Dept. Manager	Director	CAO

The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

INFORMATION REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Emilie K. Adin, Deputy Director, Community Development

SUBJECT: UPDATE, HARBOURSIDE REZONING APPLICATION, 801 - 925 HARBOURSIDE DRIVE, 18 FELL AVENUE (CONCERT PROPERTIES LTD./HCMA)

Date: September 26, 2013 File No: 3360-20 REZ2012-00025 801 889 and 925

ATTACHMENTS:

1. Harbourside Waterfront Rezoning Town Hall Meeting newspaper ad
2. Updated Proposal for Harbourside Waterfront Masterplan, dated September 11, 2013
3. Community Amenity Contribution Consultant Report: Harbourside Waterfront by S. Cawley, Appraiser
4. Town Hall Meeting Boards

PURPOSE:

The purpose of this report is to update Council on the Harbourside rezoning application. This includes updated plans and a Community Amenity Contribution (CAC) proposal, and Town Hall Meeting Information Boards. The Town Hall meeting is scheduled for September 30, 2013.

BACKGROUND:

An OCP amendment application by Concert Properties and Knightsbridge Properties for the four lots at 801, 889, 925 Harbourside Drive and 18 Fell Avenue was processed by the City between 2009 and 2012, and was successfully completed in spring 2012.

On November 19, 2012, Concert Properties submitted an application to amend the zoning of the subject properties to a new Comprehensive Development Zone allowing for residential uses, heights and densities consistent with the amended Official

Community Plan. The development site includes 4 complete blocks for a total area of about 12 acres. A breakdown of uses proposed on the site includes up to 1.35 of Floor Space Ratio (FSR) of market residential floorspace (i.e., 1.35 times the lot area), up to 0.15 FSR of rental residential floorspace, and a minimum of 0.70 FSR of commercial (office and retail) floorspace, with a total allowable 2.05 FSR (with rental residential floorspace excluded).

Council has directed staff to schedule a Town Hall meeting on this rezoning proposal. A Town Hall Meeting has been scheduled for Monday, September 30, 2013. The newspaper ad to appear in issues of the North Shore News and the North Shore Outlook has been attached to this report (Attachment #1).

PROJECT UPDATE:

This application has been refined in several ways since it was submitted in late 2012. The latest submission (Attachment #2) provides a revised design that achieves a new Flood Control Level of 4.5 metres or equivalent measures, with an ability to be adapted to 5 metres or more in response to future sea level rise. Commitments for transportation improvements and traffic demand management have advanced. There is also a detailed examination of a community amenity contribution which is discussed in more detail in the next section.

Another change that has occurred in the application since prior plans were reviewed by public and Council is the proposed relocation of a commercial building to the third phase to be grouped in a campus-like setting with the other two commercial buildings that are providing a buffer between the proposed Harbourside Waterfront mixed use development and the Seaspan shipbuilding operations. A fourth phase would complete the project.

If approved, this project would be built out in phases over an anticipated 10 – 15 years. As a result, the approval is being considered as a Zoning change with Development Permit Area (DPA) Guidelines to guide the siting and design of future buildings. The DPA Guidelines are therefore an important part of the applicant submission, rather than specific building designs at this time.

While there is more work to be done on this project prior to a Public Hearing, it is timely to receive further public input through a Town Hall Meeting.

COMMUNITY AMENITY CONTRIBUTION DISCUSSION:

The City retained a third party consultant (Sandra Cawley of Burgess, Cawley, Sullivan and Associates) to assist the City in determining an appropriate Community Amenity Contribution package for this master planned 12 acre development. On August 8, 2013, the consultant's report was shared with the City of North Vancouver and the applicant. The full report is attached to this report (Attachment #3).

The figures used in the study represent the applicant's actual financial picture if this development were to proceed. There are, however, factors in the study that staff are still considering since they differ from how staff would normally prepare such an assessment.

In particular, the following two items are still being considered by staff:

1) There is an existing building on this site that represents a significant value to the owner. Under standard accounting practice, the value of such a building is included as a cost to the developer. The extraction of the value of 889 Harbourside Drive (the "Spa Utopia" office building) in the pro forma analysis has a significant impact on the pro forma and resulting potential community amenity contribution. This accounting of the value of 889 Harbourside is taken from an investor's point of view. Staff suggests that the inclusion of 889 Harbourside in the calculations, reducing the potential CAC contribution to the City, could be perceived as a benefit to a private entity based on the calculations provided. It is the Lands staff position that if an owner proposes a redevelopment of an existing property, the implied value of the existing improvements would be zero, and the cost to make the land ready to accept a new development would be inherent in the land value necessary to support redevelopment. Staff maintains that it should not be up to the City to make up for a financial shortfall of a potential loss in asset value owing to a redevelopment scenario.

2) Staff suggest that the 20% developer risk as included in the calculations is excessive, as land values are partially derived from working backwards from final sales prices of development less all expenses, which includes developer profit. Inherent in the developer profit is risk. Staff agree that there is additional risk to this project than compared to a smaller project, and that a financial institution may require an additional provision for risk, however 20% on top of the developer profit is excessive.

Aside from the way that the uplift in value from rezoning the property is assessed, the Community Amenity Contribution package, while substantial, is lower than staff would have anticipated for the development of a 12 acre site. Ms. Cawley recommends a cash contribution of $2.3 million to $3.7 million, above the $32 million infrastructure budget, which includes at least $17 million in bylaw required improvements (such as to roads, sidewalks, utilities, etc.), as well as off-site infrastructure improvements in the order of $3 million and public realm improvements in the Harbourside area in the amount of approximately $10 million. The applicant's proposed public realm improvements to the Kings Mill Walk area include public art, Spirit Trail improvements, and parks planning and upgrades. Subject to negotiation, some of the proposed public realm contributions proposed by the developer above may alternatively be received as additional cash contributions to the City to use on other priority public realm improvements.

While staff would have anticipated a higher CAC, the outcome of the staff's review of the report is a common understanding that there is less profit to be had by the developer in the proposed development, in comparison to a similar density build-out on a similarly sized site starting with raw land suitable for a similar redevelopment. This is due to a variety of factors including but not limited to higher construction costs due to the water table and flood management requirements.

The Community Amenity Contribution proposal will be presented at the Town Hall meeting on September 30th, 2013, and Council will be able to observe public input on the CAC offer at that event. The proposed development application does offer the City an opportunity to animate the west waterfront area and to provide a hub for the new Spirit Trail connection along Kings Mill Walk, in support of policy objectives in the Official Community Plan, the Waterfront Vision, and the Parks Master Plan. Therefore Council may consider that the proposed financial contributions and public benefits, in addition to furthering the City's "vibrant waterfront" policy objectives, should be endorsed through support for the rezoning proposal. The purpose of this report is not to seek Council's endorsement of the CAC but only Council's awareness of the offer, prior to the Town Hall meeting.

FINANCIAL IMPLICATIONS:

This is a significant development with the potential for significant improvements, as described in the attachments to this report. The next staff report will contain a full financial analysis.

CONCLUSION:

This report is provided to update Council prior to the Town Hall Meeting. Following that event, staff will complete their analysis and report to Council for further direction on this application.

RESPECTFULLY SUBMITTED:

for

Emilie K. Adin
Deputy Director, Community Development

EA/skj

Attachment #1

TOWN HALL MEETING

REZONING APPLICATION
Harbourside Waterfront

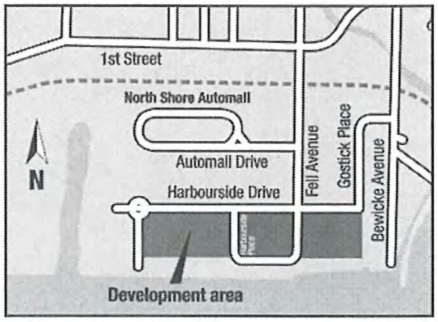
Date: Monday September 30, 2013

Time: 6:30-7:30pm Material on display
7:30-9:00pm Presentation and discussion

Meeting Location: 300-889 Harbourside Drive, North Vancouver

Concert Properties has made an application to the City of North Vancouver to rezone the properties at 801, 889 & 925 Harbourside Drive and 18 Fell Avenue. The application proposes amending the Zoning Bylaw by introducing a new comprehensive zone allowing for a mixed-use development comprised of residential condominium and rental homes, office, neighbourhood serving retail and a hotel. The uses, densities and heights proposed in the rezoning application are consistent with the Official Community Plan amendment adopted in July of 2012. The rezoning also incorporates an updated conceptual design, thorough traffic and parking assessment and proposed community benefits.

A Town Hall Meeting has been scheduled to give interested members of the public an opportunity to learn about and respond to the proposed rezoning prior to a Public Hearing. Materials will be on display and the applicant will give a presentation. A facilitator will lead a discussion following the presentation at 7:30pm.



FOR FURTHER INFORMATION:

