs through financial analysis of case-study sites
 - Specific target rate setting is not part of this scope; it will be undertaken as part of a future work phase, through pro forma financial analyses of case study sites under multiple land use types and tenures.
 - Rate targets may vary by area, based on the unique development economics of each area (assuming that variability between areas is significant). For instance, target CAC rates may differ between Upper Gibsons, the Harbour Area, and Gospel Rock. If development economics do not differ markedly between areas, consider a single table of target rates that will apply to all areas.
 - While developing a density bonus program and building it directly into the Zoning Bylaw would create the most transparency and certainty (and is also explicitly permitted under the Local Government Act), this may not be feasible until such time as the Town wishes to undertake a complete bylaw update.
 - At this stage, the most expedient approach is to develop CAC fixed target rates, and to potentially vary them by density, project type and area.
 - Rates should be set based on representative financial analyses, and should be set at the lower end of the supportable range so as not to deter or otherwise hinder development
 - Once set, rates should be reviewed and updated regularly to ensure they are reflective of market conditions and changing community needs.
 - Target rates should be established either per square foot (or square metre) or per unit, applicable up to the maximum densities set in the OCP. For bonus floorspace beyond the OCP maximum density, there should be a separate rate set. Alternately, a project proposing density beyond the OCP maximum may be subject to a negotiated CAC for that additional portion.
 - If appropriate, a geographic area could be identified within which the Town wishes to see more new affordable housing units built. Within that area, a minimum project size could be established for rezonings that will

need to provide affordable housing units (however that is defined by the Town) on-site, rather than a cash-in-lieu CAC. Outside of that area, if the Town wishes to secure affordable housing units at rezoning, that should be considered for projects that are subject to a negotiated approach.

- Establish priorities for allocating cash-in-lieu amenity contributions between amenity needs. Examples include, but may not be limited to: affordable housing; childcare; community facilities, transportation; public safety, parks and open space; arts and culture; heritage. Set specific percentages of cash-in-lieu that will go into each of these 'buckets.'

4. Maintain a negotiated approach for a minority of 'atypical' projects.

- As the primary goal of a new CAC / density bonus policy is to create certainty and transparency for staff and developers, the Town should set a goal of capturing most new developments within the flat target rate structure.
- There will remain a minority of developments where a negotiated approach, grounded in economic analysis, will be more appropriate for, and to the mutual benefit of, both the Town and the developer. These should include:
 - Larger projects that will be built in multiple phases, where the Town may wish to capture certain amenities on-site, and where the developer may want to negotiate both the types and timing of amenities in the interest of maximizing a project's appeal.
 - Projects on sites that the Town deems 'strategic' for the provision of particular amenities on-site.
- For any project subject to a negotiated CAC process, an economic analysis should be requested from the applicant and then a negotiation on the basis of a review of this analysis (and Town amenity needs) would proceed. Fixed-rate targets would not apply in this case.
- The economic analysis, which would be conducted at the applicant's expense, would calculate the land value created by the rezoning proposal beyond the land value under existing zoning to identify justifiable CAC levels while maintaining project economic viability.

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

- The Town should consider a range of 50% to 75% of the increase in land value from an established base value to be a reasonable balance between the need for CACs and the project's economic viability and incentive
 - The economic analysis would be completed by an independent third-party consultant agreed upon by the developer and the Town of Gibsons, and would be formally engaged by the Town
 - Alternately, at the Town's determination, the analysis could be undertaken by a qualified agent or employee of the Town
 - An applicant would be required to provide key information to support the economic analysis conducted by the third party or qualified agent / employee. This would include:
 - Detailed hard and soft cost estimates for the project (from a third-party contractor or quantity surveyor)
 - An appraisal or other valuation (e.g. residual value analysis) supporting any valuations under existing use and existing zoning
 - Any other information the Town or its consultant thinks is required
5. Consider maintaining an option for *any* project to engage in a negotiated approach based on economic analysis
- For projects that qualify for amenity contribution target rates under a 'typical' rezoning process, the Town may consider maintaining the option to enter into a negotiated approach. This is consistent with the fact that the target rates are not mandatory, but rather voluntary, and that every site has its own unique development challenges.
 - Examples of when an applicant may opt to use a negotiated approach based on economic analysis include cases where:
 - Land value under existing zoning is higher than the base OCP land value

Town of Gibsons

Community Amenity Contribution Policy Options & Recommendations

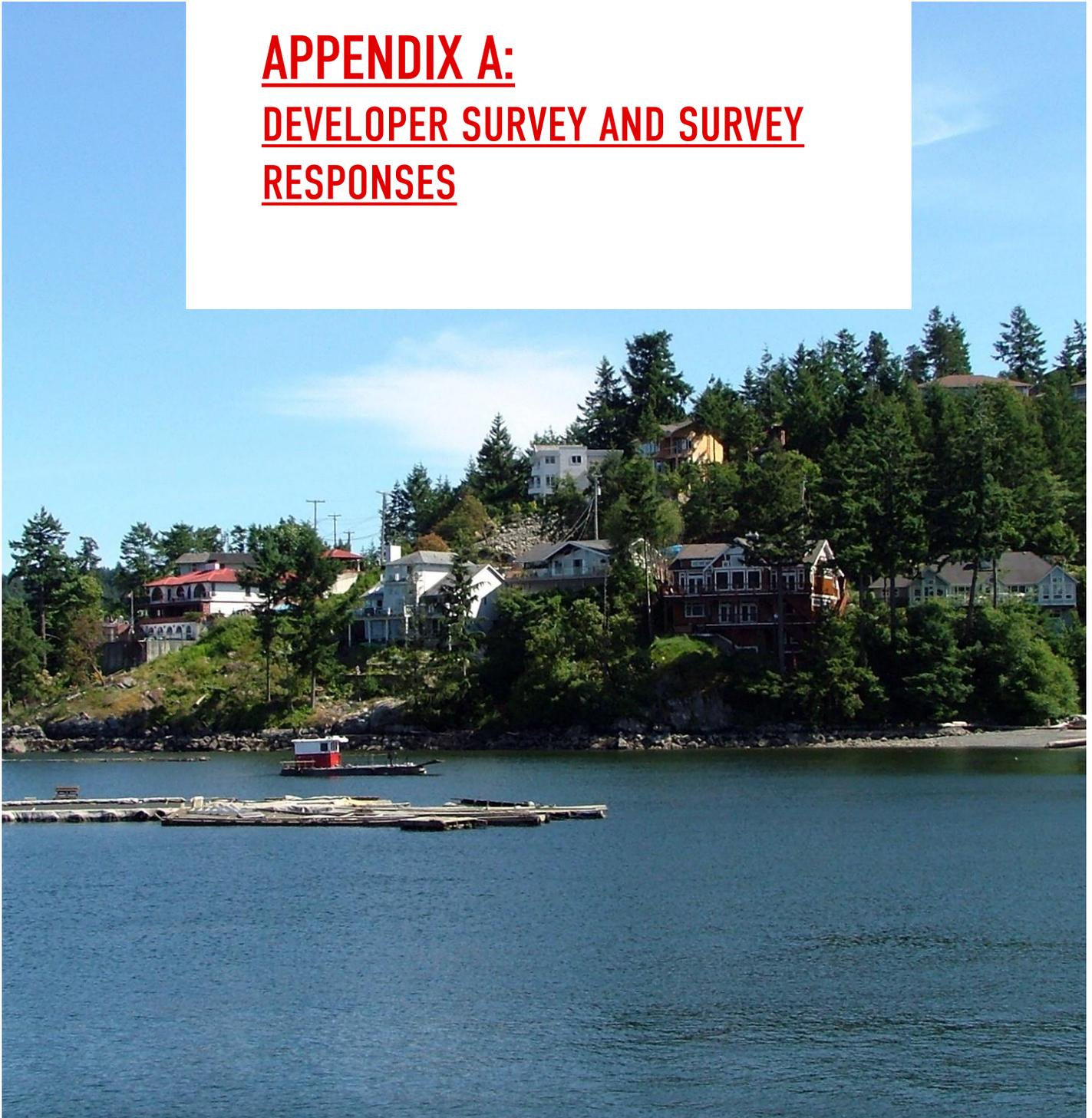
- o Proposed density is significantly higher or lower than the maximum permitted OCP density
 - o Project economics do not allow for CAC payment (cash or in-kind) at target rates.
6. For any rezoning that will be negotiated on a site-by-site basis, the Town should introduce policies which:
- Define the types of affordable housing that the Town would like to see contributed as part of the rezoning (e.g. rental vs. owned, rental discounts, minimum parking etc.).
 - Establish targets for the share of bonus floor space or units to be allocated to affordable housing. This target should be set on the basis of financial analyses. The Town will need to explicitly define the type of affordable housing sought in order to determine the appropriate target for the share of bonus density, and calculate the target to ensure that the affordable housing provision and a fixed rate CAC target are approximately equivalent financially.
 - Establish priorities for allocating cash amenities between affordable housing and other community amenities.

The total value of a negotiated CAC (or affordable housing contribution) should account for the cost of creating the amenities, and the opportunity cost of the affordable housing. The cost of the overall contribution should not exceed 75% of the increase in property value created by the rezoning over the higher of:

- a) the value under existing use and zoning, or
- b) the land value under base density permitted in the OCP

Otherwise, the rezoning may not be financially viable.

APPENDIX A:
DEVELOPER SURVEY AND SURVEY
RESPONSES



TOWN OF GIBSONS – Community Amenity Contribution Policy

In light of the current challenges presented by COVID – 19 we have shifted this engagement session to a one - on - one interview format. Please find below a series of questions that will be used to generate discussion. Please fill out the form below and return it to email at your earliest convenience. We will be following up via telephone calls for some of the responses where we would like more detailed information or have further questions.

Thank you for your participation!

* Required

1. Email address *

2. 1. What is your level of familiarity with Development Cost Charges (DCCs), Density Bonusing and Community Amenity Contribution Charges (CACs)?

Mark only one oval.

- None
- A Little
- Fair
- Pretty Good
- Very Familiar

3. 2. Do you have any experience with Density Bonusing and CACs elsewhere?

Mark only one oval.

- Yes
- No

- 4. 3. If you responded "yes" to the previous question, are there any lessons learned that should be applied for Gibsons?

- 5. 4. Do you see the implementation of Density Bonusing and/or CACs creating any impediments to your future development projects in Gibsons?

Mark only one oval.

Yes

No

- 6. 5. If you responded "yes" to the previous question, how so? Cost only or other concerns?

- 7. 6. Are there any amenities you feel new growth should not be paying for through Density Bonusing and / CACs? If yes, please identify.

- 8. 7. In a new development situation, where the site and project are large enough that an amenity could be provided in kind, would you prefer an in kind or cash in lieu contribution? Why?

- 9. 8. What densities are you currently building in Gibsons?

- 10. 9. What are some of the typologies you could see being developed in Gibsons over the next 10 years? (Type of Development & Land area requirement)

11. 10. What neighbourhoods / streets are the most likely to see densification in Gibsons?

11. We are looking to develop simple financial models that are representative of common and emerging development typologies in Gibsons. These may include duplexes, townhouses, low-rise apartments, and mixed-use buildings. We would like your input to ensure that these financial models are accurate. Based on your recent development experience in Gibsons, can you please share with us:

12. a) Types of development undertaken (e.g. townhouse, apartment etc.)

