

BAYVIEW PLACE

Re: Cash-in-lieu required under Section 15 of the Master Development Agreement (MDA) for the Roundhouse Development

Attn: Mayor Lisa Helps and members of Victoria City Council

We hereby request that the cash-in-lieu required under Section 15 of the MDA payment to be submitted with the Development Permit Application (DP) for 210 Kimta Road be postponed to the Occupancy Permit Application (OP) phase for our third condominium building in the Roundhouse Development. This phase will have considerable heritage, retail, professional, cultural, and performing arts spaces that could provide additional opportunities and options for a community facility if, at that time, suitable space instead of cash is preferred.

The original MDA from 2008 had the option of cash or community space as part of the public amenity. This contribution was scheduled to occur prior to issuance of an OP for any building in the Commercial Heritage Roundhouse phase. The community space was originally planned to be included in the heritage Roundhouse portion of the development instead of the new development area. Unfortunately, community space does not work within the heritage Roundhouse space.

When considering the restoration of the heritage buildings as the first phase in 2014, the MDA was accidentally changed so that a cash-in-lieu amount was to be paid when we applied for a DP for the first condominium building. From our perspective, the deferral was actually intended to be on the second tower.

The reasons to change the cash-in-lieu payment/community space from the DP phase for 210 Kimta Road to the OP phase for the third tower in the Roundhouse development are as follows:

1. The 2014 change was originally intended to have the payment made at occupancy of the second building, not at the DP stage of the first building (and, never at the development permit stage at all).



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2. The change of payment at the DP application was an oversight by our group because the change from payment at occupancy to the DP application was overlooked by a designated signatory in the absence of the owner, Mr. Kenneth Mariash. The substitute person did not notice the one-page letter from Mr. Jim Handy that suggested payment at the DP stage rather than at occupancy, which was later inserted into the MDA.
3. Paying the cash at the DP phase is uneconomic and impractical because, among other things, the development permit application does not necessarily lead directly to an approval or any progress towards completion of a building..
4. The heritage building renovations have not proceeded because of the poor economics due primarily to the very limited surface parking that was allowed by the City's planning staff. Based on this situation, we must increase surface parking and build some residences for walk-in market support and seek subsidies and tax relief to keep the rental rates and sales potential for the Roundhouse feasible for the tenants.
5. The original masterplan is currently conceptual for the 10-acre property with only 1-2 buildings to be built in the near future. A more specific and advanced plan will be available and agreed upon prior to the approval of development of the third and future towers in order to accommodate more suitable community space or the City can choose cash-in-lieu at that time if necessary.
6. The Vic West community is reviewing their facility needs and the issues around the walking distance to their current YMCA location. The distance is problematic, especially in the evenings. Also, the YMCA facility capacity is very limited. Many residents in the Songhees area are concerned about the distance to the old YMCA building at the very north end of the community. The residents would prefer a second facility that is closer to where the main population is, where the action is, and where the space is more suited to their current and future needs.

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So far, each of our Bayview buildings have taken between 3-5 years for development permit approval, or longer, and over 10 years for zoning, making it very uneconomic to try to do a 12-building masterplanned project like Bayview Place/Roundhouse.

Based upon the developmental delays (20+ years so far), the current uncertainty of the masterplan resolution, and all of the above considerations, it would be more practical to reschedule the payment, and/or the decision on community space versus cash-in-lieu, to occupancy of the 3rd tower in the Roundhouse development.

Thank you for your consideration. We are working towards the completion of the remaining buildings on the 20-acre Bayview and Roundhouse lands. It has been a slow process getting to this point considering we started working on this project in 1998. This 30 to 40-year project schedule is very uneconomic and unfeasible compared to the original 10 years that was expected for projects this size. Our much larger projects are typically finished in 7-8 years. We hope to work closely with the city to expedite the completion of this site. The tax revenues generated from this property will be significant to the sustainability of the City of Victoria's financial interests.

A decision by Council on this matter is required quickly as our Development Permit for 210 Kimta Road cannot proceed to Council for approval until this matter has been resolved. It is our hope to have the DP approved by Council no later than July 2018 so that we can proceed with its development as soon as possible. We can no longer afford any delays.

Please help us,



Kenneth Wm. Mariash, Sr.

For Bayview Place and Focus Equities

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We originally requested that the cash-in-lieu required under Section 15 of the MDA payment to be submitted with the Development Permit Application (DP) for 210 Kimta Road be postponed to the Occupancy Permit Application (OP) phase for our third condominium building (DA-3) in the Roundhouse Development. After hearing from City Staff in the planning department, we are willing to accept the City's position to defer the cash in lieu provision to the Building Permit phase of DA-3 which we understand staff would support in their recommendation to Council. During the intervening time, we intend to continue to consult with the community to understand what their preferences for community space might be. Should they conclude that community space within the Bayview Place development be their preference, we will return to Council to further amend the MDA.

Attached please find the original letter addressed to the attention of Mayor Lisa Helps and members of Victoria City Council.

Sincerely,



Kenneth Wm. Mariash, Sr.

For Bayview Place and Focus Equities

c.c. Mr. J. Tinney, Director, Sustainable Development and Community Planning