Applicant

Farouk Babul
Concert Properties Ltd.
604.602.3796
FBabul@concertproperties.com

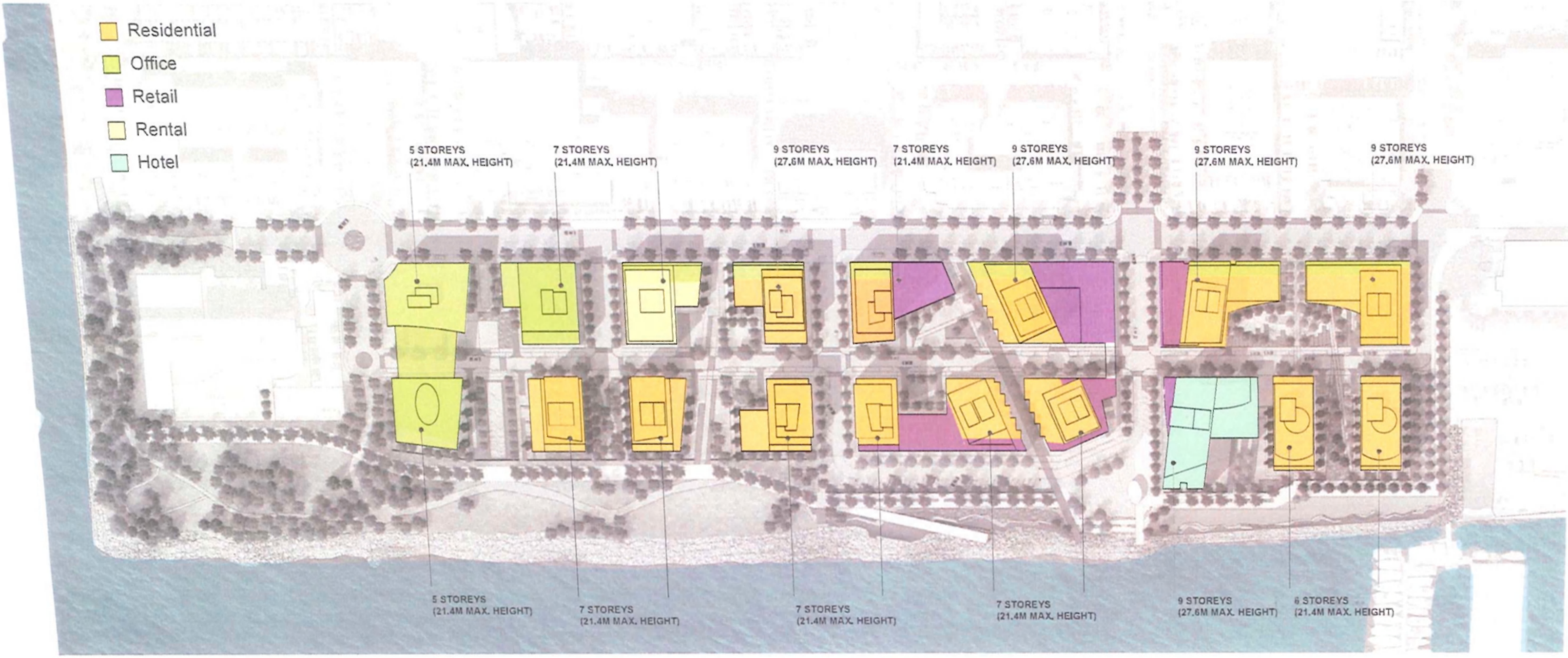
City of North Vancouver

Emilie Adin
City of North Vancouver
604.982.3922
EAdin@cnv.org

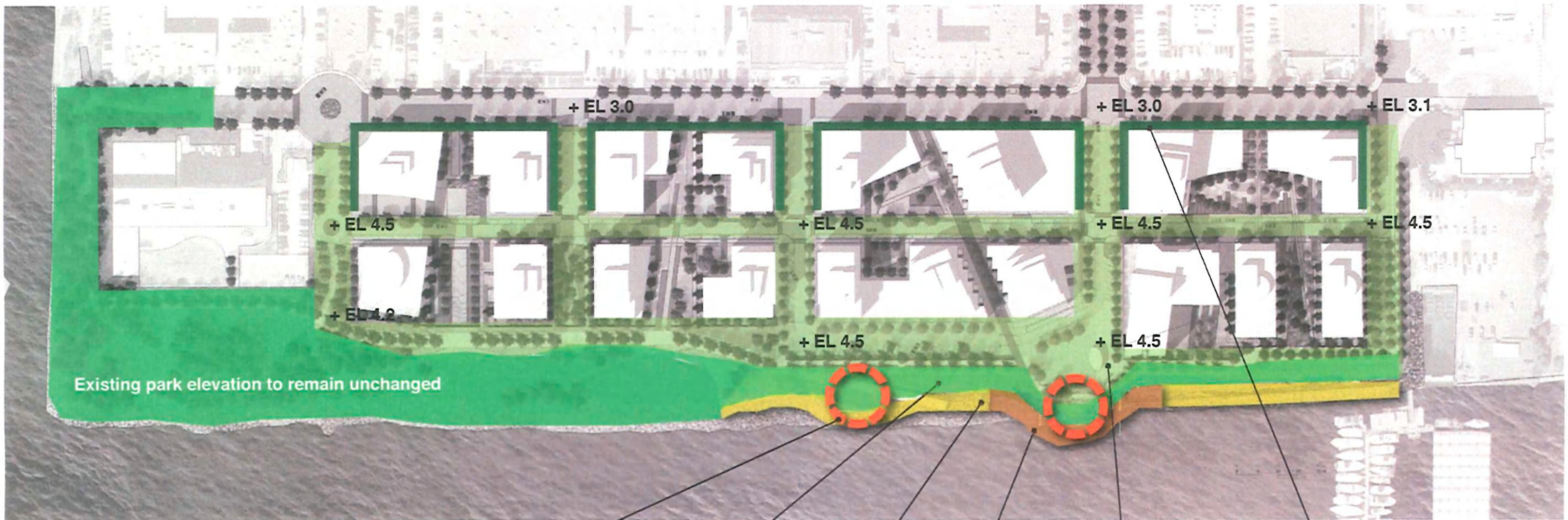
HARBOURSIDE | REVISED MASTERPLAN DESIGN

Attachment #2

HARBOURSIDE | REVISED LAND USE



HARBOURSIDE | MASTERPLAN DESIGN MODIFICATIONS



Decking Structures: Consider view points with minor projections over the top off bank allowing universal access to the water's edge

Terracing of foreshore below top of bank: Create planting pockets and benches to accommodate ecological complexing

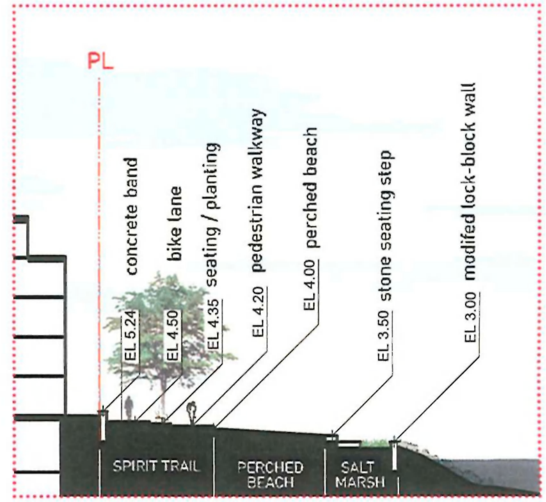
On grade sidewalk system: Connect to on-grade commercial floor space and allow FFE's to be raised along Harbourside Drive in the future

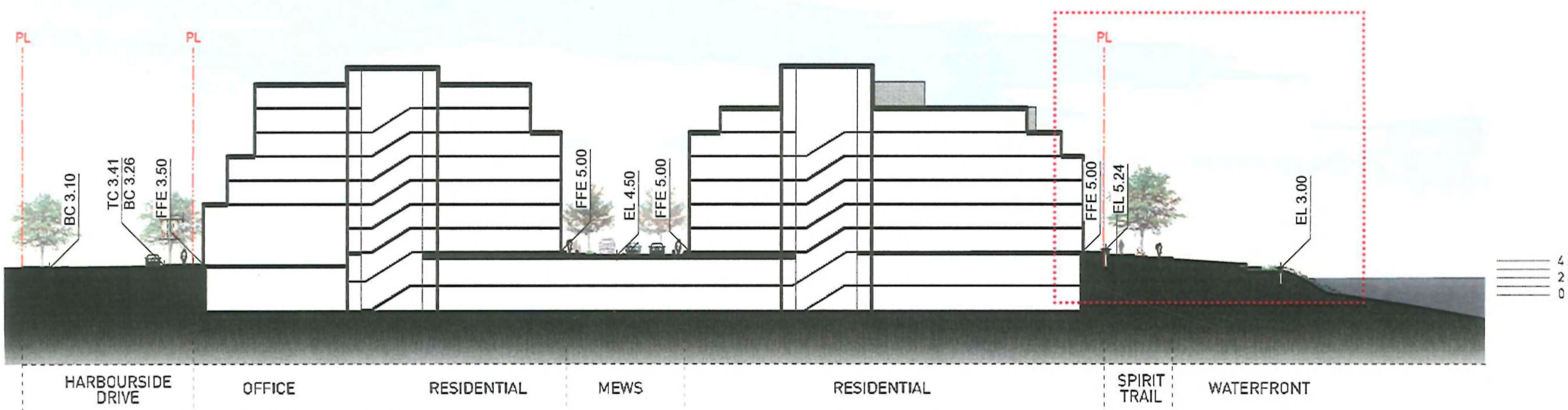
Terracing above top of bank:
Transition the grades within the park between the top of bank condition at 3.5m to 4.5m along Harbourside Place

Headland:
Create a natural headland projection off of the existing shoreline to accommodate Fell Street Plaza and attenuate wave action

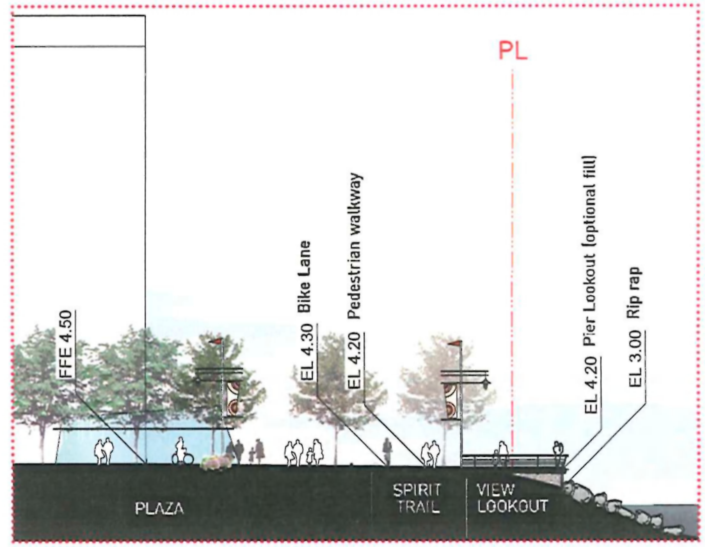
Street elevations:
Raise street elevations south of Harbourside Drive to a maximum of 4.5m to address Sea Level Rise