13. b) Location(s) of most recent development(s)

14. c) Typical hard costs for construction (\$/square foot)

15. d) Typical parking costs (if not included in above) – either per stall or per buildable square foot

16. e) Typical soft costs as a proportion of hard costs

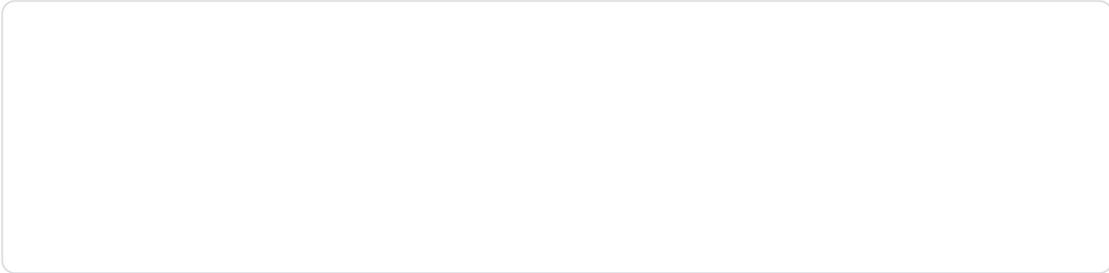
17. f) Typical return expectations or requirements (% of cost, % of revenue, or other metric)

- 18. g) Sales / Rental Rates / Lease Rates achieved at most recent project (\$/square foot)

- 19. h) Other pertinent financial information that you think should be considered in a financial analysis.

This content is neither created nor endorsed by Google.





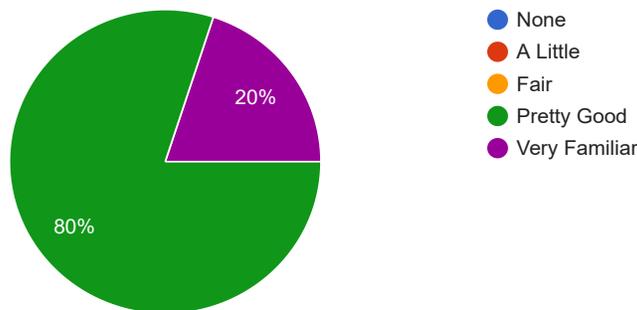
TOWN OF GIBSONS – Community Amenity Contribution Policy

5 responses

[Publish analytics](#)

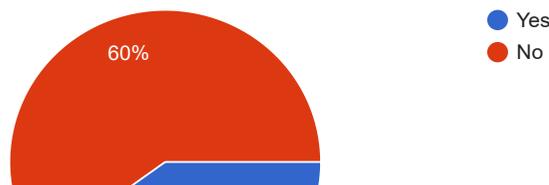
1. What is your level of familiarity with Development Cost Charges (DCCs), Density Bonusing and Community Amenity Contribution Charges (CACs)?

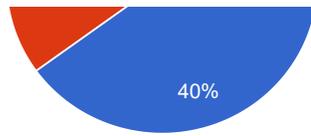
5 responses



2. Do you have any experience with Density Bonusing and CACs elsewhere?

5 responses





3. If you responded "yes" to the previous question, are there any lessons learned that should be applied for Gibsons?

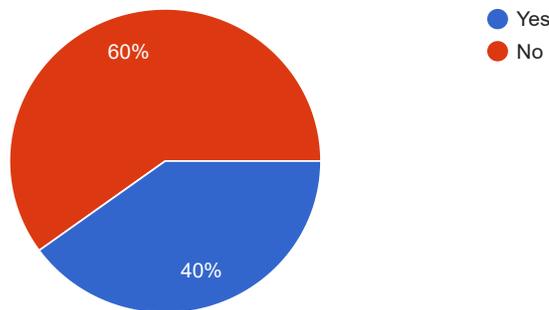
2 responses

yes!

Ensure the density bonusing is for residential only, that it applies to the entire property at the start of zoning, even it is to be phased

4. Do you see the implementation of Density Bonusing and/or CACs creating any impediments to your future development projects in Gibsons?

5 responses



5. If you responded "yes" to the previous question, how so? Cost only or other concerns?

3 responses

Cost and time to implement



N/A

6. Are there any amenities you feel new growth should not be paying for through Density Bonusing and / CACs? If yes, please identify.

4 responses

Contribution to Affordable housing, this should be contributed to by the entire tax base as a whole.

Contribution to affordable housing . It it should be finance by the entire tax base not just new developments

no

If the project is affordable & rental then no CAC on bonusing should apply. Also, the project will require a housing covenant for 60 years or the life of the project.

7. In a new development situation, where the site and project are large enough that an amenity could be provided in kind, would you prefer an in kind or cash in lieu contribution? Why?

4 responses

This would have to depend on the situation, the surrounding area and the needs of the area.

It depends on the situation .depends on needs of the area concerned

in kind, it well benefit the community more directly.

Only if the area has been identified in the OCP designating it as a future amenity area & the type of amenity



8. What densities are you currently building in Gibsons?

4 responses

Duplex and Single family R3 Zone / RC Zone

Currently R 3 Previously small cottage and duplex 57 units

9 unit/acre, (not too sure)

None at the moment

9. What are some of the typologies you could see being developed in Gibsons over the next 10 years? (Type of Development & Land area requirement)

5 responses

More housing and more commercial and Industrial

Higher Density Developments as areas surrounded Gibsons are restricted with growth options / Laneway housings, multisuite home transitions etc.

With restricted areas for growth on the coast ,Densities must increased in Gibsons Lane way homes ., view properties should be more dense

single family, townhouses, apartments.

Affordable housing



10. What neighbourhoods / streets are the most likely to see densification in Gibsons?

5 responses

no idea

Upper Gibsons Area

Areas akin to eagle crest, and Upper Gibsons . Lower Gibsons vacant areas should be densified

around historic town center, and other destination recreation neighborhood.

Major collector roads

11. We are looking to develop simple financial models that are representative of common and emerging development typologies in Gibsons. These may include duplexes, townhouses, low-rise apartments, and mixed-use buildings. We would like your input to ensure that these financial models are accurate. Based on your recent development experience in Gibsons, can you please share with us:

a) Types of development undertaken (e.g. townhouse, apartment etc.)

5 responses

Both

Single Family - duplex / Triplex

Single family duplexes etc

single family, townhouses, apartment.

Single familv. cluster. duplex (parkland subdivision)

<https://docs.google.com/forms/d/1Ae82xplr1Rtn-ccQnk8IIIKgyIh0aQbOAFNHvJp3TjI/viewanalytics>



single family, duplex, duplex (permitted accessory)

b) Location(s) of most recent development(s)

5 responses

Gibsons Way School Hill

Upper Gibsons

Parkland

Gospel Rock Village Center

Reed & Payne

c) Typical hard costs for construction (\$/square foot)

4 responses

\$250.00 per Square Foot

\$250.

\$300/sqft

There is no typical hard cost. Each parcel must be analyzed individually

d) Typical parking costs (if not included in above) – either per stall or per buildable square foot

2 responses

not sure yet, between \$35,000 to \$45,000/ stall underground, \$5,000 to \$10,000/stall



surface.

Present day construction cost in the lower mainland is \$38,000 - \$45,000 / stall underground

e) Typical soft costs as a proportion of hard costs

4 responses

20 Percent

20%

8% to 10%, all inclusive.

Again, each project is different. Concrete versus woodframe; dewatering, soils, etc.

f) Typical return expectations or requirements (% of cost, % of revenue, or other metric)

4 responses

15-20 %

15 to 20 %

we don't have this information yet.

15% -20%



g) Sales / Rental Rates / Lease Rates achieved at most recent project (\$/square foot)

4 responses

300.00 Per foot

APP \$ 300.00 per foot

we don't have this information yet.

In Vancouver the sale price is dependent upon the location as well as the building type. (apartment versus townhouse) Vancouver is much higher on the west side compared with North Vancouver or Burnaby or Richmond.

h) Other pertinent financial information that you think should be considered in a financial analysis.

4 responses

DCC's / Offsites / CACs

DCC,s Offsite charges and community amenities .

marketing time factor. Sales of product are still harder, takes long time than other places, therefore cut down the potential profit.

When seeking a density bonus the CAC should be negotiated & it should be a requirement to submit a development proforma for comparisons or = density

This content is neither created nor endorsed by Google. [Report Abuse](#) - [Terms of Service](#) - [Privacy Policy](#)



Google Forms

APPENDIX B:
DETAILED NOTES FROM DEVELOPER
INTERVIEWS



URBAN Interview Notes

S Y S T E M S

SUBJECT: Town of Gibsons – CAC Developer Interview, Local Developer #1

DATE: May 12, 2020

FILE: 1300.0119.01

- Developed own commercial property. 500 storage units, since 90s
- 1998 – applied to take 27 acres out of the ALR, was successful in 2002. At the time the administration in Gibsons wanted to talk instead of act. Took 8 years to get the subdivision approved.
- In 2010 it took three years to sell three homes. Now there are about 80 homes in the parkland subdivision.
- Requirements / obstruction to get development through - Have chosen not to rezone for last phase because its easier. Affordable housing gets placed on new development. This in turn drags up price of existing property.
- If current zoning works, there is no incentive to get a few more lots with the headache of the process. You get just as much by maintaining current zoning.
- Parkland development– no immediate neighbours for public hearing. For phase 3 (24 lots) – project became very contentious with the neighbours in Phase 1 and 2. Lesson learned that they should have rezoned all phases at the same time.
- Town is more reasonable now to deal with than ever before.
- Has dealt with negotiated CACs. Experience is that amenities are clearly articulated (e.g., 10% to affordable housing, ~10% for parkland, perimeter trail). Amenity was provided as cash in lieu, equal to about 17% of development. Another experience was in-kind park and tennis courts. Also provided cash in lieu which equalled approximately \$300k + per door cost for geothermal system.
- Preferred approach is transparent with clear costs. Take affordable housing out – it's not an amenity and should be supported by entire tax base. It is not reasonable to front end load all the development and expect them to make a profit.
- Approach should be to densify towns and districts, ton of new property on southern slopes that should be densified. Ultimately the whole town will densify, people keep coming and don't want to be in the rural areas.
- Roberts Creek - purchased land for subdivision but Town requirements were too costly (underground wiring etc.) so left the existing zoning.
- Gospel Rock – anticipated development challenges here.
- Upper Gibsons community plan area would be appropriate for CACs.
- Density needs to be considered in all areas by understanding the highest yields and taxing at higher rates.
- Pre-zone approach would be more desirable to avoid public hearings. Depends on the area and the inground costs. Needs to be considered before rezoning / development
- Single Family development is slowing down in Gibsons, not much land left to develop.

