

MINUTES

DEVELOPMENT PROCESS REVIEW COMMITTEE

TUESDAY, 2012-MAR-27 AT 11:30 A.M.

FRANKLYN TRAINING ROOM, CITY HALL ANNEX, 238 FRANKLYN STREET



PRESENT:

Committee Members:

Councillor Bill Bestwick, Chair

Councillor Jim Kipp

Councillor Bill McKay

Ian Niamath, Ian Niamath Architects

Bob Wall, RW Wall Ltd.

Rod Smith, Newcastle Engineering

Maureen Pilcher, Maureen Pilcher & Assoc.

Byron Gallant, President, Canadian Home Builders' Association - CVI

Absent:

Greg Constable, Island West Coast Developments

City Staff:

Andrew Tucker, Director of Planning

Dale Lindsay, Manager, Building Inspections

Dean Mousseau, Manager, Engineering & Subdivision

Bill Corsan, Manager, Real Estate

Bruce Anderson, Manager, Community Planning

Thomas Knight, Manager, Current Planning

Holly Pirozzini, Administrative Assistant

Others:

Paul Rollo, GP Rollo & Associates

Keith Brown, Keith Brown Assoc Ltd.

1. CALL TO ORDER

The meeting was called to order at 11:35 a.m.

2. ADOPTION OF MINUTES (2012-MAR-13)

It was MOVED and SECONDED that the minutes of 2012-Mar-13 be adopted.

CARRIED

3. Presentation from Paul Rollo, G.P. Rollo & Assoc. – Amenity/Community Contributions

Mr. Rollo, President of GP Rollo & Associates Ltd., is a land economist with over 30 years' experience in providing real estate consulting services to governments and private-sector clients in Western Canada. He was recently contracted by the City of Nanaimo to prepare an Amenity Contribution Analysis for the Sandstone development.

Mr. Rollo made the following comments:

- After a rezoning there is an increase in the land value or "land lift". The lift = the increase amount of \$ per sq.ft. of gross buildable area.
- The land lift that has been created is not necessary for a profitable investment.
- Developing on Vancouver Island is riskier than in the lower mainland and this factor should be recognized in calculating the land lift.
- Developers are the risk takers in land development. The land lift calculation nets out the developer's costs (rezoning fee consultant's costs) and then shares in the value that has been created with the community.

- Look at amenity contributions on a project-to-project basis and don't assume an amenity contribution in every rezoning.
- Consider requesting developers to submit their financial pro forma for a project, under a confidentiality agreement, in order to better calculate the amenity contribution.
- Staff needs to have open dialogue and work with the developer when doing an amenity contribution analysis.
- Developers could hire a consultant to negotiate amenity contributions.
- It is possible to determine a fair amenity contribution for a development that may take 15 - 20 years to complete. There may be an agreement to adjust the amenity contribution at the end of the project.
- Municipal governments must negotiate amenity contributions within city bounds, they must be administratively appropriate, have easily understood data requirements, and should be looked at from the developer's perspective.
- Developers have a simpler approach when negotiating amenity contributions based on the economics of the development.
- The challenge is to level the playing field for staff and Council with the developer.
- Create a "made in Nanaimo" policy.
- The amenity contribution must be equitable, transparent and easily understood.
- Both the municipal government and the developer have to understand the process.
- The City of Nanaimo benefits by having a Real Estate section with staff who understands the business of property development.
- The land lift needs to be shared equitably between the municipal government and the developer; they have a partnership to develop the land.
- Most developers resent amenity contributions, but developers on Vancouver Island are beginning to agree on amenity contributions and are expecting to pay them.
- Both the municipal government and the developer are part of the community, so the land lift created by the project should be allocated by mutual decision.
- The City has a document "Amenity Contributions from New Development for the City of Nanaimo", dated August 2009, that could be referred to for amenity contribution analysis.

Keith Brown, Keith Brown Associates Ltd., made a presentation on this topic at the previous Development Process Review Committee held 2012-Mar-13. He added the following comments:

- Nanaimo should not be compared with lower mainland municipalities when considering the development's perceived value for the uplift (\$ value per door).
- Supports a "made in Nanaimo" policy which recognizes the local economy of this area.
- Only complex projects should require the hiring of a consultant to negotiate amenity contributions.
- There is zero risk to the municipality and 100% risk to the developer.

Committee's comments:

- It will be difficult for a municipal government to determine whether the developer's financial pro forma is accurate.
- Developers with a history locally of sound development should be recognized for this.
- Who should determine the value of amenities (i.e. lamp standards, bus shelters, etc.)?

- The amenity contribution is given in the beginning of the project, but it would be fairer if it could be refunded if the market collapses before the project is finished.
- Developers want to know what their contribution is applied to (i.e. Affordable Housing Legacy Fund, capital costs for low barrier housing, Good Samaritan House, etc.)
- Amenity contributions need to be specific to the project and phased if a project takes a long time to complete.
- There is no partnership between the municipal government and the developer. It's a working relationship because the developer has taken all the risk.
- How does staff deal with a lateral rezoning with respect to amenity contributions?

Staff comments:

- When a project changes ownership, the amenity contribution carries from owner to owner because it was paid in the initial rezoning.
- If the project is phased, then an amenity contribution may be paid at the subdivision stage, but the land costs may change from the time when the amenity contribution is negotiated to the time of construction of the project.
- In past, Council has recommended no amenity contribution for a lateral rezoning.
- The Official Community Plan has policy which speaks to the issue of amenity contributions and identifies a range of items to be considered and guidelines for determining project-related public amenities.

It was MOVED and SECONDED that the presentation from Paul Rollo be received.

CARRIED

4. The consensus of the Committee was to defer Item 4 – Public Hearing process to the next meeting scheduled for Tuesday, 2012-Apr-10.

The Chair distributed copies of a Times Colonist newspaper article dated 2012-Mar-25, "Langford Mayor Aims to Keep Growth Going" for Committee Members' information.

It was noted that Susan Cudahy, CEO of the Nanaimo Economic Development Corporation has expressed an interest in attending a future meeting.

5. NEXT MEETING

The next meeting will be held on Tuesday, 2012-Apr-10 at 11:30 a.m. in the Franklyn Training Room.

6. ADJOURNMENT

The meeting adjourned at 1:15 p.m.

APPROVED:

Bill Bestwick, Chair
Date: 2012-Apr-10