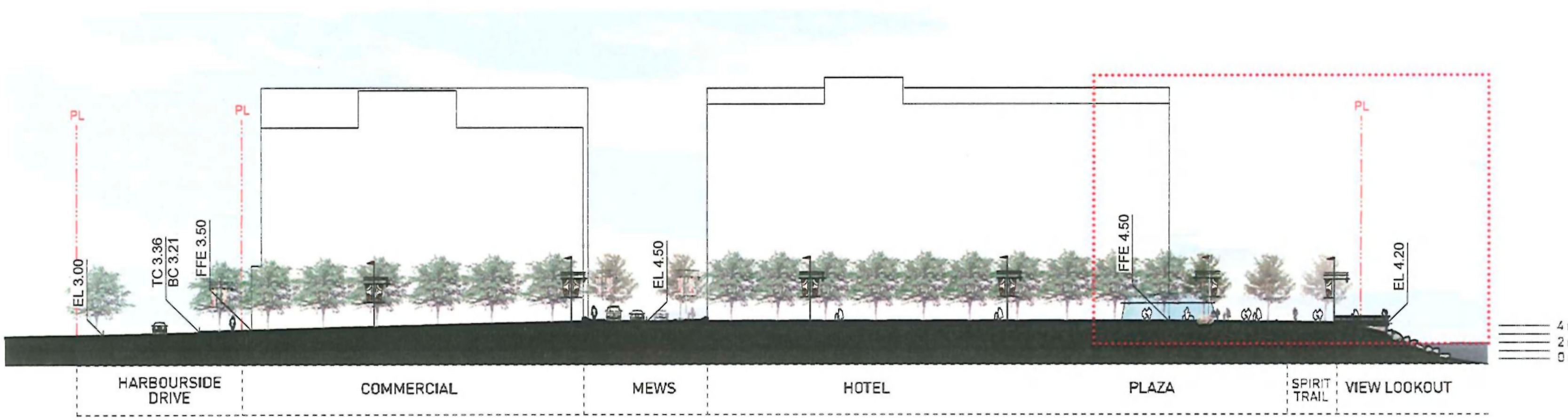
HARBOURSIDE | SECTION THROUGH LOT D



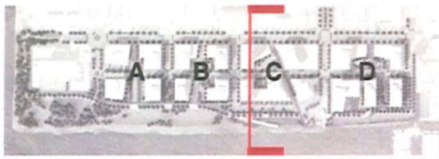


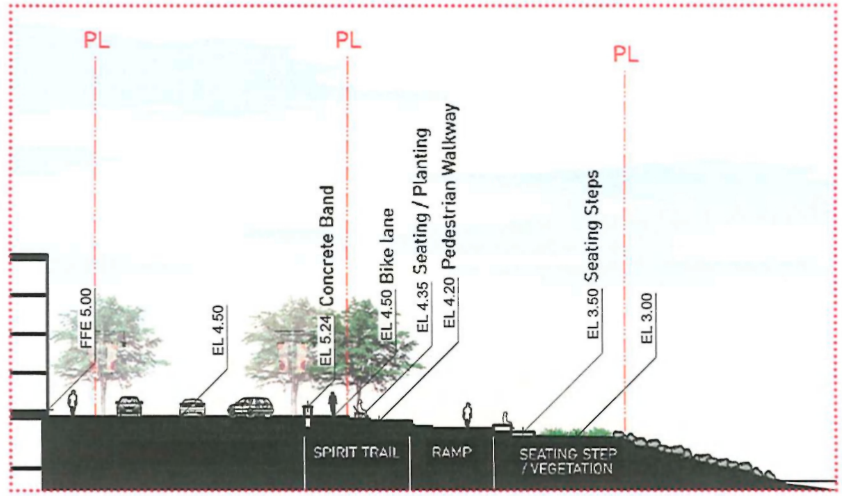
HARBOURSIDE | SECTION-ELEVATION ACROSS FELL AVE + FELL STREET PLAZA

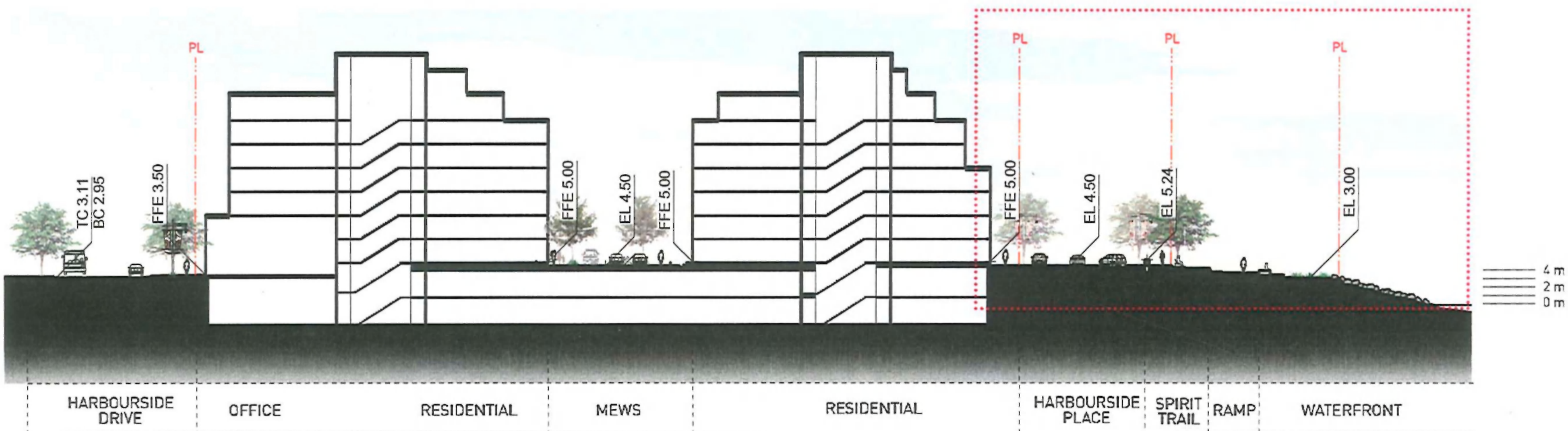




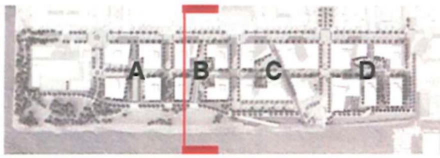
HARBOURSIDE | SECTION THROUGH LOT C

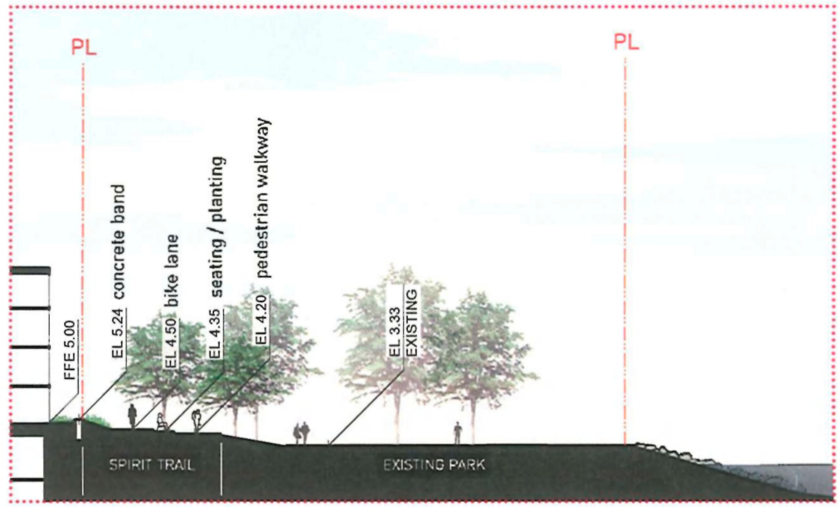


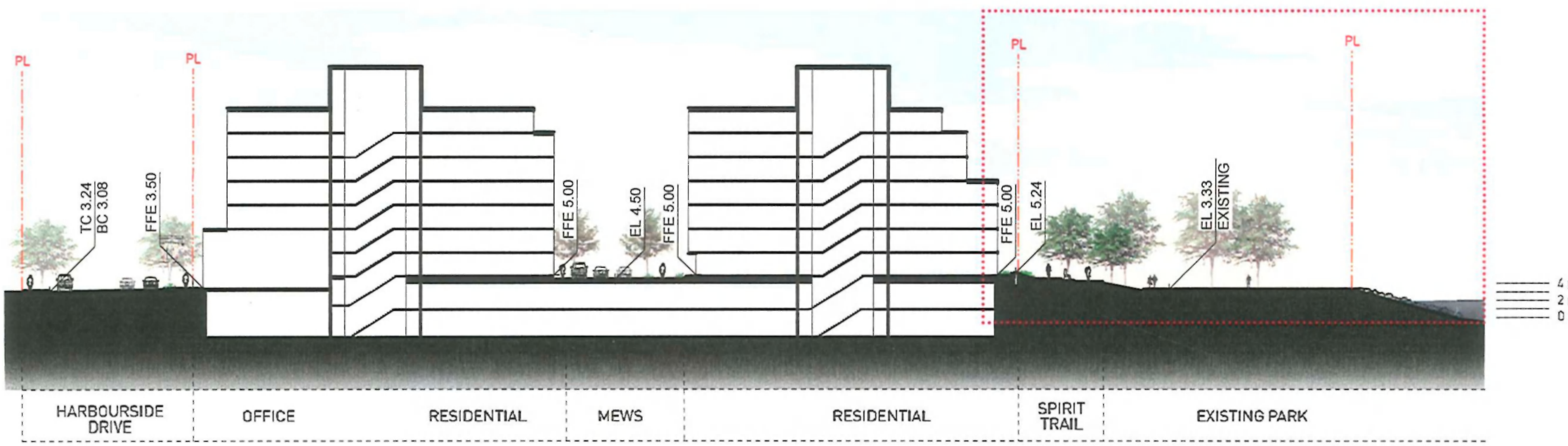




HARBOURSIDE | SECTION THROUGH LOT B







LEGEND
- » Concrete Band (EL 5.24)
- » Modified lock-block wall
- » Approx. high water mark (EL 2.5)

HARBOURSIDE | MASTERPLAN DESIGN MODIFICATIONS

Attachment #3

BURGESS
CAWLEY
SULLIVAN
& Associates Ltd.

Consulting Report:
Harbourside Waterfront

Address:
925, 889 & 801 Harbourside Drive and
18 Fell Avenue, North Vancouver, B.C.

Effective Date:
August 1, 2013

Report Date:
August 7, 2013

Prepared For:
CITY OF NORTH VANCOUVER

2nd Floor, 602 West Hastings Street
Vancouver, B.C.
V6B 1P2

Phone: (604) 689-1233
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www.bcappraisers.com

BURGESS CAWLEY SULLIVAN & ASSOCIATES LTD.

ACCREDITED REAL ESTATE APPRAISERS, MARKET ANALYSTS, INVESTMENT AND PROPERTY TAX CONSULTANTS

August 7, 2013

Our Ref: A13014254LB

City of North Vancouver
141 West 14th Street
North Vancouver, B.C.
V7M 1H9

Attention: Ms. Emilie Adin

Dear Madam:

Re: **CONSULTING REPORT – CAC'S FOR HARBOURSIDE**
925, 889 & 801 HARBOURSIDE DRIVE AND 18 FELL AVENUE, NORTH VANCOUVER

INTRODUCTION

The City of North Vancouver (CONV) has retained the services of Burgess, Cawley, Sullivan & Associates Ltd. (BCS) to work on behalf of the City to assist them in negotiating a Community Amenity Contribution (CAC) with respect to the Harbourside Waterfront rezoning, which is being contemplated by Concert Properties.

CACs

CACs are in kind or cash contributions provided by property developers when City Council grants development rights through rezoning.

New growth increases the need for both expanding or additional city facilities and often also facilitates a requirement to upgrade the city infrastructure. CACs help the city build and expand park spaces, libraries, childcares, community centres, transportation services, cultural facilities, neighbourhood houses and the like. Other normal civic levies in municipal budgets include an allocation or contribution by way of Development Cost Levies for upgraded infrastructure such as roads or sewer replacements which is the normal part of city growth.

Methodologies of Calculating CAC's

Hypothetically, if a site, as per the OCP, can be redeveloped to a higher and better use, is currently serviced and no City amenities or extraordinary servicing would be required to accommodate the new density, then typically the share or lift of the increased development density over and above the achievable density noted in the OCP can simply be calculated.

If a developer has extraordinary servicing requirements, or as a requirement of the rezone, certain on-site amenities are required to be developed (such as a daycare), assuming all other factors equal, he could not pay the same price for the land as these costs have to be incurred as part of the rezoning. An example of how this impacts land and potential CAC is shown below.

Example 1 - No Servicing or Extraordinary Costs to Rezone

Site		30,000	sq.ft.
Current Zoning - Light Industrial		1.0	FSR
Total Allowable FSR		30,000	sq.ft.
Value As is		$35.00	psfb
Total Value As Is		$ 1,050,000	
Proposed Rezoning - Multi Family			
Potential FSR		2.6	
Potential Total FSR		78,000	sq.ft.
Value as if Rezoned		$110.00	psfb
Total Value Rezoned		$8,580,000	
Difference in Rezoned versus As Is Value		$7,530,000	
% Share of Lift to City - if	50%	$3,765,000	
	75%	$5,647,500	

Example 2 - If Major Infrastucture Required

Site		30,000	sq.ft.
Current Zoning - Light Industrial		1.0	FSR
Total Allowable FSR		30,000	sq.ft.
Value As is		$35.00	psfb
Total Value As Is		$ 1,050,000	
Proposed Rezoning - Multi Family			
Potential FSR		2.6	
Potential Total FSR		78,000	sq.ft.
Value as if Rezoned		$110.00	psfb
Total Value Rezoned		$8,580,000	
Less Extraordinary Costs to Service			
Unusual Site Conditions		$3,000,000	
Requirement for Daycare		$2,000,000	
Risk Allowance for Servicing		$1,000,000	
Net Value as Rezoned		$2,580,000	
Difference in Rezoned versus As Is Value		$1,530,000	
% Share of Lift to City - if	50%	$765,000	
CAC Benefit in Kind - Daycare		$2,000,000	
Total CAC		$2,765,000	
% Share of Lift to City - if	75%	$1,147,500	
CAC Benefit in Kind - Daycare		$2,000,000	
Total CAC		$3,147,500	

The above analysis just indicates the process by which the two scenario's must be looked at differently.

HARBOURSIDE

Since 1998, the northern portion of Harbourside Business Park was developed to auto mall uses, with the east side of Fell Avenue developed with light industrial buildings. A school was also constructed at the west end of the park. The lands along the waterfront have essentially remained vacant since then, except for one four-storey, 75,000 sq.ft. office building that was developed by Concert Properties in 2002. The vacant lands, together with the one site that was developed with the office building, form the focus of the lands in relation to the CAC.

The current land is zoned Commercial Light Industrial Auto-Mall use, allowing a Floor Space Ratio (F.S.R.) of 1.0. Floor Space Ratio is a ratio used to calculate the buildable area. In this instance, the total site area under discussion, comprising four legal lots, forms a total site area of 527,852 sq.ft. At a current allowable F.S.R. of 1.0, 527,852 sq.ft. of buildable area can be developed. Given that approximately 75,000 sq.ft. has already been developed, this would suggest that, based upon the existing zoning, a further approximately 450,000 sq.ft. of commercial auto-mall, mixed use, office and business park density could be developed without the property being rezoned.

To put this into perspective, according to our records there is just over 2.0 million square feet of office space in North Vancouver. According to key brokers in the industry including CB Richard Ellis, Colliers International, Cushman Wakefield Lepage and Avison Young, the supply of office space (depending upon what is included), varies between 1.4 million to just over 2.0 million. The higher end calculation includes small buildings or components of buildings with less than 10,000 sq.ft. of office space. The historical absorption of office space over the last 5 years has been between 10,000 and just over 14,000 sq.ft. per annum. Over the last two cycles (since 1999), the historical annual absorption has been between 6,800 and just under 14,000 sq.ft. per annum, depending upon the brokerage statistics considered. This would suggest that *without* considering any other new product coming on stream, the 450,000 sq.ft. of commercial density available on the subject property would represent 32 years supply of office space. New buildings under construction that have not yet had their office component's pre-leased indicate current supply available or to be available within the next 12 – 24 months will offer 120,000 sq.ft. of office space – over 9 years supply excluding the subject. Most of this space is more centrally located. Although this report addresses only the lift as it pertains to the residential which is a new use to be introduced, even with a proposed .7 F.S.R. commercial space, close to 300,000 sq.ft. still remains to be developed. The viability of building this out at the same time as the residential may challenge the economic feasibility of the entire project. The City may wish to contemplate reducing some of the office component, increasing residential density and height to improve both the economics to the developer and to increase the potential CAC.

Given the challenges of the economics of building office, Concert Properties, on behalf of their own interests together with one other property owner, approached the City of North Vancouver in early 2012 to discuss development of these lands to a mixed use (commercial/residential) to create a waterfront destination, aligning with the City's 2005 Waterfront Project West Waterfront Goal. The CAC, therefore, relates to the introduction of the residential density to this waterfront location of which the City of North Vancouver should share in a significant portion of this land lift for this specific new form of development (residential).

The rezoning proposal for the new, mixed-use development plan includes expanding the definition of business park uses to include more small-scale pedestrian, retail and service uses at grade and to allow residential which includes affordable rental, seniors housing, as well as market strata to build a complete community to support the use that is currently allowed and support commercial services that will be expanded. As such, the CAC will relate to **only** the residential use to be developed on this site, excluding certain density (0.15 FSR) that will be developed as affordable rental or seniors housing. The commercial density currently allowed and proposed does not significantly change. Thus, the CAC relates *entirely* to the market residential density only of 1.35 FSR which is the additional density being contemplated (excluding affordable rental/seniors housing).

Additional Market Residential Development Density Proposed for Harbourside:

Phase	Lot #	Area - Ha.	Area - Acres	Area - SF	Market Res
4	Lot A	1.1	2.72	118,353	110,837
3	Lot B	0.886	2.19	95,328	177,638
2	Lot 43 & 44 "C"	1.26	3.11	135,567	183,602
1	Lot 45 "D"	1.66	4.10	178,605	239,736
				527,852	711,813
	FSR				1.35

Developer Extraordinary Costs to be Incurred to Rezone Site

Harbourside is a complicated site and significant site and infrastructure costs are required to get it to the "as if rezoned and fully serviced" stage. In this instance, the calculation of CAC more closely follows Example 2 as noted on page 2.