URBAN SYSTEMS Interview Notes

SUBJECT: Town of Gibsons – CAC Developer Interview, Local Developer #2

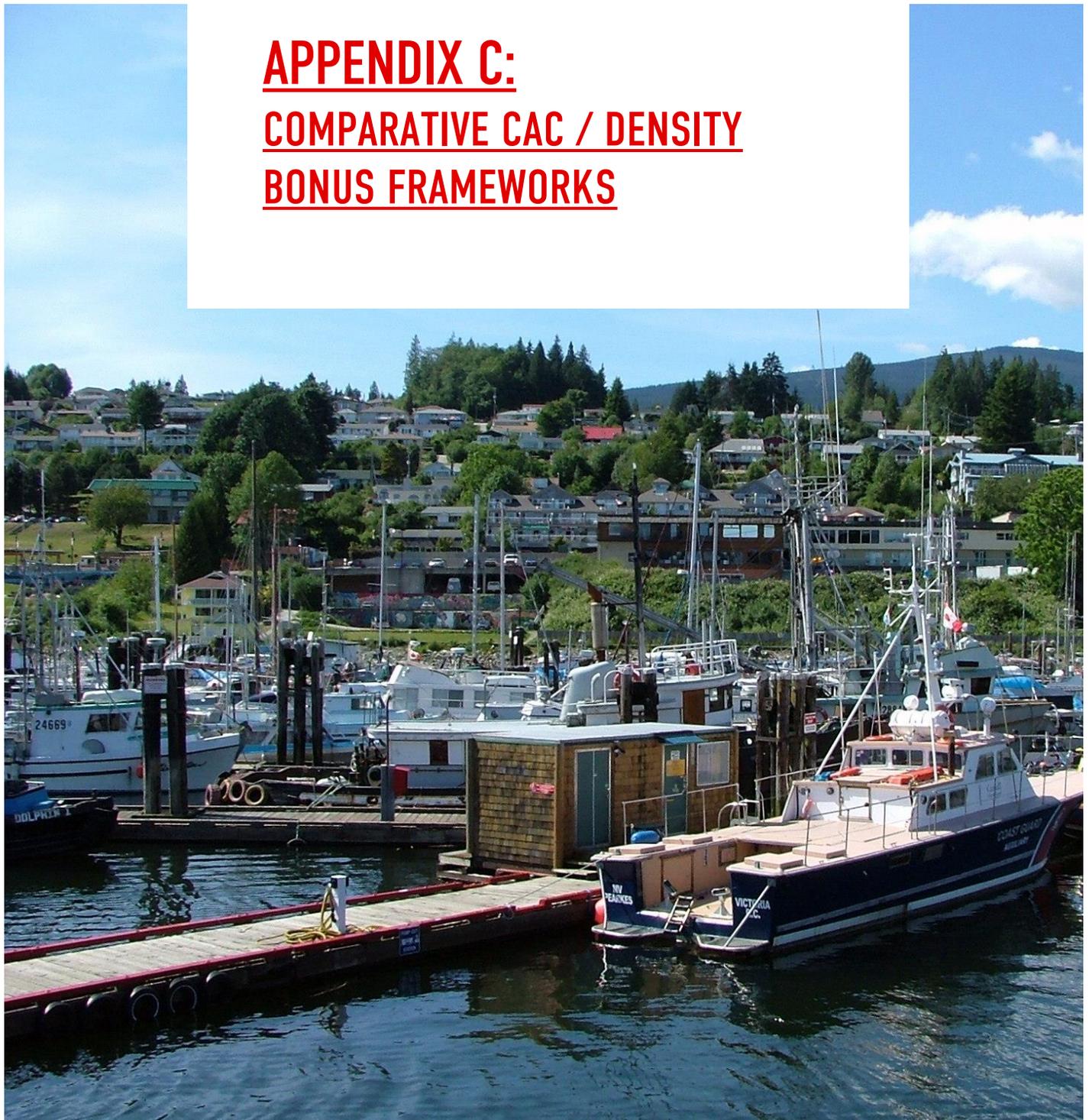
DATE: May 12, 2020

FILE: 1300.0119.01

- Office in maple ridge, sunshine coast and hotel Vancouver.
- George hotel condominium project, Parkland Subdivision, relocation of Gibsons supply, Gospel Rock.
- Parkland Subdivision is most relevant. It was a negotiated agreement. In his experience, it is far better to have a fixed rate (e.g., City of Vancouver).
- It is a protracted process, sharing the proforma and working with the quantity surveyor. It took 1.5 years for the City to sign off and this is too long for a developer. When you're trying to determine project costs you need to understand all the factors.
- City of Vancouver has fixed rates for certain areas of the city, so does Surrey. Contributions are based on certain uses. Helps with understanding project costs.
- Has been working in the Sunshine Coast marketplace since 1989. Most of the development community won't go to the Sunshine Coast because there is too much uncertainty on process and intervention (politics around development).
- Clear process and costs would help development on the Sunshine Coast and in Gibsons.
- There is an unfair perception about a negotiated process, that some pay less than others.
- No preference for format (pre zone v rezone). Provided an example of pre-zone project in North Vancouver. Was able to work with staff/ council to allow higher density than what was projected for the site based on pre-zone. Higher contribution was provided to achieve additional density.
- A lot will depend on developer. Low risk v. high risk, tolerance for pushing municipal process.
- On appropriate contribution locations in Gibsons: Upper Village, North of Industrial Way, Sunny Crest Mall.
- Change in market conditions now, definite opportunity to look at increasing density. This is the area for future growth.
- Gospel Rock – difficulty with units limited because of road access, no servicing.
- Infill development down in lower village.
- He would look north of Sunnycrest – plan was developed for this area. Adjacent to Alpha Stone Secondary, parks and shopping centre. Over 2 stories in height provides views. Limitation in this area is stormwater.
- On lot assemblies:
 - Principally townhomes.
 - Eaglecrest – was being blocked by neighbourhood, courts ruled in favour. More townhouse development.
 - Limited apartment opportunity – one small one School Road, but no others.

- Typically 4 lots for assembly.
- No conventional lot sizes or frontages in Gibsons. This makes it challenging to calculate units on a per lot basis
- Lot size average is ~8,000 sq. ft. some closer to 12,000 – 14,000 sq. ft.
- Instead of consolidation, they subdivided
- Development challenges in Gibsons – no community understanding of density. Generally associate townhouse, low rise apartments with high density. Don't account for servicing costs, lack of understanding around this. Community members have sold in lower mainland and moved to Gibsons because they don't want change.
- Getting people to accept change and increase in density will be challenging
- Simplify on both sides – fixed rate CAC will take away criticism from staff and provide transparency for developers.
- Only time to consider ad hoc would be over 5ac.
- Any developer info provided to town must be kept confidential. Will be difficult for the Town to negotiate – would have to retain a land economist in a negotiated scenario.

APPENDIX C:
COMPARATIVE CAC / DENSITY
BONUS FRAMEWORKS



Municipality	Regional District	Per sq. ft. Floor Area?	Target % of rezoning value increase? (land lift)	Applicable to all rezonings? (e.g., residential, commercial)	Contribution in kind, cash in lieu, other?	Method for calculating density bonus	Method for calculating value of CAC	Method for Determining form of Amenity	Administrative Process	Other
Abbotsford	Fraser Valley			Density Bonus only applies to C5, C7, CHR, RML, RMM, and RMU zones, within the density bonus eligible area, if they meet certain conditions		Multiplying the amount of additional or bonus floorspace by the "buildable rate" (\$/ sq. ft. divided by FSR) woodframe = additional floorspace x buildable rate x 0.85 non- combustible construction = additional floorspace x buildable rate x 0.50				
Anmore	Metro Vancouver		50%		Combination of land and financial contribution will be considered where feasible		Target CAC contribution of \$150,000 for each new lot created through infill development			
Burnaby	Metro Vancouver			DB is applicable to sites that are zoned for multi-family residential use (RM1, RM2, RM3, RM4, and RM5). Must be in town centre and approved for DB in the community plan. Must be re-zoned to CD.	Based on the value of the additional density achieved through a density bonus. The funds are allocated exclusively for the future provision of a community amenity and/or affordable and/or special needs housing	Must include the conservation or provision of a community benefit(s) equivalent in value to the increase in the value of the site attributed to the increase in density.				
Campbell River	Strathcona			C4 Zone, RM- 1 Zone, RM-2 Zone, RM-3 Zone, RM - 4 Zone	Both	Prescribed in Zoning Bylaw				
Chilliwack	Fraser Valley			Only in certain areas of downtown						

Coquitlam	Metro Vancouver	\$32.29 per m2 (\$ per ft2) for new multifamily residential	% of land lift contributed determines additional density (75% of lift in RM-4 Zone = additional 0.5 FAR, to a max of 3.0 FAR)	Residential rezonings only (up to a maximum FAR 2.5)	cash-in-lieu only Either	Prescribed in Zoning Bylaw - table of "Density Steps" tied to % of land lift contributed, or starategic housing units	\$5,500 for large one-family lots equal to or greater than 375 m2 (4,037 ft2); and \$4,800 for small one-family lots less than 375 m2	The CAC revenue collected by the City would be used to help fund major capital projects identified in the Parks, Recreation and Culture Master Plan	Community Amenity Contribution Reserve	For higher density developments (>FAR 2.5) the City's Density Bonus Program applies
Courtney	Comox Valley	residential is either per lot or \$ per m ²		Only permitted in RM-3 and CD-2	contribtuion in kind or cash in lieu		commercial / industrial rezoning will be negoatiated	site specific charatersitcs may determine what amenities will be considered	residential rezonings pay CAC at time of subdivision or issuance of building permit - deposited to Parks, Recreation, Cultural and Seniors	
Delta	Metro									
Ladysmith	Cowichan Valley					Table provided in each zone listing provided amenity and associated density bonus	Negotiated on case-by-case basis. May apply method used to calculate DCCs. Hard costs, soft costs, land and life cycle costs may be considered		CACs may be secured prior to final reading of rezoning through phased development agreement, housing agreement, covenant, transfer of land or interest, cash	Provision of cash to the Ladysmith Amenity Fund (recommended \$1000 / residential unit
Langley City	Metro Vancouver	N/A	N/A	Multifamily residential rezonings only	cash-in-lieu only		Flat rate - \$1,000 per housing unit	City's CAC fund is allocated to finance various 2017 Capital	CACs made by developers are collected to the CAC	
Langley Township	Metro Vancouver	N/A	N/A	Residential rezonings only	Both in kind and cash-in-lieu		New single family lot - \$6,808 per lot // Townhouse/rowhouse/ duplex - \$5,776 per unit // Low rise apartment (up to 6 storeys) - \$4,539 per unit // Mid-high rise apartment (>6 storeys) - \$3,507 per unit	15% of CACs will go into the Affordable Housing Reserve Fund, 74% will go into a Community Amenity Contribution Fund, 11% will go into an Aldergrove Community Amenity Fund	Payment of CACs will be collected prior to Fourth and Final Reading of the rezoning bylaw pursuant to a Phased Development Agreement. Alternatively, payment can also be made at the Development Permit or Building	The Township estimates that \$30 million could be generated over the next 5 year

