

July 13, 2020

FOI No: 2020-28

VIA E-MAIL – Redacted

Redacted

Dear Redacted

Re: Request for Records
Freedom of Information and Protection of Privacy Act

The City of White Rock has received your request for access to the following information pursuant to the Freedom of Information and Protection of Privacy Act (the "Act"):

- *market consultant's report used to determine the "Lift" for the proposed 4-storey apartment building at 1453 Stayte Road; and*
- *the planning departments calculations and evaluation used to determine the amount of CACs for the project.*

Please note that City staff did not calculate the amount of the community amenity contributions for the proposed development at 1453 Stayte Road. The market consultant included these calculations in their report.

Access to this report is available. Please find a copy attached.

Please contact our office if you have any questions or concerns.

Sincerely,



Ken Overton
Manager, Property, Risk Management, and FOI
604-541-2104

Att.

Corporate Administration
P: 604.541.2212 | F: 604.541.9348

City of White Rock
15322 Buena Vista Avenue, White Rock BC, Canada V4B 1Y6

WHITE ROCK
City by the Sea!

www.whiterockcity.ca

If you believe that the City of White Rock has been unreasonable in its handling of your request, you may ask the Information and Privacy Commissioner to review our response. You have 30 days from receipt of this notice to request a review by writing to:

Office of the Information and Privacy Commissioner
3rd Floor, 756 Fort Street
Victoria BC V8W 1H2

Should you decide to request a review, please provide the Commissioner's office with:

1. your name, address and telephone number;
2. a copy of this letter;
3. a copy of your original request sent to the City of White Rock; and
4. the reasons or grounds upon which you are requesting the review.

1453 STAYTE RD. CAC DETERMINATION

CITY OF WHITE ROCK, BRITISH COLUMBIA

Prepared for:
VANHOME PROPERTIES INC.

June, 2018

Prepared by:
Urbanics Consultants Ltd.
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1.0 INTRODUCTION

Urbanics Consultants Ltd. been retained by Vanhome Properties Inc. to provide the research and analysis supporting the determination of a CAC contribution for a proposed four-storey residential building at 1453 Stayte Rd. in White Rock, BC.

The subject property at 1453 Stayte Rd. measures 34,044 sq. ft., and is currently absent of any structures. It features the OCP land use designation of Urban Neighborhood, rendering it eligible for multi-family residential development up to 1.5 FAR in four storeys. Adjacent properties include neighborhood retail, single family dwellings (also designated Urban Neighborhood), and existing multi-family residential.

PROJECT DATA:	
CIVIC ADDRESS:	1453 STAYTE ROAD, WHITE ROCK
EXISTING ZONING:	RS-1
PROPOSED ZONING:	CD
PROPOSED LAND USES:	MULTI -FAMILY
GROSS SITE AREA:	~34,043.87sf (0.316 HA or 0.782 AC)
UNIT YIELD:	53 RESIDENTIAL UNITS
UNIT DENSITY:	67.8 Units/ AC
RESIDENTIAL AREA GROSS:	50,201 sf (4,664 sm)
OUTDOOR COMMON AREA:	9,100 sf (845 sm)
INDOOR COMMON AREA:	481 sf (45 sm)
FSR (TOTAL):	1.47 (1.5 allowed)
LOT COVERAGE:	45% (45% allowed)

UNIT DISTRIBUTION:	1 BED/1 BED & DEN - 23
	2 BED/ 2 BED & DEN - 26
	3 BED & DEN - 4

Total - 53

In accordance with the OCP, the proposed development program features a 1.5 FAR four storey building containing 53 homes. The proposed unit mix features a generous proportion of family-friendly unites, with four 3-bedroom suites and twenty six 2-bedroom suites. In addition to a 50,201 sq. ft. of residential floorspace, indoor common space totalling 481 sq. ft. is included in the proposal. Façade design is inspired by a contemporary west coast aesthetic. The preliminary drawing package can be found in the appendix.

The subject property is currently zoned as RS-1, and must be rezoned to Comprehensive Development (CD) prior to the commencement of development activities.



2.0 PURCHASE RATIONALE

The most recent BC Assessment value of 1453 Stayte Rd. is \$3,061,000, a decline from the 2016 BC Assessment value of \$3,092,000.

In a regional market characterized by high demand and low supply of sites suitable for development, Vanhome purchased the property in February 2017 for \$4,140,000, or \$81 per buildable sq. ft.. The property has been designated for multi-family development since at least the 2008 OCP, though the 2017 OCP revised the designation upwards from townhouse-oriented forms to lowrise apartment. The draft of the 2017 OCP was first made publicly available in March 2016, and featured the designation ultimately adopted for 1453 Stayte.

3.0 LIFT RATIONALE

Urbanics conducted a review of the project pro forma supplied by Vanhome, and found its assumptions and projections to be justified by expected market conditions both regarding development costs and condominium demand. Using figures in the pro forma as a basis, Urbanics conducted a discounted cash flow analysis to arrive at a post-rezoning residual land value.

The assumptions used are as follows:

- The development costs (ie., excluding land acquisition) totalling \$16,601,284 are to be incurred approximately equally between year 1 and year 2.
- Revenues totalling \$25,602,600 are expected to arrive in year 3.
- A discount rate of 15%.

The stream of cash flows, both positive and negative, stemming from the development of the project are forecast to be as follows:

1453 STAYTE RD. RESIDUAL LAND VALUE CALCULATION						
	Year 1	Year 2	Year 3			
Cash flows:	-8,300,642	-8,300,642	25,602,600			
				Residual land value = \$3,339,698		
				(net present value of cash flows)		
				Discount rate applied: 0.15		
				Assessed value = \$3,061,000		
				Lift above assessed value = \$278,698.00		
				(Residual value - assessed value)		

As shown above, Urbanics estimates the land lift upon development approval to be \$278,698. The industry-accepted range of discount rates is 15-20%, corresponding to average annual returns from real estate development. The use of a higher discount rate would result in a lower residual land value and thus lower land lift; the choice of 15% in this report thus errs on the side of forecasting a larger land lift.

4.0 CAC DETERMINATION

As 1453 Stayte Rd. is located outside the Town Centre and Lower Town Centre OCP designations and the proposed development is greater than 1.1 FAR, the Community Amenity Contribution associated with the project is subject to a negotiation process, commonly based on the principle of land lift. Setting land lift as the basis for CAC negotiations is an equitable and rational practice that recognizes land values are influenced by public policy choices such as rezoning; CACs thereby represent a mechanism for society to capture a share of the additional private value created.

Urbanics reviewed White Rock residential projects outside the Town Centre and Lower Town Centre areas, and found that the typical lift share captured by CACs is 50-60%. In December 2016, a project very similar in scope to the subject proposal was approved with a CAC of \$200,000, derived from a land lift of \$400,000.

We suggest it would be reasonable for the subject proposal's CAC to capture 55% of the land lift, falling in the middle of the range of prior development applications. A 55% share of \$278,698 would represent a community amenity contribution of \$153,284.

Suggested Community Amenity Contribution

Post-approval residual land value	Assessed value	Lift over assessed value	Suggested CAC (55% lift capture)
\$3,339,698	\$3,061,000	\$278,698	\$153,284

CAC at 55% lift capture	Net floorspace (sq ft)	CAC per sq. ft.	Similar project - Beachborough CAC per sq. ft.
\$153,284	50,201	\$3.05	\$3.69