The extraordinary costs associated with servicing the subject property for residential development, over and above that which normally would be incurred as part of a standard rezoning, would relate to the following cost categories:

- New roads;
- Intersection/crossings;
- Transit Upgrade and Bus Requirements;
- Kingsmill Walk (park);
- Spirit Trail;

- Waterfront public structures;
- Flood Control Level 2,100 shoreline/dyke work;
- Seismic dyke;
- Environmental habitat;
- District Energy (known as Lonsdale Energy Corp (LEC);
- Special public features;
- Major off-site upgrades.

Within these extraordinary costs would be included associated soft costs including engineering costs, landscape design, survey, other consultants, legal fees and contingency. A profit allowance would also be included, which can vary, depending upon the complications of servicing the site, the amount of infrastructure required up front prior to the sites being developed or revenue generated and the length of time anticipated to sell (develop) the sites after subdivision. The longer the time period of the phased development, the greater the risk as to market, political and other factors that impact value.

Another key factor that plays into this analysis is the recognition that this represents a mixed-use community and is not 100% residential. One of the key reasons for the developer to contemplate adding residential to the current zoning in place is due to the fact that the demand for office use at this location is limited as discussed earlier. This is evident given that it took 10 years to lease-up the current office building on site, 889 Harbourside. To create greater demand for this use, and also to capitalized on the waterfront location, residential and more retail is being considered. Although the analysis relates only to the lift due to the residential density to be built, the risk allowance must reflect the requirement to build office and retail use when demand, particularly at this location, appears to be limited.

Another factor that has been considered in this analysis is whether or not the existing office building, 889 Harbourside, should ultimately be demolished in the latter phases of development or should it be retained. This does impact the CAC. The likely preference in terms of planning a mixed use community in a cohensive manner, would be to demolish the improvements as both the improvements detract from the form of the ultimate vision for the property and the value of the property would decrease as the first level of office, due to the higher grade requirements as it pertains to the Flood Control Level 2100, would actually be below grade.

For the subject, it is currently contemplated to create a mixed use community with heights of buildings not more than seven to nine stories. This infers concrete construction. The ability of a developer to define specific unit size and unit count at this time is unrealistic. The calculation, therefore, of a CAC, will be based upon the uplift as it relates to rezoned land value with the total lift also taking into account the timing of land revenue as it relates to absorption of product, the extra-ordinary costs of servicing the site (beyond what a normal development site incurs) and risk of development. Inherently, the value of the land intrinsically reflects the value of the finished product.

Calculation of CAC

The steps involved to determine the CAC are as follows:

1. Estimate the revenue for one phase of subject property land as rezoned

Land sales are compared to the first phase of the subject property with adjustments made for location, size, site characteristics (soil conditions, topography), views, level of servicing and other such factors that must be considered when comparing comparable sites to the subject.

2. **Adjust for phasing of the subject development**

   This is undertaken by estimating the likely absorption of product so as to time the "sale of each parcel" or take down by the same developer to maximize revenue of the end product.

3. **Deduct extraordinary servicing costs**

   All other factors being equal, one site that requires extraordinary servicing such as preload, as an example, if compared to a site that does not require preload, would require an appraiser to adjust the price of a site that does require preload downwards by this cost plus an allowance for risk. In the case of the subject property, a significant cost as a result of new federal government policy, does require the developer, for residential development, to increase the elevation of the site to accommodate new Flood Control Level regulations (FCL). Other extraordinary site requirements would include bridge upgrades, utility upgrades, seismic dyke upgrades, habitat response and additional park requirements to name a few. It is noted when Harbourside was originally developed, significant infrastructure was undertaken in response to park and other such requirements at that time. Residential use and changes in FCL regulations require new site response and infrastructure requirements.

4. **Calculate the Lift**

   The difference between rezoned value after extraordinary costs are considered and the value "as is" (which in this case would be zero as all of the existing base land value is reflected in the commercial zoning) would be a residual amount of which between 50% and 75% would be expected to form the CAC. Of this amount, the City may decide to request of the developer that a significant portion or portions of the CAC be contributed back to the site in terms of additional public contributions (some of which are necessary, some of which may go offsite or some of which may be considered features that the public desires over and above necessary and typical needs). For instance, park foreshore upgrades would be considered part of the CAC contribution that the developer would undertake but deduct from the CAC. However, the extent of the enhancements/amenities can be dictated by the City – perhaps a second public washroom or a fountain may be a request by the City or this "additional amenity" may be desirous to be spent or allocated offsite – such as enhancing a trail in another part of the City. Our analysis thus attempts to reflect those amenities and direct site extraordinary costs which are required and those amenities which can be spent on or offsite of which both form part of the total CAC.

   Our analysis considers both:

   a) Calculating the lift assuming 889 Harbourside is demolished. This entails the loss in net value and cost of demolition; and

   b) Keeping 889 Harbourside however reflecting the reduced value as the rentability of the first floor would be significantly impacted and access and building exterior upgrades/renovations would be required. In addition, the residential density that would normally be positioned on this site (with waterfront views from a portion of it), would be repositioned in other locations. This impacts the value of the land in a negative manor as this displaced density would no longer have the same revenue potential (likely more density with less views), and buildings would be more dense with larger footprints and less open space between. This is because there is no ability to increase height.

1. Estimate the revenue for one phase of subject property land as rezoned

The first part of the exercise is to determine what the subject property would sell for, if sub-divided into the various Phases, "as if" rezoned to the use contemplated by the amended OCP. The analysis below first relates to Phase 1, comprising 4.1 acres that is contemplated to be developed with 239,736 sq.ft. of buildable area (to be developed in several buildings).

DEVELOPMENT LAND SALES

No.	Address	Sale Date	Sale Price	Area (sq.ft.)	Sale Price per sq.ft.	Zoning	F.S.R.	Price/sq.ft. Buildable
1	*"Remix"*							
	730 Marine Drive	neg. Summer 2011	$6,400,000	31,956	$200	CS-1	2.00	**$100**
	North Vancouver (Marine Drive)	closed Nov. 2012		(0.74 acre)		Marine Drive		
						Sub Area 6 & 7		
2	972 Marine Drive	neg. April 2011	$6,528,580	35,950	$182	C-2	1.75	**$104**
	North Vancouver (Marine Drive)	closed Nov 2012		(0.83 acre)		Marine Drive		
						Sub Area 3		
3	101 Lonsdale Avenue	May-12	$1,216,800	2,600	$468		2.60	**$180**
	113 Lonsdale Avenue	May-12	$1,014,000	2,600	$390		2.60	**$150**
	121 Lonsdale Avenue	May-12	$1,169,200	3,380	$346		2.60	**$133**
	123 Lonsdale Avenue	Sep-11	$1,300,000	3,380	$385	LL-2	2.60	**$148**
	127 Lonsdale Avenue	Sep-12	$1,900,000	3,380	$562		2.60	**$216**
	139 Lonsdale Avenue	May-11	$1,920,000	5,720	$336	Town Centre	2.60	**$129**
	149 Lonsdale Avneue	Oct-11	$2,100,000	4,420	$475	Mixed-use	2.60	**$183**
	North Vancouver (Lower Lonsdale)	neg. Spring 2011 to	$10,620,000	25,480	$417		2.60	**$160**
		Spring 2012		(0.58 acre)				
4	*"The Shore"*							
	720 West 2nd Street	neg. Summer 2011	$23,351,088	152,047	$154	CD 609	1.38	**$111**
	North Vancouver (Hamilton/Marine Drive)	under contract till early-2013		(3.49 acres)		Residential Market only		
5	119, 127 and 131 West Esplanade	neg. Late 2012	$43,025,000	17,438	$374	LL-1	2.60	**$147**
	North Vancouver (Lower Lonsdale)	under contract till May, 2013	*plus allowance for parking* $1,000,000					(including pkg adj)
	260 West Esplanade			97,574		Town Centre	2.60	
	North Vancouver (Lower Lonsdale)			115,012		Mixed-use		
				(2.64 acres)				

Comparable No. 1 – 730 Marine Drive, North Vancouver ($100 per buildable sq.ft.). – This comparable relates to a triangular shaped corner lot on the north side of Marine Drive directly across from the Mosquito Creek Ravine. The property was originally purchased for $4,305,000 in 2011 and then resold to Adera for $6,400,000. The purchase price reflects $100 per sq.ft. buildable on a maximum density of 2.0 F.S.R. with plans for retail at grade and three levels of residential above. The comparable property is triangular in shape and situated along a busy street with minimal view potential. The subject property, although further from retail conveniences and public transportation, offers a waterfront location with superior views. A price higher than $100 per sq.ft. buildable is anticipated for Phase I of the subject property.

Comparable No. 2 – 972 Marine Drive, North Vancouver ($106 per buildable sq.ft.). – This comparable relates to a corner development site along the Marine Drive corridor that is flanked by park space to the west and north of the property. Marcon purchased this site for a price of $106 per sq.ft. buildable. Because of the park, this is a superior site to Comparable No. 1 above. This deal was structured in such a manner to ensure that the vendor would be getting "full value" for the site while ensuring that the developer would not be overpaying should a certain density not be achievable. The subject property offers a quieter setting as it does not front Marine Drive but like the above comparable, the downward adjustment for proximity to retail conveniences and public transportation is more than offset by an upward adjustment for the subject's superior waterfront location and attractive views, notwithstanding it will take some time for the Master-Planned community to mature..

Comparable No. 3 – 101-149 Lonsdale Avenue, North Vancouver ($160 per buildable sq.ft.). – This comparable relates to a land assembly located on the west side of Lonsdale Avenue between West 1st and West 2nd Street in Lower Lonsdale. The site was assembled by Staburn Properties during 2011 and 2012 for an aggregate price of $10,620,000. Based upon the permitted density of 2.6 F.S.R., the purchase price reflects a blended rate of $160 per sq.ft. buildable. The comparable property is located on the west side of Lonsdale Avenue within an established neighbourhood block with newer multi-family developments in the immediate vicinity. According to the agent involved with negotiating this assembly, the developer placed greater value on the retail density as the site is located along Lonsdale Avenue. A premium was paid for one lot as the vendor was unwilling to sell and this was a required piece of the assembly. Had this site been purchased at a rate more similar to the other comparables, a price per sq.ft. buildable closer to $150 is reflected.

Comparable No. 4 –720 West 2nd Street, North Vancouver ($111 per buildable sq.ft). This land transaction relates to a large property located on the north side of West 2nd Street, half a block east of Fell Avenue in the Hamilton neighbourhood of the City. This transaction relates only to the market residential component which will comprise Buildings 2, 3 and 4 of a four building complex. Building 1 will be a purpose built rental apartment building. A separate value was ascribed to this site. The market residential component will offer mix of 259 strata units. This is an irregular shaped site bordered to the west by Mosquito Creek. West 2nd Street is a busy 2-way street comprising two lanes in either direction with Marine Drive being a major arterial. This site was being used as the City of North Vancouver's Operations Centre which is being moved to 61 Bewicke Avenue.

Comparable No. 5 – 119-131 West Esplanade and 260 West Esplanade, North Vancouver ($147 per buildable sq.ft.) This comparable comprises two sites tendered by the City of Vancouver. These properties were formerly owned by Millennium Properties and were part of the Olympic Village compensation to the City.

119-131 Esplanade West comprises 3 lots, one is a parking lot and two are improved with 2-storey commercial/retail buildings. The properties generate a net holding income of approximately $42,000. The properties are immediately adjacent to lands owned by the City of North Vancouver which is known as Site 8 in the lower Lonsdale Development guide. The City of North Vancouver has acknowledged its interest in the future development of the properties and a willingness to discuss density transfer from this site to facilitate the best outcome for development. These properties are located in the City of North Vancouver's principle waterfront neighbourhood with the SeaBus Terminal/Bus Exchange located one block south. The official community plan for this property designates it as Town Centre for mixed-use development with a maximum density of 2.6 F.S.R. and a maximum building height of 40 ft. If consolidated with the adjacent property, the OCP contemplates development to a height of 75 ft.

Millennium Development, the former owner had been working with this City to re-zone both this site and the City's site to a 400 ft. 36-storey tower, this application was ultimately withdrawn in early 2008. There is a requirement to build 40 parking stalls at a cost of $25,000 per stall. This has been added to the purchase price. The cost is the estimate as provided by the purchaser.

260 Esplanade West was also tendered by the City of Vancouver at the same time and also forms part of Millennium Developments holdings and purchased by the same developer as 119-131 West Esplanade. This site is located between Esplanade Avenue and First Street and comprises 3 Strata Lots occupying an entire city block on the western portion of the lower Lonsdale neighbourhood of the City of North Vancouver. The properties are located across the street from Waterfront Park affording unobstructed views of the harbour and the skyline of Vancouver. This site is designated Town Centre mixed-use with a similar 2.6 F.S.R density permitted. There may be the potential for a swap of density/use between properties. Existing tenancies include demolition clause in favour of the landlord for expiry dates allowing for re-development to commence as early as 2014.

In the interim, 2/3-storey commercial buildings with 207 parking stalls and a current holding income of $1.28 million is available. The existing building site coverage is 1.1 and as of date of tender, 76% of the leasable square footage was leased.