Nanaimo	Nanaimo				contribution in kind or cash in lieu	eligible density increase is calculated based on a points system. Number of points either gives you Tier 1 or Tier 2 density. Additional density differs for each zone - listed in Section 7.3 of the ZBL		site specific characteristics may determine what amenities will be considered		
New Westminster	Metro Vancouver	Based on \$ / sq. ft. and location within the City			contribution in kind or cash in lieu Cash - Payments are made into capital reserve funds			City retains a land economist to determine lift. Staff representatives from a Public Benefits Team to identify potential contributions and write report to Council. Staff	Amenity is secured prior to adoption of rezoning or issuance of the DVP.	
North Vancouver District	Metro Vancouver	Yes - for certain areas of Town and Villages Centres	75% of lift, less all development costs and profits - done through proforma					developer pays for District to undertake proforma analysis		
North Vancouver City	Metro Vancouver	Yes - Area Dependent	No						Cash contributions for Community Benefits applied to Civic Amenity Reserve Fund (80%) and Affordable Housing Reserve Fund (20%). Issued	City Amenity Reserve Fund and Reserve Fund Bylaw sets out Eligible Amenities
Pitt Meadows	Metro Vancouver			Residential rezonings only			Per unit charge		Community Amenity Contribution Reserve	
Pitt Meadows	Metro Vancouver			Residential rezonings only			Per unit charge		Community Amenity Contribution Reserve	
Port Coquitlam	Metro Vancouver		yes, but differs by zone (see method for calculation)	Applicable to residential development in Zoning districts CD30 and CD31	in-kind or cash-in-lieu	Differs for each zone: CD30 - FAR of an apartment building may be increased from 1.0 up to 4.13 if: \$250,000 contributed to the City Reserve Fund + other conditions (see p. 69 of the Zoning Bylaw) CD31 - FAR of an apartment building may be increased from 0.5 up to 4.25 if: The design and construction of the building achieves a minimum LEED (Silver) Certification				
Port Moody	Metro Vancouver	\$6.00 per 0.09m ² (1.0sq.ft.) for residential		Residential development with a density greater than 2.5 FAR	Cash-in-lieu or in-kind amenity equivalent in value to the financial contribution	75% of the land value of the additional density above an FAR of 2.5 excluding non-residential floor area	Per unit charge for SF lots (\$6,000 per)	The City may accept any form of amenity that are identified in or consistent with the goals and objectives set out in the City's	General Community Amenity Contribution Reserve (\$4 of \$6 / sq.ft. Payment is made prior to Zoning adoption, development	Maximum \$6,000 / unit

Richmond	Metro Vancouver	Differs in each of 5 areas - specified in the OCP and Area Plans Bylaw	Differs in each of 5 areas - specified in the OCP and Area Plans Bylaw	Residential rezonings and mixed use developments involving 80% or less residential units	in-kind or cash-in-lieu cash-in-lieu only	Single Family: \$2 / buildable ft2 Townhouse: \$4 / buildable ft2 Apartment and mixed-use developments involving 80 or less residential units: \$6 / buildable ft2	Differs in each of 5 areas - specified in the OCP and Area Plans Bylaw	Case by case		
Sidney	Capital	\$150 per m2 of additional GFA above base density		Multiple unit residential development in the Multi-Family Residential areas and all development in the Downtown Commercial exceeding the maximum permitted densities	in-kind or cash-in-lieu		\$150 per m2	Policy specifies priorities, but doesn't guide the contributions strictly. In case of cash contributions, the resources might be used for categories listed in the policy (section 7)	The full amount of amenity contributions shall be paid prior to issuance of a Building Permit, and shall be placed into a Town Amenity Reserve fund. Applies to Density Bonusing as well	
Squamish	Squamish - Lillooet	Residential less than 20 DU: based on \$/sq. f.t increase + provision of amenity or cash-in-lieu		Any rezoning or OCP amendment Only applicable in zones: Mixed-use district, Creative Mixed-use district and Comprehensive development	In-kind or cash-in-lieu In-kind or cash-in-lieu	Differs by zoning district and specific type of development: Zoning from RS1 to RS2, RS1/RS2 to RS3, or CD Zone: - \$10,000 per each lot above usual limit OR 60% affordable housing (either on site or cash contribution to the affordable housing fund), 35% general amenities or 5% Child Care Facilities Zoning from multifamily residential or mixed use to higher than usual permitted density: - \$6 / ft2 of additional space above the base density OR 60% affordable housing (either on site or cash contribution to the affordable housing fund), 35% general amenities or 5% Child Care Facilities	Policy includes minimum targets to be used as basis for negotiation. District may undertake pro forma to inform negotiations	Residential more than 20 DU: 10% of units as affordable or employee/staff accommodation + provision of amenity or cash-in-lieu	CACs identified prior to conditions of OCP / Rezoning and may be prescribed in a Land Development Agreement.	
Surrey	Metro Vancouver	Rates differ by area. Described in detail in Schedule G of the Zoning Bylaw	75%	Applicable for residential rezoning in the City Centre and Town Centres Applicable for all residential zoning	in-kind or cash-in-lieu Cash-in-lieu only	Tier 1: Existing Secondary Plan and Infill Areas - Flat Rate \$2,000 per Dwelling Unit All other areas of the City-Flat Rate \$4,000 per Dwelling Unit Tier 2: There are two subcategories: (A) Flat Rate Bonus Density: development projects in City Centre and Town Centers; and (B) Negotiated Rate Bonus Density: development that require a City Centre	Tier 1: Development consistent with allowable densities described in Secondary Plans and the OCP - per dwelling unit fixed Tier 2: Additional density above permitted (City Centre & Town Centres) - per ft2	Cash-in-lieu contributions preferred, in-kind contributions considered on case by case basis Cash-in-lieu contribution to the City Capital projects fund	Negotiated through a development application and a rezoning application. Negotiated Density bonus amenity contribution payments will be provided to the City of Surrey following final adoption of the Zoning Bylaw.	For projects outside of Town Centres and Secondary Plan areas, the contribution is negotiated on case-by case basis

Vancouver	Metro Vancouver	Yes - in area-specific CAC policies		No - detailed list of exemptions No - there are 13 zoning districts in 7 city areas where bonusing is allowed. See bulletin	cash contribution or amenity in-kind In-kind (e.g. housing) or Cash in lieu	Differs by zoning district. Density varies from 0.75 to 6.5 FSR. Rate differs from \$36.13 / m2 to 1.291.67 / m2		CACs identified prior to conditions of rezoning enactment City wide - negotiated Types are specified in the Zoning Bylaws and Density Bonusing	Cash contribution payable prior to rezoning enactment	
Victoria	Capital	Yes	75%	No. Residential increase only + detailed list of exemptions	Cash in lieu contribution		Based on area of City. Either \$ / sq. ft. or inclusionary housing units. Atypical rezonings will be negotiated		cash contribution allocated to Victoria Housing Reserve Fund (70%) or for community amenities (30%)	applicant can hire independent consultant to determine CACs
West Vancouver	Metro Vancouver	N/A	N/A	N/A	in-kind or cash-in-lieu	Density bonus of up to 0.25 FAR	The value of the amenity shall reflect a percentage of the increased value of the land associated with the bonus density, or other value determined by Council. In case of larger area plans use of comprehensive phased development agreements may be considered	Negotiated on case-by-case basis. Types specified in the OCP, negotiated on case-by-case basis	Contributions are identified and offered through the detailed development application review during a rezoning process. If cash is contributed, it will be deposited to an amenity reserve fund if not going immediately to pay for the amenity.	

Municipality	Regional District	CAC provision in Bylaw?	CAC Provision in OCP?	CAC used in ad hoc practice, but not in Bylaw?	Bonus Density Provision in Bylaw?	Bonus Density in OCP?	Provisions of Note	Notes
Abbotsford	Fraser Valley	NO		YES - Small Voluntary contribution for public art	Density Bonus Program in Zoning Bylaw (Section 140)		Affordable Housing Opportunity Fund Backgrounder - outlines density bonus program	In process of determining Flat Rate CAC's
Anmore	Metro Vancouver	CAC in Infill Development Policy						
Burnaby	Metro Vancouver	NO		NO	Density Bonus Policy in Zoning Bylaw (section 6.22)			https://www.burnaby.ca/City-Services/Policies--Projects---Initiatives/Community-Development/Policies/Community-Benefit-Bonus-Policy.html
Campbell River	Strathcona	NO		NO	Density Bonus Provisions in Zoning Bylaw (in certain zones)			
Chilliwack	Fraser Valley	NO		NO	NO - located in Downtown Land Use and Development Plan			OCP determines the creation of new Community Amenity Bylaw as one of priorities for future actions
Coquitlam	Metro Vancouver	CAC program			Density Bonus Program in Zoning Bylaw - Apartment and Commercial Zones		Some lots must be designated "strategic housing lots" to be eligible for DB	
Courtney	Comox Valley		Yes				DB provision included in OCP	
Delta	Metro Vancouver	NO		YES			For some development applications, Delta has obtained contributions as a result of negotiations with developers, but these negotiations have been on a case-by-case basis.	Delta City has underway a Community Amenity Contribution Study which will be completed in the near future (Council report 07/2019)
Ladysmith	Cowichan Valley	CAC Council Policy			Yes - located in applicable zones		Listed in OCP under mixed use (in exchange for seniors' / affordable housing / underground parking)	
Langley City	Metro Vancouver	CAC Council Policy		NO	NO			The City's CAC practice is not described in any policy, bylaw or program. However, the City does collect CAC according to official Council Reports and newspaper articles
Langley Township	Metro Vancouver	CAC Council Policy			NO			
Nanaimo	Nanaimo		Yes		Yes - Schedule D			

New Westminster	Metro Vancouver	Voluntary Amenity Contributions Policy			Yes - Amenity Density Bonus			DB was completed in a 2 stage process. Phase 1 - towns and low rise. Phase 2 high density and mixed use in the downtown
Nort Vancouver Distrcit	Metro Vancouver	CAC Council Policy	Town and Village Centre Plans identify key community amenities					
North Vancouver City	Metro Vancouver				Yes - "Amenity Share" under general provisions	Density Bonus and Density Transfer policies in OCP	Category A: Bonus Density up to OCP Schedule A density Category B: Bonus Density that exceeds OCP Schedule A density, up to max bonus set in the OCP	Does not apply to Residential Level 1 and 2 in the OCP (except for heritage conservation)
Pitt Meadows	Metro Vancouver	CAC Council Policy			No			
Port Coquitlam	Metro Vancouver	No	No		Yes, in the Zoning Bylaw and in Density Bonus Policy			
Port Moody	Metro Vancouver	CAC Policy			Yes, in the Zoning Bylaw		Credit is given to residential floor area to be demolished or retained	Does not apply to Inlet Centre (schedule attached)
Richmond	Metro Vancouver		Yes	Yes - OCP	Density Bonus in OCP		Phased development agreements and other mechanisms (e.g., voluntary contributions) may be used to obtain funds with Community Planning Contributions	
Sidney	Capital	CAC Council Policy	Density Bonusing Council Policy		Yes - Zoning Bylaw		Density bonusing and CAC described in one broader policy	
Squamish	Squamish - Lillooet	CAC Policy			Yes, in the Zoning Bylaw		Density Bonus used for areas currently zoned for single detached lots or multifamily residential and mixed use	
Surrey	Metro Vancouver	Yes - in the Zoning Bylaw (Schedule G) and Density Bonus Policy Bylaw			Yes, in the Zoning Bylaw		Density bonusing practice described in Zoning Bylaw Schedule G and the Community Amenity Contribution and Density Bonus Program Update applicable since January 1st 2020	Surrey understands
Vancouver	Metro Vancouver	CAC Council Policy			Yes, in the Zoning Bylaw		City Wide CAC: Negotiated Area Specific Policies: CAC Target, and/or negotiated approach Density Bonusing enabled in 7 specific areas (13 zoning districts)	

