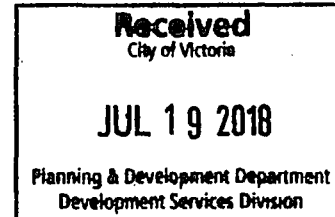




The Hive – 736 Princess
 Rezoning Application: 00602
 Development Permit w Variance Application: 00065

July 19, 2018

Mayor and Council
 Corporation of the City of Victoria
 1 Centennial Square
 Victoria, B.C. V8W 1P6



Good Day Mayor and Council,

We wrote to Mayor and Council May 25, 2018 answering questions generated at January COW meeting. Those answers resulted in additional information requirements from the City staff. Here-in are the answers.

Overview

When we 'stepped out of the box' in an attempt to create work force housing that actually provides fantastic living conditions, we were well aware that a difficult decision was required by Council regarding location and density. Once this building is in place it will set a new standard and force other developments to also provide better living conditions whenever small units are offered.

Obviously, a different look is required by Council – one that realizes Council objectives *can* be achieved by recognizing land use has constantly transformed to meet changing conditions in our growing city.

Electrical Vehicle Share Program (eVSP)

We were so excited to offer a plan that gave tenants complete onsite access to a variety of electric vehicles to suit their needs. This plan is integral to the success of the building. The plan being to provide areas for tenant networking and engagement (the entire main floor) and eliminate the need to own a vehicle through our comprehensive eVSP.

Vehicle Certainty

We are well aware we must adhere to the laws and ICBC rules. Vehicle *examples* that might be selected were enclosed with our report however, we purposely didn't commit to the exact ones because additional vehicle models are in the midst of their approval process and may be available to us.

Program Continuity

Staff are hung up on continuity and expertise. There are thousands of examples of huge companies going bankrupt and thousands of examples of small companies flourishing. The success is NOT size dependant. It is vision and management dependant. MODO can never be chosen because it does not provide the variety, volume and convenience needed. We are not going to use MODO's plan and jeopardize the success of the building.



This isn't a condo building where everybody just 'walks' when complete. No.... this is a rental building, and ongoing commitment to EVERY aspect is necessary for success. The best guarantee the City has is that failure would bankrupt the owners. We are willing to **guarantee the car programme for 10 years**. Beyond that, we will provide what the market demands. Given the EV infrastructure planning and promotion currently underway with the CRD, we expect the program will continue.

Management

Car rental is a very mature business and includes thousands of companies that offer less than 20 vehicles. All the policies, insurance practices, management and accounting systems are firmly established and in place. We have been asked to provide copies of all this information now (Gasp!). Building rentals also require similar systems. No one is asking for all the forms and procedures to ensure proper operations of the tenant rental or the coffee shop, yet all are integral to success. There should be no concern about operations. All are well established business practices.

Security

The company will own the vehicles. This is far greater security than MODO. With MODO you just get a 'feeling' that they are strong and ongoing. We are willing to guarantee that we will own the vehicles included in our program. This is like having a bond and adequate security.

Every operating business has risk. We have structured this to ensure that we have control of all aspects of the business so that high quality, reliable service is always available. This puts every aspect of the operation under our control – and we believe, ensures its success.

All the risk is ours. The City has none - a good solid building will always be there, owned by someone.

Securing Affordability

Affordability is secured through the CMHC plan (copy provided to the City previously). This plan identifies **ALL 75 units offered at 10% below market for 10 years**. CMHC are experts in affordable housing strategies and their logic is 'the need is now'. In their opinion, this plan provides the most positive impact to the City's current supply crisis.

Rental rates are mandated by CMHC through an evaluation of a building appraisal. This exercise was done a year ago, but will need to be updated. The original rent roll from CHMC based on the original appraisal was provided to the City.

National Trust is our agent and they are the largest funder of CMHC mortgages in Canada. They are responsible to audit our rents annually and if we are in any way non-compliant, the mortgage can be put into default.



We are pursuing the CMHC program. If however, conventional financing is obtained, then the City's plan of 10% below market rates on 10% of the units will be implemented in perpetuity.

We are also willing to register a Section 219 Covenant on title to ensure the building remains rental in perpetuity.

Open Princess to Blanshard

We suggested to Planning staff that when we canvassed neighbours, there was a feeling that access to Blanshard from Princess was very worthwhile. This is a separate issue, which as property owners, we would support. However, we are not proposing this as part of our application.

Bicycle Parking Spaces

There are 70 Class 1 bicycle stalls and 6 Class 2 stalls. Stalls are vertical to accommodate all of the transportation alternatives offered at The Hive.

Driveway and Aisle Capacity

The Traffic Study from Watt Consulting provides examples of successful one-way drive aisles in the city. Additionally, we would install mirrors and/or other equipment designed for safe entry and exit. As well, with the low volumes calculated in the report, the Traffic Engineers determined driver behaviour would further support this design.

Summary

Although we may still differ in some areas on our proposal, Victoria City staff have provided honest and open dialogue throughout the application process. They have been very generous with their time and I thank them for their comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Earl Large", is written over a horizontal line.

Earl Large, C.A., C.P.A.
Large and Co.