Both the properties were purchased by a local developer with the date of closing in early May of 2013. The ownership of both sites by one developer allows creativity to transfer density perhaps between sites and reallocate as well as increase density for commercial and residential use. Within 2.6 F.S.R., at least 1 F.S.R is required for commercial use.

Serviced Land Value - Phase 1, Subject Property

Our analysis first relates to Phase 1 of 4.1 acres proposed for 239,736 sq.ft. of buildable area. Adjustments are then made to reflect differences in site size (orientation is virtually identical) and for timing of when the phase would be introduced or in essence "sold".

Comparables 1 and 2 are the most recent transactions along Marine Drive to the north of the subject property. In both instances, frame buildings are being contemplated to a gross buildable area in the 60,000 to 65,000 sq.ft. range. The smallest Phase of the subject property is close to double the density of this suggesting a downward adjustment for size. Discussions with the purchasers of both of these properties indicate both positive and negative attributes in comparing with the subject property. In both their minds, they considered these comparable sites superior in terms of public transportation and proximity to retail amenities including grocery shopping to be superior. These both also acknowledged however that this would be offset by the views and waterfront Master Plan Community, particularly in time as the project is built out. These comparables set a lower limit as if rezoned.

Comparable No. 3 reflects an assembly on Lonsdale Avenue. This site offers a much stronger retail location within proximity to both the waterfront at Lonsdale Quay and the major employers of the North Shore. This site is contemplated for a higher density; generally higher density indicates a lower price per buildable sq.ft. given the additional costs associated with more underground parking and greater efficiencies. One particular site, 127 Lonsdale Avenue was a hold out for which a premium price was paid. This is a smaller site which would be developed with approximately 66,000 sq.ft. of buildable area. Overall, given the proximity to amenities, views and stronger retail (which actually can achieve a higher price than residential), a lower value is indicated for Phase I of the subject.

Comparable Nos. 4 and 5 are larger transactions and when developed, would reflect densities between 200,000 and perhaps over 300,000 sq.ft. combined (Comparable 5). Comparable No. 4 is located just north of the subject property at West 2nd Street and Marine Drive and is superior in terms of immediate proximity to retail amenities and public transportation but inferior to the subject property in terms of waterfront location and views. A higher value is concluded.

Comparable No. 5, particularly 260 West Esplanade offers a location with very attractive waterfront views over a park although not part of a Master Plan Community. This reflects an average price for the entire site. There is a great possibility in this transaction to transfer density and perhaps increase density which would leverage the cost of the land downwards.

In applying a price per buildable applicable to each phase in the subject property, we have based on analysis first on relating it to Phase 1 which is 4.1 acres and will offer approximately 240,000 sq.ft. of residential density. In relating to the comparables, the subject site is considered to achieve a premium value over Comparable Nos. 1, 2 and 4 primarily to reflect the subject's superior location, although it will take time to mature. Comparable No. 3 sets an upper limit in the $150 to $160 per sq.ft. range (the lower limit indicated if it excludes the price to obtain in the last parcel), given the closer proximity to the heart of the Lonsdale Quay, stronger retail, views available and the already mature and transforming neighbourhood. Comparable No. 5 would indicate a value close to what would be anticipated for the subject property although this comparable, (both sites) are closer to SeaBus and amenities within the Lonsdale Quay precinct. These sites however do have a requirement to build office which would have the affect of decreasing the land price however they also offer the ability to achieve more density and average the price downwards. We would therefore adjust upwards from $111 per sq.ft. buildable and conclude a value close to $147 per sq.ft. buildable.

If the sales along Marine Drive are adjusted upwards by approximately 25% to 30% to reflect the waterfront location, tempered by greater proximity to amenities, a 25% to 30% premium to a non-waterfront range of land prices between $105 and $110 per sq.ft. buildable indicates a rezoned, serviced land value range between $131 and $143 per sq.ft. buildable

A value at $145 per sq.ft. buildable is selected. This would reflect a site that is FCL ready and is not subject to any extraordinary site conditions of developing a building including such factors as tanking the site. Discussions with the developer indicate that this is required and none of the sale comparables require this. Accordingly, the land would have to be adjusted.

We have held discussions with Grosvenor International and WesGroup Properties, both developers that have had experience on developing complicated sites that require tanking. Depending upon a myriad of assumptions, costs can increase by $30 to $50 per sq.ft. of hard costs. As requested by the author of this report, Concert Properties retained Altus Group to provide a professional opinion as to the impact on construction costs given the soil conditions at the subject site. Their conclusion was that the cost presented at $285 per sq.ft. gross buildable was reasonable for the residential buildings in Harbourside. We note that there were upward and downward considerations in this report as it pertained to different cost allowances such as for design and hydronic heat and cost escalations. We have excluded cost escalations given that it is a current cost opinion. Based upon the above, if we add to a standard cost of say $225 per sq.ft. buildable, the range of increased costs for tanking, the total cost of construction varies from $255 to $285 per sq.ft. of buildable area. We have concluded that given the unique complexities of this property, $275 per sq.ft. hard costs is reasonable. Soft costs between 35% and 40% of hard costs are adopted. As noted below, in simplistic terms, to achieve a similar revenue (which is at the upper end of the range on average to reflect the waterfront location), the land has been adjusted downwards accordingly. This is consistent with how a developer would purchase a site with extraordinary site conditions. The Altus report is attached.

Typical Development Scenario		
Land		$145.00 psfb
Build - Hard		$225.00 psfb
		$370.00 psfb
Softs	38%	$140.60
	Subtotal	$510.60 psfb
Profit - % of Cost	17%	$86.80 psfb
$ per sq.ft. Gross		$597.40 psfb
Efficiency		86%
Required $ per sq.ft. Net		$694.65 psfb

Typical Development Scenario with Extraordinary Tanking Costs		
Land		$95.00 psfb
Build - Hard		$275.00 psfb
		$370.00 psfb
Softs	38%	$140.60
	Subtotal	$510.60 psfb
Profit - % of Cost	17%	$86.80 psfb
$ per sq.ft. Gross		$597.40 psfb
Efficiency		86%
Required $ per sq.ft. Net		$694.65 psfb

Our analysis thus is based upon a rezoned land revenue of $95 per sq.ft. buildable. This suggests that the developer is targeting an end revenue averaging close to $700 per sq.ft. Projects in central/lower Lonsdale (excluding the Pier Master Planned Community) are averaging $615 to $660 per sq.ft. We note that there are transactions in the Pier development at selling prices over $900 per sq.ft. These are typically upper floor view units. Prices between $700 and $800 per sq.ft. have been achieved in the marketplace however at very slow absorptions. To achieve velocity, particularly in a pioneering location, it is critical for Concert to be very competitive.

2. Adjust for Phasing and Absorption

As the subject will be built by one developer, it would not be financially prudent to develop all of the site at once as to over supply the market. We note that the plans reflect a similar type of product throughout the community which increases risk. A developer can decrease risk if a myriad of product type is available so as to target different demographics and price points.

In order to understand the market dynamics in terms of projecting both the sequencing of the subject property with respect to the absorption and the potential revenue, it is important to understand the supply/demand dynamics. The attached chart summarizes the City of North Vancouver, as well as the District of North Vancouver condominium supply. We have included both low-rise and high-rise concrete product. High density development is centred along Lonsdale Avenue whereas the mixed-use and the large development is typically along Marine Drive or in Central or Upper Lonsdale. Given the unique location of the subject property which would be constructed to a hybrid (i.e. mid-rise) and along the waterfront, both product types are considered as likely the appeal will be from both market sectors.

The chart overleaf provides an overview of supply.

In the past five years, approximately 180 to 611 units per year were completed in the market and up until 2010, all developers achieved 100% presales in a relatively short timeframe. Although the demand in other cities of the Metro Vancouver area, in particular Vancouver, Burnaby and Richmond, are magnets for the investor market, the North Vancouver is insular with much of the demand driven by owner-occupier investors living only on the North Shore and many from the Persian sector. In the past several years, there has been an increased demand from the Asian market, however, the appeal from this sector is more for single-family housing.

North Vancouver Condominium Supply

Researched April 2013

Project	Type	Address	Neighbourhood	Developer	# Units	Sold	%	Status	Completion
2008 Completion									
Avondale	Townhouse	307 East 15th Street	Central Lonsdale	Grosvnor / Palladium	79	79	100%	Completed	2008
Norra	Townhouse Stacked	710 West 14th Street	Marine	Adera	81	81	100%	Completed	2008
Gateway on Marine	Low Rise Mixed-Use	935 West 16th Street	Marine	Triman Developments	21	21	100%	Completed	2008
Touchstone	Low-Rise Mixed-Use	1633 McKay	Marine	LedinghamMcAllister	120	120	100%	Completed	2008
Alina	Mid Rise	1288 Chesterfield Avenue	Central Lonsdale	Nipro Developments	40	40	100%	Completed	2008
Envy	Mid Rise	160 West 3rd Street	Lower Lonsdale	Wedgewood / Marcon	50	50	100%	Completed	2008
The Landing	Mid Rise Mixed-Use	100 East Esplanade	Lower Lonsdale	Pinnacle	44	44	100%	Completed	2008
Mira	High Rise	683 Victoria Park Avenue	Lower Lonsdale	Colussus Development	82	82	100%	Completed	2008
Ventana	High Rise	175 West 2nd Street	Lower Lonsdale	Intracorp	94	94	100%	Completed	2008
					611	**611**	**100%**		
2009 Completion									
Celo	Townhouse	1618 St. Andrews Avenue	Central Lonsdale	Sterling Pacific Developments	10	10	100%	Completed	2009
St. Andrews Gardens	Townhouse Stacked	278 East 11th Street	Lower Lonsdale	N/A	11	11	100%	Completed	2009
Branches	Low Rise x 2	2601 Whiteley Court and 1111 East 27th Street	Lynn Valley	Polygon Homes	135	135	100%	Completed	2009
The Brook	Mid Rise	650 Evergreen Place	Delbrook	Streamline Properties	24	24	100%	Completed	2009
					180	**180**	**100%**		
2010 Completion									
Vicinity at Lynn Valley	Townhouse	3025 Baird Road	Lynnmour	Brody	14	14	100%	Completed	2010
Signature at Raven's Wood	Townhouse Duplex	3639 Aldercrest Drive	Mount Seymour	Tsleil-Waututh and Kuok Group	48	48	100%	Completed	2010
Addison	Low Rise	116 West 23rd Street	Central Lonsdale	Newport Consultants	29	29	100%	Completed	2010
Nature's Cove	Low Rise Mixed-Use	3728 Mount Seymour Parkway	Mount Seymour	Harbourview	23	23	100%	Completed	2010
Pinnacle Residences	High Rise	133 East Esplanade	Lower Lonsdale	Pinnacle	79	39	49%	Completed	2010
Atrium at the Pier	High Rise x 2	172 Victory Ship Way	Lower Lonsdale	Pinnacle	178	62	35%	Completed	2010
Vista Place	High Rise x 2	1320 Chesterfield and 158 West 13th Street	Central Lonsdale	Intracorp	284	284	100%	Completed	2010
					655	**499**	**76%**		
2011 Completion									
Seven 35	Townhouse Stacked	735 West 15th Street	Marine Drive	Adera	60	58	0%	Completed	2011
District Crossing	Low Rise x 3	1673, 1677 and 1679 Lloyd Avnue	Marine Drive	QualexLandmark	129	129	100%	Completed	2011
					189	**187**	**99%**		
2012 Completion									
Legacy at Natures Edge	Townhouse	897 Premier Street	Lynnmour	Brody Development	29	24	83%	Completed	2012
Latitudes	Townhouse & Retail	303 Seymour River Place	Maplewoods	Trimount Developments	11	11	100%	Completed	2012
Maplewood Living	Low Rise Mixed-Use	2138 Dollarton Way	Maplewoods	N/A	16	9	56%	Completed	2012
The Drive - 1330 Marine	Low Rise Mixed-Use	1330 Marine	Marine Drive	Onni	64	55	0%	Completed	2011
Anderson Walk	Low Rise x 3	119, 139 and 159 West 22nd Street	Central Lonsdale	Polygon Homes	234	234	100%	Completed	2012-2013
Kimpton	Mid Rise	210 West 13th Street	Central Lonsdale	Waterfront Capital Partners	44	39	89%	Completed	2012
					398	**372**	**93%**		
				Overall Totals	**2,033**	**1,849**	**91%**	Based upon projects completed	
								Excludes projects currently under construction and selling	
				Average Per Year (2008 - 2012):	**407**				

Going forward, in 2013, 459 units are anticipated to complete of which (as at the date of this report), approximately 42% are presold. Approximately 815 units are planned to complete in 2014 with a similar percentage presold. Close to 400 units per year have been absorbed in the City and District of North Vancouver over the past 5 years. Given that there are close to 1,500 units to be constructed over the next several years and between 35% and 40% of these units pre-sold, this would suggest 900 to 1,000 units to be absorbed over the next 2.5 years. If the market should remain at an absorption of just over 400 units per annum, then in 2 to 2.5 years time, the market should be relatively balanced assuming no new inventory.