Victoria	Capital	Inclusionary Housing and Community Amenity Policy			No		Level A: Existing zoning to OCP base density Level B: OCP base density to proposed density
West Vancouver	Metro Vancouver	Amenity bonus provision in the Zoning Bylaw	CAC Policy + described in the OCP bylaw		Yes, in the OCP		Density bonusing enabled by the OCP in two specific neighbourhoods (Cypress Village and Cypress West)

Municipality	Regional District	Community / Rec Centre	Parks and Trails	Transportation Improvements	Libraries	Childcare	Cultural Facilities	Heritage Building	Affordable Housing	Endowment Funds for Operations	Others	Notes	
Abbotsford	Fraser Valley								Density bonus is one of several funding sources for affordable housing			max bonus of 1.0 FSR for commercial high rise zone, 0.5 FSR in residential high rise zone, 0.3 FSR in low rise apartment zone	Density Bonus
Anmore	Metro Vancouver	Yes - Community Space /	Yes - trails								Riparian Area protection		
Burnaby	Metro Vancouver	yes	Yes - public open space of plaza, improvement to park land or other facilities		Yes	yes			developed under senior government non-profit housing programs; price controlled limited-equity market units; units controlled or managed or owned by non-profit housing groups providing affordable housing; guaranteed rental units; and		space for community or nonprofit groups that serve the community, public art, extraordinary public real improvements, extraordinary environmental enhancements		
Campbell River	Strathcona		additional DU / ha for cash contribution for parkland development, recreational or environmental greenways equivalent to 1% per unit of density bonus of appraised land value prior to development; to a maximum of 90 dwelling						Additional DU / ha for every 5 units of affordable housing provided (max additional units max density depend on zone) (RM-1, RM-2, RM-3, RM-4)		DU / ha if 80% or more underground or Integrated parking (C4, RM-1, RM-2, RM-3, RM-4)		
Chilliwack	Fraser Valley		yes - parkland						Yes		"other specified social, recreational and environmental amenities"; seniors		

Coquitlam	Metro Vancouver	Yes - community centres, sport facilities and venues Yes - public facilities	Yes	Yes	Yes; Yes - public facilities		Yes - museums, art centres; Yes - public facilities	Yes		space for community or non-profit groups that serve the community; and extraordinary public realm improvements. GFA discounted for each adaptable unit provided	Typically indoor and outdoor facilities that cannot be funded by typical growth financing options, such as DCCs
Courtney	Comox Valley	yes - recreation spce, equipment or facilities	Yes - sidewalk and trail improvements; parkland, greenbelts, open spaces, environmental corridors Yes - in	Yes - road dedication, street works and landscaped buffer areas, transit pull outs, bus stop shelters	Yes	Yes	Yes	Yes City may consider DB for multi-residential and mixed- use, not to exceed 10% where provision is made for non-profit		covenants to protect environmentally sesnsitve areas	
Delta	Metro										
Ladysmith	Cowichan Valley	yes - civic or insitutional use	Yes	Yes - Pedestrian and cycling linkages	Yes - public facilities or public buildings		Yes - public facilities or public buildings	Yes	Yes	Environmentally significant areas; Public realm improvements (plazas); Watershed protection; Viewscape	
Langley City	Metro Vancouver	Yes - recreational					Yes - cultural amenities,			way-finding signage	
Langley Township	Metro Vancouver	Yes - Recreation	Yes - Township-wide				conference and		Yes	satellite RCMP Detachments	
Nanaimo	Nanaimo	Yes	Yes - sidewalk and trail improvements; parkland, greenbelts, open spaces,	Yes - extra road dedication, transit pull out, bust stop shelters,	Yes	Yes	Yes	Yes	Yes	Covenants to protect environmentally sensitive areas; multi-use recycling, re-use education and enterprise centres; extraordinary design features underground parking	DB determined by point system. Point categories include: Site Selection, Rention and Restoration of Natural Features, Parking and Susainable Transportation, Building Materials, Energy Management, Water Management, Social and Cultural Sustainability
New Westminster	Metro Vancouver	Yes - 50% of D revenue (civic and recreation)				Yes - 10% of DB revenue			Yes - 30% of DB revenue	Yes - 10% of DB revenue for public art	

Nort Vancouver Distrcit	Metro Vancouver	Yes	Yes	Yes		Yes	Yes	Yes	Yes		Other amenities as identified by Council and the Community"		
North Vancouver City	Metro Vancouver	Yes	Yes - incl. waterfront amenity spaces,	Yes - Active transportation and traffic safety improvements		Yes	Yes - Musems	Yes	Yes		Employment Generating Uses	Public Art negotiated separately	
Pitt Meadows	Metro Vancouver	Yes - sports facility or field consruction	Yes					Yes	Yes		Significant ecological features; other projects		
Pitt Meadows	Metro Vancouver	Yes - sports facility or field consruction	Yes					Yes	Yes		Significant ecological features; other projects		
Port Coquitlam	Metro Vancouver										7.5% of the amount shall be deposited in the City's community facilities amenity fund used for: - 1A) improvements of parks, fields, trails and other open spaces - 1B)creation or enhancement of facilities used for community purposes including day cares, spaces for recreation or social purposes, recreation, heritage		
Port Moody	Metro Vancouver	Yes - recreation facilities	Yes	Yes - pedestrian and cycling improvements				Yes	Yes	Yes - \$2 of the \$6 / sq. ft. Yes - Contributions to Affordable Housing Reserve Fund	Land acquisition, environmental enhancements Contributions to General Community Amenity	The City may accept any form of amenity that are identified in or consistent with the goals and objectives set out in the City's Official Community Plan	
Richmond	Metro Vancouver		Yes			Yes	Yes - public art	Yes		Yes Yes - contribution to the City's Affordable	Yes - Community planning operations and community engineering	Community beautification	
Sidney	Capital		Yes - off-site street or park improvements; Tree planting and other climate action	Yes - additional public parking			Yes - public art		Yes			Land or improvements involving publicly accessible open space/pedestrian routes;	The kind of amenities is not strictly limited to this list

Squamish	Squamish - Lillooet	Yes - facilities are negotiated Yes	Yes - park amenities Yes	Yes - active transportation		Yes - negotiated	Yes - public art		Yes		Equipment and assets are negotiated. Insulation a	Preffered form of on-site amenities or cash-in-lieu contributions differs by zoning area	
Surrey	Metro Vancouver		Yes - public parks and civic spaces						Yes - affordable housing and special needs housing		Cash-in-lieu contributions to Surrey Capital Projects Reserve Fund		
Vancouver	Metro Vancouver	Yes	Yes		Yes	Yes	Yes - museum and archives	Yes	Yes		Social service centre, Child day care facility; Public		
Victoria	Capital										council's discretion and guided by local area or neighbourhood plans		
West Vancouver District	Metro Vancouver	Yes Yes - community use facilities	Yes Yes - public parkland			Yes - childcare facility	Yes	Yes	Yes - Rental and/or supportive housing units Yes - rental accommodations		Public art Yes - Seniors' care services		

DATE: May 10, 2021
TO: Lesley-Anne Staats, Director of Planning, Town of Gibsons
CC: Samantha Lahey and J.P. Raulot-Lapointe, Urban Systems
FROM: Justin Barer, RPP, MCIP – Lead, Land Economics, Urban Systems
FILE: 1300.0119.02
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

1.0 PURPOSE AND APPROACH

This memorandum provides discussion on a series of case study financial analyses prepared to support proposed Community Amenity Contribution (CAC) rates for the Town of Gibsons. Analyses were prepared to assess the financial viability of new townhouse, apartment, and single-family subdivision typologies in the following OCP land use designations:

- Medium Density Residential
- High Density Residential
- Low Density Residential 2

Additional sites with a “Mixed Use Commercial” designation were identified for potential case study analysis, however ultimately these sites were not subject to pro forma financial review as we do not recommend that a target CAC rate be applied for commercial space. We would, however, anticipate that a target proposed CAC rate for residential space would apply to any new residential units created on these sites, if rezoning is involved.

Some projects will have the financial room to provide greater amenity contributions than others due to the variability in costs to construct, revenues that can be achieved, and the extent of permitted density. To account for this variability, we tested several case studies that represent a cross-section of different land use categories, locations, and zoning conditions.

In addition to the case study site analyses, we tested the financials for hypothetical 1-acre development sites. These hypothetical analyses are intended to represent the financial realities of developments under medium or high density residential OCP designations, provided that multiple parcels could be assembled. The purpose of these analyses is to test whether the overall picture of development viability – and the ability to pay amenity contributions – is improved when accounting for a larger development program.

Municipal staff identified 16 case study sites from nine neighbourhoods for financial assessments. These sites were intended to be representative of sites that are likely to seek rezoning, and of typologies that are envisioned for those sites per the Official Community Plan (OCP). The financial analyses are intended to illustrate the possible economic benefits to a developer from the additional density made available, and at a high level should reveal what potential there is to collect financial contributions for amenities without adversely affecting the developers’ bottom line under prevailing market conditions.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 2 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

2.0 METHODS

Using pro forma analysis, we assessed the financial performance of rezoning and redevelopment of each case study site to estimate the amount of land lift generated, and in turn the amount of amenity contribution supportable, from rezoning to the maximum densities identified for each OCP designation. Our analyses were completed as follows:

1. Working with the Town, we identified case study sites for the financial analysis. Sites were mostly improved with older, lower density buildings or single-family homes. The sites were selected to represent a cross-section of different neighbourhoods, with some diversity in land prices and existing uses.
2. Existing or 'base' values for each case study site were based on 2020 BC Assessment values. We further assume that a developer would, in most cases, need to pay at least a 20% premium over assessed value for a given parcel to create sufficient incentive for an existing owner to sell for redevelopment. This 'assessed + 20%' is the base value for most of the financial analyses, unless otherwise specified.
3. We estimated the rezoned land values at the maximum density identified in the OCP, excluding any amenity contribution.
4. We calculated the increase in land value associated with rezoning (the 'land lift') and the amount of potential amenity contribution at *50% of the estimated increase in land value*. We typically recommend that amenity contribution rate targets should be no more than 50% of the lowest lift amount for a development type that an analysis is prepared for.
 - For nearly all the case study sites, the supportable land value under a maximum OCP density scenario is higher than that under existing use (per established base values) and therefore the redevelopment projects would be deemed financially viable.
5. In addition to the case study site analyses, we prepared land lift calculations for a hypothetical 1-acre parcel, assuming that the parcel was to be redeveloped as per the Medium Density and High Density Residential OCP designations. For these hypothetical case analyses, the base land value was set using an average of prevailing land prices in the market.

3.0 ASSUMPTIONS

Input assumptions for each pro forma vary property to property, reflecting specific neighbourhood market conditions based on feedback received from local developers and realtors.