However, several larger sites will likely be brought to the market with Onni Group's project on Lonsdale (currently 344 units proposed), the subject property (Phase 1), potentially Seylynn (Phase 2) at least one project by Pinnacle on the Waterfront (Parcel 12 is 113 units and Parcel 13 is proposed for 217 units) and the phased project by Adera at 720 West 2nd Street (total number is 259 units). Polygon's recent purchase of two sites (see comparable land sales analysis) will introduce additional supply in the future which will directly compete with the subject. In addition, Bosa Development plans to redevelop Lynn Valley Mall proposed for over 400 units. In summary, competitive pricing will be required to create velocity for the subject particularly noting the pioneering location notwithstanding the waterfront atmosphere.

Pricing obviously impacts absorption. The greater the supply, the more competitive a developer has to be to achieve market success, particularly in a new neighbourhood to gain market acceptance and a reasonable level of presales. The phasing of the residential density proposed for the subject is summarized as follows:

Site Area (net) 527,852

Lot		Phase	Residential sq.ft. bbl
C	C-4	1A	37,922
C	C-5	1A	63,563
C	C-2	1B	39,343
C	C-3	1B	42,777
D	D-1	2A	74,726
D	D-3	2B	57,546
D	D-4	2B	53,767
D	D-5	2B	53,703
A	A-4	3A	52,508
A	A-2	3B	58,332
B	B-3	4A	65,145
B	B-1	4B	52,400
B	B-4	4B	60,097
			711,830
			1.35 FSR

The market is very sophisticated, particularly with internet and other social media tools. Traditionally, a project to achieve market success will achieve an average absorption between six and eight units per month for low-rise product, and between eight and ten units per month for high-rise product over the life of the construction (which includes about a 6 month period prior to construction start). It is typical for a developer to test the market and undertake a one to two month pre-registration program wherein prospective purchasers are introduced to the product. At market launch, product is typically priced to achieve a 40% to 50% pre-sale target. This essentially is not a one day or one week absorption, but a combination of several months preregistration and introduction to the project prior to the launch and several months after. As an example, for a 100-unit project, 40% to 50% of the units may be pre-sold in the first two months, four to six units pre-sold in the next six to eight months, with the absorption being lower over the last four to six months, depending upon what suites are left to sell. In certain instances, the developer closes the sales office and does not reopen until the last three to four months prior to completion. Depending upon price point and product, this scenario can vary; for larger units and higher price, a more discriminate buyer may select the prime units on a pre-sale basis as there are few to choose from, but will typically wait to make a purchasing decision towards the end of completion of the product for the other unit types which makes financing for a developer somewhat more challenging. It is critical in this instance, noting the subject neighbourhood is not yet established for residential use, to have market success with strong velocity "coming out of the gate". On average therefore, we have assumed a reasonably solid absorption, and have valued land accordingly to reflect a projected revenue in the $650 to $700 per sq.ft. range.

Our assumptions as it relates to timing are noted below.

Timing and Critical Assumptions	
May-2013	Date of Valuation
Feb-2016	Rezoning & Preparation Complete
Feb-2016	Sales Start
6	Average Absorption (units / month)
711,830	Total Residential Density (sq.ft. - gross)
900	Avg. Unit Size (sq.ft.)

In our estimation of determining the timing and land revenue (based upon $95 per sq.ft. buildable which includes the adjustment for tanking) of when each site would be "brought to the market", we have based our absorption on six units per month, knowing that the subject property, because of its waterfront location, will offer slightly larger units as they will appeal more to an owner-occupier at a higher price point. On this basis, the following timing and revenue assumptions would be applicable for the subject.

Type	Rezoning & Preparation Period	Total	Phase 1		Value PBA	Total	Phase 2		Value PBA	Total
Start Date	May-13		Feb-16				Dec-18			
End Date	Feb-16		Dec-18				Aug-22			
	2.8		2.8				3.7			
	2.8 years		2.8 years				3.7 years			
Density Type										
Residential - Strata			183,606	204 units	$95	$17,442,572	239,742	266 units	$95	$22,775,456
			183,606	0.35 FAR		$17,442,572	239,742	0.45 FAR		$22,775,456

Phase 3		Value PBA	Total	Phase 4		Value PBA	Total	Grand Total		Value PBA	
Aug-22				Apr-24				May-13			
Apr-24				Jan-27				Jan-27			
1.7				2.7				13.7			
1.7 years				2.7 years				13.7 years			
110,840	123 units	$95	$10,529,763	177,643	197 units	$95	$16,876,048	711,830	791 units	$95	$67,623,839
110,840	0.21 FAR		$10,529,763	177,643	0.34 FAR		$16,876,048		1.35 FAR		

3. Deduct Extraordinary Servicing Costs

The subject site has many challenges to prepare for development of residential density. There are many unknowns to deal with particularly in relationship to the FLC and varying levels of servicing requirements, third party requirements (such as Translink requirements), shoreline/dyke work, environmental habitat issues and District Energy. Every developer involved with master-planned communities is aware that both time and costs can be extensive and are subject to change. As such, a higher risk allowance is merited.

Concert Properties has provided a cost analysis which has been relied upon. It is our understanding that these costs reflect normal (5% to 10%) contingencies (this can vary depending upon the level of unknowns of servicing) and soft costs attributable to these extraordinary site requirements.

The costs shown below ***are exclusive*** of ordinary on-site and off-site costs that a developer would absorb when a property is rezoned. Ordinary on-site and off-site costs include upgrades to sanitary sewer, water and storm systems; new municipal service connections; undergrounding of hydro, telephone and cablevision; streetscape upgrades to current neighbourhood standards (street planning, furniture, sidewalks, curbs and gutters, and lighting); modification to traffic signals; and milling and paving of affected streets. The extent of the above work, which is not included in the costs below, depends on the location of the site, the identified issues within the local area and scale of development.

The timing of when these extraordinary costs are incurred relate to the timing of the build –out.

INFRASTRUCTURE/CAC	Servicing	$15,692,977 Est. Base Minimum			Total Servicing	Phase 1	$8,061,800 Est. Base Minimum			Total Ph 1
	1	2	3	4		5	6	7	8	
New Roads	$0	$0	$1,773,333	$0		$0	$2,570,000	$0	$0	
Intersections/Crossings	$1,090,000	$0	$0	$0		$110,000	$0	$0	$0	
TDM	$0		$3,461,932	$14,182		$14,182	$236,932	$14,182	$14,182	
Kings Mill Walk	$0	$0	$435,333	$435,333		$0	$1,274,333	$0	$0	
Spirit Trail	$0	$0	$744,000	$150,000		$250,000	$186,000	$0	$0	
Waterfront structures	$0	$0	$1,090,000	$550,000		$0	$0	$0	$0	
FCL2100 Shoreline/Dyke work	$0	$0	$1,309,000	$1,309,000		$474,000	$474,000	$474,000	$0	
Seismic Dyke	$208,125	$208,125		$0		$208,125	$208,125	$0	$208,125	
Environmental Habitat	$0	$0	$0	$223,500		$223,500	$0	$0	$0	
District Energy	$0	$1,230,000	$80,500	$80,500		$80,500	$80,500	$80,500	$80,500	
Special Public Features	$0	$0	$692,857	$42,857		$0	$42,857	$192,857	$0	
Major Off Site Upgrade	$0	$0	$282,200	$282,200		$0	$282,200	$282,200	$0	
Total Cost	$1,298,125	$1,438,125	$9,869,155	$3,087,572	$15,692,977	$1,360,307	$5,354,947	$1,043,739	$302,807	$8,061,800

INFRASTRUCTURE/CAC	Phase 2	$6,616,040 Est. Base Minimum			Total Ph 2	Phase 3	$14,182 Est. Base Minimum			Total
	9	10	11	12		13	14	15		Costs
New Roads	$983,333	$0	$0	$0		$0	$0	$0		
Intersections/Crossings	$320,000	$0	$983,333	$0		$0	$0	$0		
TDM	$57,932	$14,182	$236,932	$14,182		$14,182	$0	$0		
Kings Mill Walk	0	$0	$0	$0		$0	$0	$0		
Spirit Trail	$286,000	$186,000	$100,000	$0		$0	$0	$0		
Waterfront structures	$0	$0	$0	$0		$0	$0	$0		
FCL2100 Shoreline/Dyke work	$1,670,000	$0	$0	$0		$0	$0	$0		
Seismic Dyke	$208,125	$208,125	$208,125	$0		$0	$0	$0		
Environmental Habitat	$163,000	$0	$244,000	$0		$0	$0	$0		
District Energy	$80,500	$80,500	$80,500	$80,500		$0	$0	$0		
Special Public Features	$42,857	$42,857	$42,857	$0		$0	$0	$0		
Major Off Site Upgrade		$282,200	$0	$0		$0	$0	$0		
Total Cost	$3,811,747	$813,864	$1,895,747	$94,682	$6,616,040	$14,182	$0	$0	$14,182	$30,384,999

The periods noted above relate to build out of the various buildings within each phase. Servicing would be complete prior to the final Phase 4.

889 Harbourside, an office building on site, is a significant asset that must be considered in terms of the overall planning and potential impact on value/CAC. We have considered both the possibility of demolishing the project and the possibility of keeping the asset.

4a) Calculate the Lift should 889 Harbourside be demolished.

This entails the following considerations:

a) Calculating the net value of the office building (developer retains value of underlying land);

b) Calculate the Present Value of the Income in place until demolition occurs

c) Subtract PV of Building Loss as a result of demolition from PV of Income to determine net loss to be deducted from CAC

889 Harbourside is currently assessed at $22,141,000. The Net Operating Income, stabilized after a 5% vacancy allowance indicates approximately $1,328,000. Capitalizing this income at 6.5% indicates $20,440,000. Our analysis is based upon a value of $20,440,000 assuming fully leased. This includes both the value of the improvements and the underlying land.

Value of Office Building - Current						
Base Rent	74,231	sq.ft.		$1,443,793	$ 19.45	psf average
Op Costs and Tax Recoveries				$864,000		
Total Gross Potential Income				$2,307,793		
Vacancy Allowance			5%	$115,390		
				$2,192,403		
Operating and Tax Expense				$864,000		
NOI				$1,328,403		
Capitalized @			6.50%	$20,436,974		
			Rounded	$20,440,000		

The assessor has utilized a price on a per sq.ft. buildable basis of $45 for the underlying land. This is towards the upper end of value that we would anticipate given the economics of building office in a suburban environment. Land comparables within our files suggest that a lower value is likely applicable particularly given the historic challenges in leasing this space and securing anchor tenants. We have concluded $35 per sq.ft. buildable for the land. The calculation is based upon the site area times the existing commercial density of 1.0 F.S.R. Deducting this from an estimated value (rounded) at $20,440,000 indicates a net loss in value of $17,090,000 to the developer when this building is demolished. The cost of demolition is provided at $1,082,000. The developer retains the underlying land value as additional commercial can be developed.

Value of Office Building			$20,440,000
Less Value of Underlying Land			
95,738 sq.ft. x 1.0 FSR @	$ 35.00	psf buildable	$3,350,830
Net Loss in Value			$17,089,170
Demolition Costs			$1,082,000
Total Cost to be Deducted at start of Phase 4			$18,171,170

Although this is shown as a cost incurred just prior to this phase being developed, there is holding income attributable until that time as noted above. We have assumed that as tenant's roll over, no additional leasing will occur. We have also assumed that operating expenses will fall due to lower utilities, management, janitorial and property taxes (partially vacant building will result in reduced taxes). Phase 4 starts approximately in 2024 hence the cash flow is shown for 10 years. The cash flow as per our assumption is as follows.

889 HARBOURSIDE - Income	Year									Demolished	
	1	2	3	4	5	6	7	8	9	10	11
% Achievable (10% reduction/annum)	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Base Rent	$1,444,000	$1,299,600	$1,155,200	$1,010,800	$866,400	$722,000	$577,600	$433,200	$288,800	$144,400	
OPC&T Rent Recoveries	$864,000	$777,600	$691,200	$604,800	$518,400	$432,000	$345,600	$259,200	$172,800	$86,400	
OPC&T Expense	$864,000	$864,000	$864,000	$864,000	$691,200	$691,200	$483,840	$483,840	$241,920	$241,920	
Vacancy Allowance	$115,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Potential NOI	$1,328,600	$1,213,200	$982,400	$751,600	$693,600	$462,800	$439,360	$208,560	$219,680	-$11,120	
Maket Value of Building											
Net Cash Flow	$1,328,600	$1,213,200	$982,400	$751,600	$693,600	$462,800	$439,360	$208,560	$219,680	-$11,120	
Present Value	$1,328,600	$1,155,429	$891,066	$649,260	$570,626	$362,616	$327,857	$148,220	$148,688	-$7,168	

The above figures are incorporated into the present value cash flow shown in Addendum A. A discount rate thus must be selected. The discount rate is generally the weighted average cost of capital that reflects the risk of the cashflow. The discount rate reflects two things:

a) Time value of money. Investors/developer's would rather have cash immediately rather than wait and thus the investment theory holds that they must be compensated for the delay; and

b) Risk premium. This reflects the extra return investors/developer's demand because they want to be compensated for the risk that the cash flow might not materialize after all or the timing of the cash flow may be further delayed due to economic or other factors that were not predicted.

With respect to Harbourside, the time value is related to interest rate currently and the expectation of where interest rates will be over the time period of the development. Interest rates are expected to increase over the next 5-10 years. It is likely that a developer would use a cost of money rate higher than the market currently charges which is in the 4.5% range. The risk premium is also higher than the norm given the length of time over which the project is phased. Discussions with developer's of Master Planned Communities including Wesgroup and Ledingham McAllister all suggest that an appropriate discount rate would be at least 7% or higher (range discussed was from 7% to 10%) depending upon predictability of approvals, absorption, soils and offsites). An 8% discount rate is thus concluded.

The profit allowance normally demanded from the marketplace is 12% to 15% of revenue or 15% to 17% of cost. This is typical for a one to three year buildout of a project. The subject has many risk factors. The key risk factors include:

Challenging Soil Conditions
New Flood Control Regulations
Relatively Homogeneous Product Type
Mid Rise Format – more dense which allows for less views and less open space
Supply of Residential coming onstream
Requirement to Build Office as part of each phase – limited demand that does not match build out of supply

Given the length of time over which the subject development will be constructed and greater market and site uncertainty, a higher risk allowance would be required. We have concluded 20% of revenue.

Conclusion of CAC – if 889 Harbourside is Demolished

Attached as Addendum A is the Present Value Cash Flow of the above analysis. A summary of our analysis is highlighted below.

Value of Residential Land - Rezoned and Fully Serviced		$67,623,839
Value of Holding Income		$8,510,102
Loss in Value of Office Building and Cost of Demolition		-$18,171,170
Extraordinary Site Servicing/FCL requirements		-$30,384,999
Total Net Revenue (before discount)		$27,577,771
Net Revenue (after discount- see Addendum for cakculations)		$16,629,748
Development Risk - % of Gross Revenue	20%	$13,524,768
Remaining Cash Available for CAC		$3,104,980
Total Potential CAC		$3,104,980
75% to City of North Vancouver		$2,328,735
	Rounded	**$2,330,000**

The benefit of demolishing 889 Harbourside or at least the intent to demolish it towards the latter phases of development allows the developer to plan a comprehensive master-plan community in a more holistic approach that better integrates the live-work environment.

4b) Calculate the Lift should 889 Harbourside be retained.

In order to assess the impact of keeping the office building, the following has been taken into account:

a) The first level of the building will be impacted due to the adjoining land now being at a higher grade. We have assumed that this level would likely be converted to storage or another such use that required minimal light (such as a Yoga studio) at a substantially reduced rent. This results in a lower value for the office building;

b) Some building enhancements will be required to change lobby entrance and perhaps re-skin the building.

The present value deduction from the CAC due to the reduced rent and cost to re-skin the building and modify the lobby is estimated as shown below. This reflects a net present value deduction from the CAC of $2,070,000.

Value of Office Building if Ground Floor converted to Storage or leased as limited window area					
Base Rent	55,673 sq.ft.		$1,082,845	$ 19.45	psf average
Base Rent (First Floor)	15,000 sq.ft.		$120,000	$ 8.00	psf average
OPC&T Rent Recoveries	(assumed some loss in area)		$648,000		
Total Gross Potential Income			$1,850,845		
Vacancy Allowance		5%	$92,542		
			$1,758,302		
Operating and Tax Expense			$648,000		
NOI			$1,110,302		
Capitalized @		6.50%	$17,081,577		
		Rounded	$17,080,000		

Value of Office Building - Current					
Bas	74,231 sq.ft.		$1,443,793	$ 19.45	psf average
Op Costs and Tax Recoveries			$864,000		
Total Gross Potential Income			$2,307,793		
Vacancy Allowanc		5%	$115,390		
			$2,192,403		
Operating and Tax Expense			$864,000		
NOI			$1,328,403		
Capitalized @		6.50%	$20,436,974		
		Rounded	$20,440,000		

Cost to Reskin Building and Upgrade/Modify Lobby				
74,231 sq.ft. @	$	15.00 psf		$1,113,465
Loss in Value due to Reduced Rent Ground Level				$3,360,000
				$4,473,465
PV'd at 8% for 10 years			x	0.463193
				$2,072,078
Cost to be Deducted from CAC		Rounded		$2,070,000

c) The density re-allocated as a result of keeping 889 Harbourside will impact the land value as ultimately the revenue from the residential will likely be reduced due to a) losing residential units on the waterfront section where 889 Harbourside currently is positioned; and b) the re-allocated density throughout the site might result in larger units and/or more units with less desirable outlooks. If 889 Harbourside is demolished, the land value concluded at $95 per sq.ft. buildable assumes a hard cost to build at $275 per sq.ft. buildable as discussed earlier and a projected revenue based upon 30% of the units being non-view and valued at $625 per sq.ft., 40% limited view achieving a 10% premium in pricing and 30% view units achieving a 25% premium in pricing. If 889 Harbourside is retained, we have re-analyzed the revenue assuming 40% non-view, 50% limited view, and 10% view. This has the impact of a lower average revenue achieved for the end product by approximately $25 per sq.ft.

SCENARIO 1 - PROPOSED MASTER PLAN COMMUNITY

Land		$95.00						
Build - Hard		$275.00	Building Stats	% Building				
		$370.00		30% Non View	$625 psf			$188 psf
Softs	38%	$140.60		40% Ltd View	$688	10%	Premium	$275
	Subtotal	$510.60		30% View	$781	25%	Premium	$234
Profit - % of Cost	17%	$86.80		100%				$697
$ per sq.ft. Gross		$597.40						
Efficiency		86%						
Required $ per sq.ft. Net		$697.09						

SCENARIO 2 - KEPT 889 HARBOURSIDE

Land		$82.00						
Build - Hard		$275.00	Building Stats	% Building				
		$357.00		40% Non View	$625 psf			$250 psf
Softs	38%	$135.66		50% Ltd View	$688	10%	Premium	$344
	Subtotal	$492.66		10% View	$781	25%	Premium	$78
Profit - % of Cost	17%	$83.75		100%				$672
$ per sq.ft. Gross		$576.41						
Efficiency		86%					Impact	$25
Required $ per sq.ft. Net		$672.36						

As a result of the lower revenue, assuming the same hard costs and the same percentage of soft costs, the land value is reduced by 14% or $13 per sq.ft. buildable ($95 per sq.ft. buildable less $13 per sq.ft. buildable = $82 per sq.ft. buildable).

We have accordingly used $82 per sq.ft. buildable as the revenue figure for the land value. We have not included holding income or loss in value of 889 Harbourside as this analysis reflects the fact that the building will be retained by the developer.

Prior to present valuing the revenue and costs, the total timing and potential revenue received is indicated below.

Type	Rezoning & Preparation Period	Total	Phase 1			Total	Phase 2			Total
Start Date	May-13		Feb-16				Dec-18			
End Date	Feb-16		Dec-18				Aug-22			
	2.8		2.8				3.7			
	2.8 years		2.8 years				3.7 years			
Density Type					Value PBA				Value PBA	
Residential - Strata			183,606	204 units	$82	$15,055,693	239,742	266 units	$82	$19,658,815
			183,606	0.35 FAR		$15,055,693	239,742	0.45 FAR		$19,658,815

Attached as Addendum B is the Present Value Cash Flow of the above analysis. A summary of our analysis is highlighted below.

Value of Residential Land - Rezoned and Fully Serviced		$58,370,050
Value of Holding Income		$8,510,102
Extraordinary Site Servicing/FCL requirements		-$30,384,999
Total Net Revenue (before discount)		$36,495,153
Net Revenue (after discount- see Addendum for cakculations)		$18,669,254
Development Risk - % of Gross Revenue	20%	$11,674,010
Remaining Cash Available for CAC		$6,995,244
PV Partial Loss in Value of Office Building including Ext. Upgrades		-$2,070,000
Total Potential CAC		$4,925,244
75% to City of North Vancouver		$3,693,933
	Rounded	**$3,690,000**

CONCLUSION

Total CAC Lift after Extraordinary Site Servicing
Assuming 889 Harbourside Demolished $3,105,000

Total CAC Lift after Extraordinary Site Servicing
Assuming 889 Harbourside Retained $4,925,000

The differential would be expected to be greater however the difference between keeping the office building and demolishing the office building is due to the fact that the serviced land value is impacted if the office building is retained as there is less waterfront and the displaced density likely would be in larger, wider buildings that may be less efficient with less desirable outlooks as height can not be increased.

It may be prudent to reconsider height and the required amount of office to enhance the CAC. The figures noted above have not been allocated to reflect a fair share to the City of North Vancouver. Other municipalities typically share in the uplift in the magnitude of 50% to 75%.

Yours very truly
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ADDENDUM A

Present Value – Assuming Demolished

Assumption: 889 Harbourside is Demolished

Timing and Critical Assumptions	
May-13	Date of Valuation
Feb-16	Rezoning & Preparation Complete
Feb-16	Sales Start
6	Average Absorption (units / month)
711,830	Total Residential Density (sq.ft. - gross)
900	Avg. Unit Size (sq.ft.)
8.00%	Present Value Rate

Phase	Start	End	Monthly Holding Income	Residential Density	Servicing Costs	Density Income	Months
Rezoning	May-2013	Jan-2016	$110,717			$0	32
Phase 1	Feb-2016	Nov-2018	$89,079	$17,442,572	$15,692,977	$17,442,572	34
Phase 2	Dec-2018	Jul-2022	$37,590	$22,775,456	$8,061,800	$22,775,456	44
Phase 3	Aug-2022	Mar-2024	$8,690	$10,529,763	$6,616,040	$10,529,763	20
Phase 4	Apr-2024	Jan-2027		$16,876,048	$14,182	$16,876,048	34
	May-2013	Jan-2027		$67,623,839	$30,384,999	$67,623,839	164
							13.67 years