The major assumptions for **strata titled development** financial analyses (apartments, townhomes, duplexes) are as follows:

1. **Average Sales Price** assumptions vary by location and form.
 - Larger duplex units (e.g. >2,500 square feet) as modelled on case-study site #1 achieve lower per-square-foot sales prices of approximately \$425 per square foot. Per-square-foot prices generally increase for smaller units.
 - Generally, townhouse development forms are expected to achieve between \$600 and \$750 per square foot on average depending on the location.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 3 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

- Apartments are expected to achieve between \$700 and \$800 per square foot on average depending on location.
 - For the hypothetical 1-acre scenarios that have been used to further test the Medium and High Density residential OCP designations, per-square-foot revenue ranges from \$720 to \$760 per square foot.
2. **Sales Commissions** are assumed to be 3% of sales revenue.
 3. **Marketing** is assumed at 2% of sales revenue.
 4. **Rezoning costs** are per the municipal bylaw, and carrying costs associated with rezoning process are accounted for. Costs for rezoning are also captured within soft cost line items for development management, architecture, engineering, and other consultants.
 5. **Construction cost** assumptions are as follows:
 - **Hard costs** excluding parking for wood frame townhouses and small apartments are between \$230 and \$250 per square foot.
 - **Parking** is costed at \$55,000 per stall for underground and \$8,000 per stall for surface.
 - **Demolition** of existing structures is assumed at \$20 per square foot.
 6. **Landscaping** is assumed at \$15 per square foot of site area and applied to 50% of each site.
 7. **Servicing** allowance of \$2,500 per linear metre of site frontage is included to account for upgrades to adjacent sidewalks, trees, lighting and road.
 8. **Soft costs** (project management, architecture, engineering, other consultants, research and appraisal, survey, accounting legal, insurance) make up approximately 12-13% of hard costs.
 9. **Post construction** costs are included in the form of per-unit service rates and fees.
 10. **Building permits and DCCs** are included at current rates.
 11. **Property taxes** are based on most current mill rates and our estimates of assessed value during the development period.
 12. **Contingency** on hard and soft costs is set at 10%.
 13. **Interim financing** is charged on 75% of construction costs, at 4.25%. In addition, land financing is assumed at 7% for 40% of land value, and a 1% financing fee is charged on the total project costs.
 14. **Profit margin** for developers is set at 15% of total project costs, which is a typical profit margin target. This was confirmed through discussions with local developers, although it was indicated that many projects have not achieved this threshold. Further, lower thresholds are deemed viable if there is a corresponding decrease in approvals risk and timelines.

The analysis of **single-family subdivision** is premised on two case studies. The first looks at a larger (4+ acre) parcel subdivided into 64 small lots, with serviced lots sold to home builders. The second looks at a more standard urban lot (<9,000 square feet), with the analysis assuming it were sold to a home builder who subdivides, builds, and sells, three completed dwellings to end-users. Base land value for the larger site is

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 4 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

estimated using a combination of the assessed parcel value (land only), plus the likely cost to construct a new 2,800 square foot single family dwelling. Base land value for the smaller site is tested under two conditions – the first using the current assessed value (land + improvements), and the second assuming the same type of lot were available with an older, more significantly depreciated dwelling.

1. **Sale Prices for Serviced Lots** - assumes an average serviced lot will sell for \$220,000.
2. **Sale Prices for Homes** – Scenarios look at homes selling at \$420 to nearly \$480 per square foot.
3. **Sales Commissions** are assumed to be 3% of sales revenue.
4. **Marketing** is assumed at 2% of sales revenue.
5. **Rezoning costs** are per the municipal bylaw, and carrying costs associated with the rezoning process are included.
6. Other on-site and off-site cost assumptions include \$100,000 for general off-site costs not captured in the DCC bylaw, \$60,000 per lot for on-site servicing, and \$75,000 for other miscellaneous on-site costs.
7. Development costs include:
 - a. 4% of total costs for development management
 - b. 10% of hard costs for engineering
 - c. \$40,000 for other consultants, appraisal, survey and accounting
 - d. Legal fees at \$1,000 per lot
 - e. Insurance at 1.75% of all costs
 - f. Financing fee at 1% of project costs
 - g. DCCs at \$17,167 per lot
 - h. Property taxes during development
 - i. Advertising and promotion at \$50,000
 - j. Contingency at 10% of total costs
 - k. Interim financing is charged on 75% of construction costs at 4.25% and land financing is assumed at 7% for 40% of land value. A 1% financing fee is charged on the total project costs.
 - l. Profit margin is set at 15% of project costs.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 5 of 17
 SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

4.0 FINANCIAL ANALYSES

4.1 INTRODUCTION

This section contains the synopsis for the financial analysis that were completed for the case study and hypothetical test sites.

Analyses were prepared for 12 test sites in neighbourhoods across the municipality, with site sizes ranging from 7,000 square feet (0.16 acres) to nearly 200,000 square feet (4.59 acres). As noted in the introduction, analyses were run for the following OCP land use designations:

- Medium Density Residential
- High Density Residential
- Low Density Residential 2

While no analyses were prepared for sites with other land use designations, the analyses for these sites (and resulting CAC target rate recommendations) could be applied to new multi-family units created in other land use designations (e.g. Mixed Use Commercial).

In addition to the case study site analyses, additional sets of analysis were prepared for hypothetical 1-acre parcels under both Medium Density and High Density OCP designation conditions. These hypotheticals were prepared at a range of residential unit prices and costs. The base land value is set using per-square-foot averages from the case study sites.

The summary of results are presented in Table 1.

4.2 SUMMARY OF RESULTS

Table 1: Case Study Sites

Site	Zoning	OCP	FSR Range	Area	Existing Use	Total Site Size (sf)	Est. Rezoned Value at Max OCP Density	Est. Existing Value*	Attractive for Redevelopment?	CAC Per Sq.ft. at 50% of increase	CAC Per Incremental Unit / Lot at 50% of increase
1	R3	Medium Density Residential	0.5 to 0.75	Creekside / Hillcrest	SF Home	13,204	\$962,000	\$544,680	Yes	\$23	\$42,000
2	R3	Medium Density Residential	0.5 to 0.75	North Fletcher	SF Home	10,388	\$1,043,000	\$838,800	Yes	\$15	\$26,000
3	R3	Medium Density Residential	0.5 to 0.75	O'Shea / Oceanmount	SF Home	7,680	\$825,000	\$788,400	Yes	\$3.8	\$6,000

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 6 of 17
 SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

4	R1	Medium Density Residential	0.5 to 0.75	O'Shea / Oceanmount	SF Home	12,070	\$1,419,000	\$1,161,600	Yes	\$16	\$21,000
5	R1	Medium Density Residential	0.5 to 0.75	North Fletcher	SF Home	8,085	\$1,194,000	\$991,200	Yes	\$20	\$25,000
6	R2	Medium Density Residential	0.5 to 0.75	Creekside / Hillcrest	SF Home	10,148	\$705,000	\$549,600	Yes	\$12	\$13,000
7	R2	Medium Density Residential	0.5 to 0.75	Gibsons Landing	SF Home	7,000	\$1,133,000	\$1,114,800	Yes	\$2	\$3,000
8	R2	Medium Density Residential	0.5 to 0.75	Gibsons Landing	SF Home	8,276	\$764,000	\$744,000	Yes	\$2	\$3,000
9	CDA1	High Density Residential	1.2 to 1.4	Gibsons Landing	SF Home	13,759	\$1,322,000	\$1,177,200	Yes	\$4.6	\$4,000
10	R3	High Density Residential	1.2 to 1.4	Upper Gibsons	Seniors Supportive Living	98,340	\$2,553,000	\$7,789,200	No	n/a	n/a
11	R3	Low Density Residential 2	0.75 to 0.9	Gospel Rock	SF Home	199,505	\$2,850,000	\$1,470,400	Yes	n/a	\$12,000
12a	R3	Low Density Residential 2	0.75 to 0.9	Bay Area / Georgia View	Duplex	8,712	\$800,000**	\$783,000	Yes	n/a	\$4,000
12b	R3	Low Density Residential 2	0.75 to 0.9	Bay Area / Georgia View	Duplex	8,712	\$480,000***	\$783,000	No	n/a	n/a
12c	R3	Low Density Residential 2	0.75 to 0.9	Bay Area / Georgia View	Duplex	8,712	\$480,000	\$435,000****	Yes	n/a	\$11,000

*Assessed value + 20%, except Site 11 which is valued at assessed land value + est. cost to construct a new SFD, and Site 12 which is valued at assessed value.

**Based on new homes selling at \$474 psf

***Based on new homes selling at \$420 psf

****Estimate based on similar lot with older improvements

5.0 CASE STUDY SITE ANALYSES

5.1 SITE 1 – MEDIUM DENSITY RESIDENTIAL (CREEKSIDE /HILLCREST)

Site 1 is located in the Creekside / Hillcrest area. It is 13,204 square feet in size with an older single family home under 1,000 square feet. The site is zoned R3, allowing for single-family homes or duplex typologies.

5.1.1 Existing Land Value

To estimate the existing land value, we consider the following:

- The assessed value is \$454,000.
- Based on a land residual analysis for a new duplex, the property has a market value of \$250,000 to \$400,000 as a development site under existing zoning at 0.5 FSR. As this is less than the assessed value, the site would likely not be attractive for redevelopment under current zoning, barring a significant increase in potential selling price for new units.
- Based on a land residual analysis, the property would have a market value of approximately \$750,000 if rezoned to the base OCP use and density (medium density multi-family, at 0.5 FSR).

The existing value before rezoning is set at assessed value plus a 20% incentive = \$545,000.

5.1.2 Land Value at Maximum OCP Density

If the site were rezoned to the maximum density permitted under the Medium Density Residential OCP designation, this would yield approximately 7 units of 1,400 square feet. Assuming these units could sell for \$620 per square foot (\$877,000 per unit), the residual land value (net of transfer taxes and closing costs) would be approximately \$962,000.

5.1.3 Fixed Rate CAC Calculation

This case study site would support an estimated CAC of about **\$23 per square foot or \$42,000 per unit**. This assumes the site is redeveloped at 0.75 FSR, yielding 7 units of approximately 1,400 square feet each.

5.2 SITE 2 - MEDIUM DENSITY RESIDENTIAL (NORTH FLETCHER)

5.2.1 Existing Land Value

The assessed value of this parcel, including the older single family dwelling on site, is just under \$700,000. With an 20% premium, the value is nearly \$840,000. This is the assumed base value of the parcel.

5.2.2 Land Value at Maximum OCP Density

If rezoned to the max density permitted under the Medium Density Residential OCP designation, this would yield approximately 6 units of 1,300 square feet. Assuming these units could sell at this location for \$675 per square foot (\$875,000 per unit), the residual land value (net of transfer taxes and closing costs) would be approximately \$1.05 million.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 8 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

5.2.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$15 per square foot, or \$26,000 per unit.**

5.3 SITE 3 – MEDIUM DENSITY RESIDENTIAL (O'SHEA / OCEANMOUNT)

5.3.1 Existing Land Value

The assessed value of this parcel is \$657,000. With a 20% sale incentive, the base value is assumed to be \$788,000.

5.3.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under the Medium Density Residential OCP designation, this would yield approximately 5 units of 1,150 square feet. Assuming these units could sell at this location for \$700 per square foot (just over \$800,000 per unit), the net residual land value would be approximately \$825,000.

5.3.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$4 per square foot, or \$6,000 per unit.**

5.4 SITE 4 – MEDIUM DENSITY RESIDENTIAL (O'SHEA / OCEANMOUNT)

5.4.1 Existing Land Value

The assessed value of this parcel is \$968,000. With a 20% sale incentive, the base value is assumed to be \$1.16 million.

5.4.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under this land use designation, this would yield approximately 7 units of 1,300 square feet. Assuming these units could sell at this location for \$700 per square foot (just over \$900,000 per unit), the net residual land value would be approximately \$1.42 million.

5.4.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$16 per square foot, or \$21,000 per unit.**

5.5 SITE 5 – MEDIUM DENSITY RESIDENTIAL (NORTH FLETCHER)

5.5.1 Existing Land Value

The assessed value of this parcel is \$826,000. With a 20% sale incentive, the base value is set at \$991,000.

5.5.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under this land use designation, this would yield 5 residential units of 1,200 square feet. Assuming these units could sell for \$750 per square foot at this location (nearly \$910,000 per unit), the net residual land value would be approximately \$1.2 million.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 9 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

5.5.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$20 per square foot, or \$25,000 per unit.**

5.6 SITE 6 – MEDIUM DENSITY RESIDENTIAL (CREEKSIDE / HILLCREST)

5.6.1 Existing Land Value

The assessed value of this site is \$458,000. With a 20% sale incentive, the base land value is set at just under \$550,000.

5.6.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under this OCP designation, this would yield a 7-unit development of 1,100 square feet per unit. Assuming that these units sell for \$600 per square foot (\$650,000 per home), the net residual land value would be approximately \$705,000.

5.6.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$12 per square foot, or \$13,000 per unit.**

5.7 SITE 7 – MEDIUM DENSITY RESIDENTIAL (GIBSONS LANDING)

5.7.1 Existing Land Value

The assessed value of this site is \$929,000. With a 20% sale incentive, the base value of the site is set at \$1.1 million.

5.7.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under this OCP designation, this would yield a 4-unit development of 1,300 square feet per unit. Assuming these units sell for \$780 per square foot (\$1.02 million each), the supportable residual land value would be approximately \$1.13 million.

Note that if the sale price is only \$750 per square foot, the residual value falls to \$1 million, which would make this site unviable for redevelopment.

5.7.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of about **\$2 per square foot, or \$3,000 per unit.**

5.8 SITE 8 – MEDIUM DENSITY RESIDENTIAL (GIBSONS LANDING)

5.8.1 Existing Land Value

The assessed value of the site is \$620,000. With a 20% sale incentive, the base value of the site is set at \$744,000.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 10 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

5.8.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under the OCP designation, this would yield a 4-unit development of 1,550 square feet per unit. If sold at \$650 per square foot (just over \$1 million per unit), the net residual land value would be approximately \$765,000.

5.8.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of **\$2 per square foot, or \$3,000 per unit.**

5.9 SITE 9 – HIGH DENSITY RESIDENTIAL (GIBSONS LANDING)

5.9.1 Existing Land Value

The assessed value of the site is \$981,000. With a 20% sale incentive, the base value of the site is set at \$1.18 million.

5.9.2 Land Value at Maximum OCP Density

If rezoned to the maximum density permitted under the OCP designation, this would yield a 20-unit development. We further assume that this project would have a single level of underground parking. The resultant units would average 840 square feet, with an assumed sale price of \$780 per square foot (just over \$650,000 per unit). The resulting net residual land value would be approximately \$1.32 million.

5.9.3 Fixed Rate CAC Calculation

The case study site would support an estimated CAC of **\$5 per square foot, or \$4,000 per unit.**

5.10 SITE 10 – HIGH DENSITY RESIDENTIAL (UPPER GIBSONS)

The current land use (supportive seniors living) supports a significantly higher land value than the residual calculation at maximum OCP density (\$7.8 million vs. \$2.55 million). This site is therefore not deemed 'ripe' for redevelopment at this time.

5.11 SITE 11 – LOW DENSITY RESIDENTIAL 2 (GOSPEL ROCK)

5.11.1 Existing Land Value

The assessed value of this 4.58-acre parcel (land only) is \$482,000. To this we add \$932,000, based on an estimated cost to construct a new, 2,800 square foot dwelling under current zoning. This brings the total base value of the parcel to approximately \$1.41 million.

5.11.2 Land Value at Maximum OCP Density

To calculate the land lift from baseline, we assume that the site is rezoned and sub-divided into 64 lots with an average size of 3,100 square feet (288 square metres). Assuming that serviced lots would sell on average for \$220,000 each, and would sell over a period of approximately 3 years, the calculated residual value of the entire 4.58 acre area is approximately \$2.73 million.

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 11 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

5.11.3 Fixed Rate CAC Calculation

Assuming that the CAC rate is set based on 50% of the calculated land lift, and that the first lot is exempt from CACs, the analysis supports a per-lot CAC of approximately \$10,000.

Note that alternate methods of establishing the base land value would result in different calculations of lift, and thus potentially higher or lower CACs supportable.

5.12 SITE 12 – LOW DENSITY RESIDENTIAL 2 (BAY AREA / GEORGIA VIEW)

5.12.1 Existing Land Value

This site, measuring approximately 0.2 acres, is likely more representative of the scale of infill for small-lot single family development in Gibsons (versus a larger site that is subdivided into dozens of new lots, as per case study 11). The assessed value of this parcel (land and building) is \$783,000, of which 52% is attributable to the existing on-site improvements. This relatively high improvement value is due to the relatively new age of the structure (~14 years old).

5.12.2 Land value at Maximum OCP Density

If this parcel were re-zoned as 3 small single-family lots¹ and homes were built at 0.9 FSR (maximum under this OCP land use designation), this would yield homes of approximately 2,600 square feet. If sold for \$1 million each (approximately \$380 per square foot), the residual land value would be only \$250,000, or nearly \$130,000 less than the assessed value of the parcel for *land only*, and only 32% of the total current assessed value of the lot (land + improvements). For this development to yield a residual land value higher than the current assessed parcel value – a prerequisite for the application of CACs – the homes would need to sell for closer to \$1.24 million each (\$474 per square foot). As this price point is higher than what is currently market supportable (based on our discussions with local builders and realtors), this parcel would not be considered attractive for redevelopment.

As an alternate scenario, we test a hypothetical situation under which this same lot is assumed to contain an older, more significantly depreciated dwelling that is worth 15% of the land value. This sets the base value at \$435,000, or about \$350,000 less than previously. At this lower price point for land acquisition, new 2,600 square foot homes could sell for \$1.1 million (\$420 per square foot) and generate a residual land value that is high enough to justify CACs. The price point of \$420 per square foot for a new home is more in line with current market realities.

5.12.3 Fixed Rate CAC Calculation

Fixed rate CAC calculations assume that the first lot in a 3-lot subdivision will be CAC exempt, and that CACs are based on capturing 50% of the calculated lift in land value. In conducting the lift and CAC calculations, we consider three scenarios:

¹ Note that a variance would be required to achieve lots that slightly below the current minimum lot size of 280 square metres (3,013 square feet).

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 12 of 17
 SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

- a) Land is sold based on current assessed value of land and improvements (\$783,000), and new homes are sold at \$1.24 million (\$474 per square foot).
- b) Land is sold based on current assessed value of land and improvements (\$783,000), and homes are sold at \$1.1 million (\$420 per square foot).
- c) Land is sold based on land value + 15% (representing an equivalent lot with an older existing structure), and homes are sold at \$1.1 million (\$420 per square foot).

Supportable CACs for each of the above scenarios are as follows:

Table 2: Supportable CACs for Site 12, Three Scenarios

Site	Scenario	Sale Price of new homes (psf)	Base Land Value	Residual Land Value	CAC Supportable per Lot
12	A	\$474	\$783,000	\$800,000	\$4,000
	B	\$420	\$783,000	\$480,000	n/a
	C	\$420	\$435,000	\$480,000	\$11,000

5.13 HYPOTHETICAL PARCEL ANALYSES – MEDIUM DENSITY RESIDENTIAL

To supplement the case study site analyses presented above, an additional set of analyses was prepared for a hypothetical 1-acre parcel, developed at 0.5 and 0.75 FSR. This would yield an apartment building (condominium) ranging from 22 to 34 units, with average unit sizes from 835 to 865 square feet. We assume that this project would be built without underground parking, and with unit prices ranging from \$720 to \$760 per square foot on average.

The starting land value for this site is set using the average per-acre land values for the applicable case study sites discussed above. This places the base land value at just under \$4.1 million.

Under low and medium revenue scenarios (\$720 and \$740 per square foot, respectively), the project could not generate a land value more than the base value. There is, therefore, no land lift, and no ability to pay a CAC under these revenue conditions. At the high revenue level (\$760 per square foot), the project is still not able to generate a land lift at base density (0.5 FSR), but does show a positive lift at max density (0.75 FSR). The latter would allow for a CAC of just over \$3,000 per unit, or \$4 per square foot, based on capturing 50% of that lift.

Table 3: Hypothetical 1-Acre Test Case for Low-Rise Apartment with Surface Parking (Medium Density OCP)

	0.5 FSR	0.75 FSR
Units	22	34
Land Value Existing	\$4,066,351	\$4,066,351
Lift		
Low Revenue	-\$1,917,646	-\$789,656

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 13 of 17
 SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

Med Revenue	-\$1,658,974	-\$417,283
High Revenue	-\$1,400,302	\$205,867

Lift Per Unit		
Low Revenue	\$0	\$0
Med Revenue	\$0	\$0
High Revenue	\$0	\$6,055

CAC Per Unit (@50%)		
Low Revenue	\$0	\$0
Med Revenue	\$0	\$0
High Revenue	\$0	\$3,027

CAC Per Sq. Ft.		
Low Revenue	\$0	\$0
Med Revenue	\$0	\$0
High Revenue	\$0	\$4

5.14 HYPOTHETICAL PARCEL ANALYSES – HIGH DENSITY RESIDENTIAL

As with the medium density residential scenario, an additional set of analyses was prepared for a hypothetical 1-acre parcel under the High Density Residential land use designation. The resultant development is a 50 to 58-unit apartment (condominium). Underground parking is assumed, and unit values are set at \$720 to \$760 per square foot on average. The same base land value is assumed as per the Medium Density Residential scenario.

At the base density (1.2 FSR), there is no land lift at low and medium price points, but there is a land lift at the high revenue level (\$760 per square foot). At that density and unit price, a CAC of \$2,300 per unit or \$3 per square foot could be generated.

At maximum density (1.4 FSR), land lift is generated under both the medium and high revenue conditions. This translates into CAC potential (at 50% of lift) of \$2,700 to \$9,000 per unit, or approximately \$3 to \$10 per square foot.

Table 4: Hypothetical 1-Acre Test Case, Low-Rise Apartment with underground parking (High Density OCP)

	1.2 FSR	1.4 FSR
Units	50	58
Land Value Existing	3,588,590	3,588,590

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 14 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC) Rates

Lift

Low Revenue	-\$1,020,033	-\$424,371
Medium Revenue	-\$392,577	\$307,660
High Revenue	\$234,878	\$1,039,692

Lift per Unit

Low Revenue	\$0	\$0
Medium Revenue	\$0	\$5,304
High Revenue	\$4,698	\$17,926

CAC Per Unit (@50%)

Low Revenue	\$0	\$0
Medium Revenue	\$0	\$2,652
High Revenue	\$2,349	\$8,963

CAC per sq.ft.

Low Revenue	\$0	\$0
Medium Revenue	\$0	\$3
High Revenue	\$3	\$10

6.0 CAC ANALYSIS CONCLUSIONS

The analyses prepared for the 12 case study sites and 2 hypotheticals can be summarized as follows:

- Most case study sites appear to be financially attractive for rezoning and redevelopment at the maximum permitted densities under their respective OCP designation.
- All of the test sites that are financially viable for redevelopment are improved with older structures that are significantly depreciated.
- Those sites which are larger, and which have lower value improvements, tend to support the highest CAC amounts.
- The estimated maximum supportable CAC at most of the sites range as follows:
 - Medium Density Residential OCP:
 - Case studies showed a range from \$2 to \$23 per square foot, or \$3,000 to \$42,000 per door.
 - 1-Acre hypothetical analysis showed support for \$4 per square foot or about \$3,000 per door.
 - High Density Residential:
 - Only 1 of 2 test sites showed viability; it returned \$5 per square foot or \$4,000 per door.
 - The 1-acre hypothetical analysis showed support for up to \$10 per square foot, or \$9,000 per door.
 - Low Density Residential 2:
 - Two case studies with dramatically different parcel sizes suggest that a target rate of around \$10,000 per lot is appropriate.
- There is no opportunity for CACs from sites with significant existing on-site value, such as the seniors supportive living site, or sites with higher-value existing homes.
- Higher target CAC rates will reduce the number of sites that are financially viable for redevelopment. We therefore recommend setting rates relatively low, so as not to unduly impede development activity.
- The supportable CACs for large, complex projects / sites cannot be evaluated effectively in advance of a detailed concept plan and costing exercise, as the potential CAC amount would be heavily influenced by on-site requirements, infrastructure costs and the mix of uses.
- If the Town wishes to use a fixed-rate CAC approach to cover all rezoning candidates, the rate will need to be quite low to be affordable to the maximum number of projects.

7.0 CAC TARGET RATE RECOMMENDATIONS

Our target rate recommendations for Gibsons are premised on the following considerations:

- Rates should be set low enough as to not inadvertently discourage or impede development activity.
- Supportable rates per case study and hypothetical analysis should be used as a guide, and rates should be set towards the lower end of what has been deemed supportable through those analyses.
- As this is the Town of Gibsons' first foray into target rate CACs, we recommend relatively low introductory rates, followed by a review and revision in 1-2 years. This review period may also align with the Town's timeline for zoning bylaw revisions, which may be an appropriate juncture to consider an opportunity for new zones with built-in density bonusing opportunities.
- The main considerations in setting fixed target rates should be simplicity of application and transparency of process.
 - While some development projects will inevitably be able to support higher CACs than what they may end up paying through a target rate approach (as shown with the wide range of CACs supportable by different case study sites), the certainty and transparency that a target rate offers will be beneficial to the overall development process, both for municipal staff and development proponents alike.
 - The primary principle in our view should not necessarily be to capture the maximum 'lift' value possible from every project; rather, it should be to capture some of the value that is created through the entitlements process, while also accelerating and 'smoothing' the process of housing unit delivery for both staff and proponents.
- Larger, more complex projects should be subject to site-specific negotiations based on pro forma analysis, rather than target CAC rates.
- Residential components in smaller mixed-use projects could be subject to target CAC rates, however the commercial component should remain exempt from CACs.
- Purpose built rental residential is a priority for Gibsons and therefore should not be subject to CACs.
- Unusual rezonings (e.g. industrial or office to residential) may support a high CAC, depending on the proposed uses and densities. These types of unusual rezonings should be subject to case-by-case negotiation based on pro forma analysis.

Our baseline rate recommendations are as follows:

- **Multi-Family residential (strata):** \$4 per square foot, or \$4,000 per door.
- **Small-lot subdivision:** \$10,000 per lot / door

URBAN SYSTEMS MEMORANDUM

DATE: May 10, 2021 FILE: 1300.0119.02 PAGE: 17 of 17
SUBJECT: Technical Memo – Financial Analysis for Proposed Town of Gibsons Community Amenity Contribution (CAC)
Rates

Sincerely,

URBAN SYSTEMS LTD.



Justin Barer, M.PL., RPP, MCIP
Lead – Land Economics

/JB

U:\Projects_VAN\1300\0119\02\R-Reports-Studies-Documents\R1-Reports\2021_05_10_Technical Appendix_Financial Analysis for CAC Rates_USL.docx



TOWN OF GIBSONS

Policy Manual

SECTION:	PLANNING AND LAND USE	
TITLE:	Affordable Housing and Community Amenities	POLICY # 3.14
APPROVED DATE:	July 17, 2007	RESOLUTION #: R2007-349
REVISED DATE:	March 1, 2016	RESOLUTION #: R2016-051

PURPOSE

In order to alleviate the shortfall in affordable housing and community amenities as a result of increased residential development within the Town of Gibsons, Council will request as part of any new residential rezoning, funds towards or the provision of community amenities and affordable housing. The authority to pursue these voluntary contributions will be addressed through the use of Section 482 “Zoning for amenities and affordable housing” in the *Local Government Act*.

DEFINITIONS

Affordable Housing

Housing units that meet the needs of households in the Town of Gibsons whose income falls below the median income levels at rates that are no higher than 30% of the gross household income.

Community Amenities

Improvements to parks and public spaces, community, social and / or cultural services that offset the impact of the proposed development and that benefit the community at large.

Cash in Lieu

A cash contribution to the Affordable Housing Reserve Fund in lieu of providing Affordable Housing units and / or a cash contribution to the Community Amenities Reserve Fund in lieu of providing Community Amenities.

Housing Agreement

Affordable Housing and Community Amenities Policy No. 3.14

The standard Housing Agreement developed by the Town which provides a mechanism to leverage funds for the Affordable Housing Reserve Fund for any Affordable Housing ownership units.

COMMUNITY AMENITIES

The intent of providing funds towards the Community Amenity Reserve Fund is to enable the Town to build up a cash reserve to pay for the expansion of services and development of parks that are needed as a result of the increased density enabled by residential rezoning applications. For larger residential rezoning applications community amenities could be provided on or off site instead of providing funds.

Residential rezoning applications that result in the creation of less than 10 residential lots or multi-family residential units will be encouraged to contribute to a community amenity reserve fund towards the development of parks, community, and cultural services

Residential rezoning applications that result in the creation of 10 or more residential lots or multi-family housing units will be encouraged to either provide community amenities on or off site or contribute funds to the community amenity reserve fund.

AFFORDABLE HOUSING

The Town supports the development of affordable housing with a range of tools and incentives. This Policy outlines the available support options for different types of Affordable Housing.

General

It is preferable that actual units of affordable housing be supplied within the proposed residential development as this ensures affordable housing is provided as integral part of all new development in the Town. Alternatively, contributions to the Affordable Housing Reserve Fund enable the Town to build up a cash reserve that can be used to purchase land for affordable housing projects or to support projects by affordable housing providers.

Residential rezoning applications that result in the creation of less than 10 residential lots or multi-family residential units will be encouraged to contribute funds towards an affordable housing reserve fund.

Residential rezoning applications that result in the creation of 10 or more residential lots or multi-family residential units will be encouraged to provide at least 10% of the units for affordable housing on or offsite or contribute funds or in kind services in an equivalent amount towards an affordable housing reserve fund.

Affordable Housing and Community Amenities Policy No. 3.14

The Town has reduced Subdivision Bylaw requirements for servicing of new development to promote housing affordability and improve the Town's financial sustainability by reducing the amount of new assets that will need to be maintained and renewed.

The Town has introduced Zoning Bylaw options for small lots (RC zoning).

The Town plans to update Zoning Bylaw provisions to include bonus density provisions that support the development of Affordable Housing.

Affordable Ownership

The following types of ownership units are currently eligible as Affordable Housing under this Policy:

- Single Family or Duplex unit up to \$ 258,500, at least 1300 sft and at least two bedrooms
- Two bedroom condo up to \$ 200,000, at least 1000 sft
- One bedroom condo up to \$ 160,000, at least 800 sft

An upper limit of \$ 258,500 has been established based on median income data from the 2014 housing needs assessment. The price and size ranges above reflect types of housing that the market currently does not provide and are based on an assumed construction cost of approximately \$ 200 / sft. This information may be updated from time to time based on changes in the real estate market.

If ownership units are built as part of a development, a Housing Agreement will be required ensuring that at time of re-sale a contribution to the Affordable Housing Reserve Fund is made determined by the difference between restricted price and market price.

Council may consider Cash in Lieu instead of the provision of ownership units as part of the development.

Market rental

The Zoning Bylaw provides options for Secondary Suites and Garden Suites within certain areas of the Town.

Council may consider reductions for servicing requirements under the Subdivision Bylaw for purpose built rental projects providing apartments for rent.

Council may consider allocating funds from the Affordable Housing Reserve Fund for market rental projects in exchange for commitments preventing strata conversion of the rental apartments.

Market rental units are not expected to have pricing restrictions.

Affordable (subsidized) rental

The following levels of monthly rent are currently eligible as Affordable Housing under the category Affordable rental:

- Bachelor / Studio: up to \$650
- 1 bedroom: up to \$875
- 2-bedroom: up to \$925
- 3-bedroom: up to \$1087.50
- 4-bedroom: up to \$1200

The rent levels above are derived from Housing Income Limits that are monitored by BC Housing based on market rents in the area. This information may be updated from time to time based future updates of housing needs and availability of rental options.

Council may consider reductions for servicing requirements under the Subdivision Bylaw.

Council may consider allocating funds from the Affordable Housing Reserve Fund to facilitate the development of affordable rental housing units.

Seniors housing, special needs housing, services for the homeless

Council may consider reductions for servicing requirements under the Subdivision Bylaw.

Council may consider allocating funds from the Affordable Housing Reserve Fund to facilitate the development of seniors housing, special needs housing or services for the homeless.

Strata Conversion applications

Council may support Strata Conversion applications provided that each rental unit is replaced with rental units of a similar level of affordability.

AFFORDABLE HOUSING RESERVE FUND

Council will endeavour to make use of any available funds within 5 years of receipt of the funds.

Council may consider adding tax revenue as a contribution to the reserve fund through the annual budget process.

Affordable Housing and Community Amenities Policy No. 3.14

Council may consider applications for a grant or loan from the Affordable Housing Reserve Fund, subject to approval and adoption of a expenditure bylaw (as required for Reserve Funds). The following list outlines eligible requests that can be made by proponents of Affordable Housing projects:

- project development funding, for example for expert reports following a satisfactory feasibility analysis
- contribution to off-set Development Cost Charges and / or development application fees
- contribution for required off-site works under the Subdivision Bylaw and / or administration charges for a Servicing Agreement
- contribution to facilitate securing funds from other sources
- contribution for cost of construction or the purchase of land
- contribution to facilitate the operation of a homeless shelter

ROLE OF STAFF

Council instructs the Director of Planning to use Section 482 of the *Local Government Act* to negotiate with the applicant the amenities and affordable housing to be provided as part of the residential rezoning prior to the application being referred to a Public Hearing.