Date	Year	Phase	PV Months	Holding Income	Res Density	Servicing	Total Revenue	Discounted Revenue
May-2013	1	Rezoning	0	$110,717	$0	$0	$110,717	$110,717
Jun-2013	1	Rezoning	1	$110,717	$0	$0	$110,717	$109,983
Jul-2013	1	Rezoning	2	$110,717	$0	$0	$110,717	$109,255
Aug-2013	1	Rezoning	3	$110,717	$0	$0	$110,717	$108,532
Sep-2013	1	Rezoning	4	$110,717	$0	$0	$110,717	$107,813
Oct-2013	1	Rezoning	5	$110,717	$0	$0	$110,717	$107,099
Nov-2013	1	Rezoning	6	$110,717	$0	$0	$110,717	$106,390
Dec-2013	1	Rezoning	7	$110,717	$0	$0	$110,717	$105,685
Jan-2014	1	Rezoning	8	$110,717	$0	$0	$110,717	$104,985
Feb-2014	1	Rezoning	9	$110,717	$0	$0	$110,717	$104,290
Mar-2014	1	Rezoning	10	$110,717	$0	$0	$110,717	$103,599
Apr-2014	1	Rezoning	11	$110,717	$0	$0	$110,717	$102,913
May-2014	2	Rezoning	12	$110,717	$0	$0	$110,717	$102,232
Jun-2014	2	Rezoning	13	$110,717	$0	$0	$110,717	$101,554
Jul-2014	2	Rezoning	14	$110,717	$0	$0	$110,717	$100,882
Aug-2014	2	Rezoning	15	$110,717	$0	-$871,832	-$761,115	-$688,914
Sep-2014	2	Rezoning	16	$110,717	$0	-$871,832	-$761,115	-$684,352
Oct-2014	2	Rezoning	17	$110,717	$0	-$871,832	-$761,115	-$679,820
Nov-2014	2	Rezoning	18	$110,717	$0	-$871,832	-$761,115	-$675,318
Dec-2014	2	Rezoning	19	$110,717	$0	-$871,832	-$761,115	-$670,845
Jan-2015	2	Rezoning	20	$110,717	$0	-$871,832	-$761,115	-$666,403
Feb-2015	2	Rezoning	21	$110,717	$0	-$871,832	-$761,115	-$661,989
Mar-2015	2	Rezoning	22	$110,717	$0	-$871,832	-$761,115	-$657,605
Apr-2015	2	Rezoning	23	$110,717	$0	-$871,832	-$761,115	-$653,250
May-2015	3	Rezoning	24	$110,717	$0	-$871,832	-$761,115	-$648,924
Jun-2015	3	Rezoning	25	$110,717	$0	-$871,832	-$761,115	-$644,627
Jul-2015	3	Rezoning	26	$110,717	$0	-$871,832	-$761,115	-$640,358
Aug-2015	3	Rezoning	27	$110,717	$0	-$871,832	-$761,115	-$636,117
Sep-2015	3	Rezoning	28	$110,717	$0	-$871,832	-$761,115	-$631,904
Oct-2015	3	Rezoning	29	$110,717	$0	-$871,832	-$761,115	-$627,719
Nov-2015	3	Rezoning	30	$110,717	$0	-$871,832	-$761,115	-$623,562
Dec-2015	3	Rezoning	31	$110,717	$0	-$871,832	-$761,115	-$619,433
Jan-2016	3	Rezoning	32	$110,717	$0	-$871,832	-$761,115	-$615,331
Feb-2016	3	Phase 1	33	$89,079	$17,442,572	-$237,112	$17,294,539	$13,889,329
Mar-2016	3	Phase 1	34	$89,079	$0	-$237,112	-$148,033	-$118,098
Apr-2016	3	Phase 1	35	$89,079	$0	-$237,112	-$148,033	-$117,316
May-2016	4	Phase 1	36	$89,079	$0	-$237,112	-$148,033	-$116,539
Jun-2016	4	Phase 1	37	$89,079	$0	-$237,112	-$148,033	-$115,768
Jul-2016	4	Phase 1	38	$89,079	$0	-$237,112	-$148,033	-$115,001
Aug-2016	4	Phase 1	39	$89,079	$0	-$237,112	-$148,033	-$114,239
Sep-2016	4	Phase 1	40	$89,079	$0	-$237,112	-$148,033	-$113,483
Oct-2016	4	Phase 1	41	$89,079	$0	-$237,112	-$148,033	-$112,731
Nov-2016	4	Phase 1	42	$89,079	$0	-$237,112	-$148,033	-$111,985
Dec-2016	4	Phase 1	43	$89,079	$0	-$237,112	-$148,033	-$111,243
Jan-2017	4	Phase 1	44	$89,079	$0	-$237,112	-$148,033	-$110,506
Feb-2017	4	Phase 1	45	$89,079	$0	-$237,112	-$148,033	-$109,774
Mar-2017	4	Phase 1	46	$89,079	$0	-$237,112	-$148,033	-$109,047
Apr-2017	4	Phase 1	47	$89,079	$0	-$237,112	-$148,033	-$108,325
May-2017	5	Phase 1	48	$89,079	$0	-$237,112	-$148,033	-$107,608
Jun-2017	5	Phase 1	49	$89,079	$0	-$237,112	-$148,033	-$106,895
Jul-2017	5	Phase 1	50	$89,079	$0	-$237,112	-$148,033	-$106,187
Aug-2017	5	Phase 1	51	$89,079	$0	-$237,112	-$148,033	-$105,484
Sep-2017	5	Phase 1	52	$89,079	$0	-$237,112	-$148,033	-$104,786
Oct-2017	5	Phase 1	53	$89,079	$0	-$237,112	-$148,033	-$104,092
Nov-2017	5	Phase 1	54	$89,079	$0	-$237,112	-$148,033	-$103,402
Dec-2017	5	Phase 1	55	$89,079	$0	-$237,112	-$148,033	-$102,718
Jan-2018	5	Phase 1	56	$89,079	$0	-$237,112	-$148,033	-$102,037
Feb-2018	5	Phase 1	57	$89,079	$0	-$237,112	-$148,033	-$101,362
Mar-2018	5	Phase 1	58	$89,079	$0	-$237,112	-$148,033	-$100,690
Apr-2018	5	Phase 1	59	$89,079	$0	-$237,112	-$148,033	-$100,023
May-2018	6	Phase 1	60	$89,079	$0	-$237,112	-$148,033	-$99,361
Jun-2018	6	Phase 1	61	$89,079	$0	-$237,112	-$148,033	-$98,703
Jul-2018	6	Phase 1	62	$89,079	$0	-$237,112	-$148,033	-$98,049
Aug-2018	6	Phase 1	63	$89,079	$0	-$237,112	-$148,033	-$97,400
Sep-2018	6	Phase 1	64	$89,079	$0	-$237,112	-$148,033	-$96,755
Oct-2018	6	Phase 1	65	$89,079	$0	-$237,112	-$148,033	-$96,114
Nov-2018	6	Phase 1	66	$89,079	$0	-$237,112	-$148,033	-$95,478
Dec-2018	6	Phase 2	67	$37,590	$22,775,456	-$150,365	$22,662,682	$14,520,119
Jan-2019	6	Phase 2	68	$37,590	$0	-$150,365	-$112,775	-$71,777
Feb-2019	6	Phase 2	69	$37,590	$0	-$150,365	-$112,775	-$71,301

Mar-2019	6	Phase 2	70	$37,590	$0	-$150,365	-$112,775	-$70,829
Apr-2019	6	Phase 2	71	$37,590	$0	-$150,365	-$112,775	-$70,360
May-2019	7	Phase 2	72	$37,590	$0	-$150,365	-$112,775	-$69,894
Jun-2019	7	Phase 2	73	$37,590	$0	-$150,365	-$112,775	-$69,431
Jul-2019	7	Phase 2	74	$37,590	$0	-$150,365	-$112,775	-$68,972
Aug-2019	7	Phase 2	75	$37,590	$0	-$150,365	-$112,775	-$68,515
Sep-2019	7	Phase 2	76	$37,590	$0	-$150,365	-$112,775	-$68,061
Oct-2019	7	Phase 2	77	$37,590	$0	-$150,365	-$112,775	-$67,610
Nov-2019	7	Phase 2	78	$37,590	$0	-$150,365	-$112,775	-$67,163
Dec-2019	7	Phase 2	79	$37,590	$0	-$150,365	-$112,775	-$66,718
Jan-2020	7	Phase 2	80	$37,590	$0	-$150,365	-$112,775	-$66,276
Feb-2020	7	Phase 2	81	$37,590	$0	-$150,365	-$112,775	-$65,837
Mar-2020	7	Phase 2	82	$37,590	$0	-$150,365	-$112,775	-$65,401
Apr-2020	7	Phase 2	83	$37,590	$0	-$150,365	-$112,775	-$64,968
May-2020	8	Phase 2	84	$37,590	$0	-$150,365	-$112,775	-$64,538
Jun-2020	8	Phase 2	85	$37,590	$0	-$150,365	-$112,775	-$64,110
Jul-2020	8	Phase 2	86	$37,590	$0	-$150,365	-$112,775	-$63,686
Aug-2020	8	Phase 2	87	$37,590	$0	-$150,365	-$112,775	-$63,264
Sep-2020	8	Phase 2	88	$37,590	$0	-$150,365	-$112,775	-$62,845
Oct-2020	8	Phase 2	89	$37,590	$0	-$150,365	-$112,775	-$62,429
Nov-2020	8	Phase 2	90	$37,590	$0	-$150,365	-$112,775	-$62,015
Dec-2020	8	Phase 2	91	$37,590	$0	-$150,365	-$112,775	-$61,605
Jan-2021	8	Phase 2	92	$37,590	$0	-$150,365	-$112,775	-$61,197
Feb-2021	8	Phase 2	93	$37,590	$0	-$150,365	-$112,775	-$60,791
Mar-2021	8	Phase 2	94	$37,590	$0	-$150,365	-$112,775	-$60,389
Apr-2021	8	Phase 2	95	$37,590	$0	-$150,365	-$112,775	-$59,989
May-2021	9	Phase 2	96	$37,590	$0	-$150,365	-$112,775	-$59,592
Jun-2021	9	Phase 2	97	$37,590	$0	-$150,365	-$112,775	-$59,197
Jul-2021	9	Phase 2	98	$37,590	$0	-$150,365	-$112,775	-$58,805
Aug-2021	9	Phase 2	99	$37,590	$0	-$150,365	-$112,775	-$58,415
Sep-2021	9	Phase 2	100	$37,590	$0	-$150,365	-$112,775	-$58,029
Oct-2021	9	Phase 2	101	$37,590	$0	-$150,365	-$112,775	-$57,644
Nov-2021	9	Phase 2	102	$37,590	$0	-$150,365	-$112,775	-$57,263
Dec-2021	9	Phase 2	103	$37,590	$0	-$150,365	-$112,775	-$56,883
Jan-2022	9	Phase 2	104	$37,590	$0	-$150,365	-$112,775	-$56,507
Feb-2022	9	Phase 2	105	$37,590	$0	-$150,365	-$112,775	-$56,132
Mar-2022	9	Phase 2	106	$37,590	$0	-$150,365	-$112,775	-$55,761
Apr-2022	9	Phase 2	107	$37,590	$0	-$150,365	-$112,775	-$55,391
May-2022	10	Phase 2	108	$37,590	$0	-$150,365	-$112,775	-$55,025
Jun-2022	10	Phase 2	109	$37,590	$0	-$150,365	-$112,775	-$54,660
Jul-2022	10	Phase 2	110	$37,590	$0	-$150,365	-$112,775	-$54,298
Aug-2022	10	Phase 3	111	$8,690	$10,529,763	-$709	$10,537,743	$5,040,066
Sep-2022	10	Phase 3	112	$8,690	$0	-$709	$7,981	$3,792
Oct-2022	10	Phase 3	113	$8,690	$0	-$709	$7,981	$3,767
Nov-2022	10	Phase 3	114	$8,690	$0	-$709	$7,981	$3,742
Dec-2022	10	Phase 3	115	$8,690	$0	-$709	$7,981	$3,717
Jan-2023	10	Phase 3	116	$8,690	$0	-$709	$7,981	$3,692
Feb-2023	10	Phase 3	117	$8,690	$0	-$709	$7,981	$3,668
Mar-2023	10	Phase 3	118	$8,690	$0	-$709	$7,981	$3,644
Apr-2023	10	Phase 3	119	$8,690	$0	-$709	$7,981	$3,620
May-2023	11	Phase 3	120	$8,690	$0	-$709	$7,981	$3,596
Jun-2023	11	Phase 3	121	$8,690	$0	-$709	$7,981	$3,572
Jul-2023	11	Phase 3	122	$8,690	$0	-$709	$7,981	$3,548
Aug-2023	11	Phase 3	123	$8,690	$0	-$709	$7,981	$3,525
Sep-2023	11	Phase 3	124	$8,690	$0	-$709	$7,981	$3,501
Oct-2023	11	Phase 3	125	$8,690	$0	-$709	$7,981	$3,478
Nov-2023	11	Phase 3	126	$8,690	$0	-$709	$7,981	$3,455
Dec-2023	11	Phase 3	127	$8,690	$0	-$709	$7,981	$3,432
Jan-2024	11	Phase 3	128	$8,690	$0	-$709	$7,981	$3,409
Feb-2024	11	Phase 3	129	$8,690	$0	-$709	$7,981	$3,387
Mar-2024	11	Phase 3	130	$8,690	$0	-$709	$7,981	$3,364
Apr-2024	11	Phase 4	131	-$18,171,170	$16,876,048	$0	-$1,295,122	-$542,357
				-$9,661,068	$67,623,839	-$30,384,999	$27,577,771	$16,629,748

ADDENDUM B

Present Value – Assuming Retained

Assumption: 889 Harbourside is Retained; Value of Serviced Land Decreases due to reduced waterfront and re-allocation of Density

Timing and Critical Assumptions	
May-13	Date of Valuation
Feb-16	Rezoning & Preparation Complete
Feb-16	Sales Start
6	Average Absorption (units / month)
711,830	Total Residential Density (sq.ft. - gross)
900	Avg. Unit Size (sq.ft.)
8.00%	Present Value Rate

Phase	Start	End	Monthly Holding Income	Residential Density	Servicing Costs	Density Income	Months
Rezoning	May-2013	Jan-2016	$110,717			$0	32
Phase 1	Feb-2016	Nov-2018	$89,079	$15,055,693	$15,692,977	$15,055,693	34
Phase 2	Dec-2018	Jul-2022	$37,590	$19,658,815	$8,061,800	$19,658,815	44
Phase 3	Aug-2022	Mar-2024	$8,690	$9,088,848	$6,616,040	$9,088,848	20
Phase 4	Apr-2024	Jan-2027		$14,566,694	$14,182	$14,566,694	34
	May-2013	Jan-2027		$58,370,050	$30,384,999	$58,370,050	164
							13.67 years

Date	Year	Phase	PV Months	Holding Income	Res Density	Servicing	Total Revenue	Discounted Revenue
May-2013	1	Rezoning	0	$110,717	$0	$0	$110,717	$110,717
Jun-2013	1	Rezoning	1	$110,717	$0	$0	$110,717	$109,983
Jul-2013	1	Rezoning	2	$110,717	$0	$0	$110,717	$109,255
Aug-2013	1	Rezoning	3	$110,717	$0	$0	$110,717	$108,532
Sep-2013	1	Rezoning	4	$110,717	$0	$0	$110,717	$107,813
Oct-2013	1	Rezoning	5	$110,717	$0	$0	$110,717	$107,099
Nov-2013	1	Rezoning	6	$110,717	$0	$0	$110,717	$106,390
Dec-2013	1	Rezoning	7	$110,717	$0	$0	$110,717	$105,685
Jan-2014	1	Rezoning	8	$110,717	$0	$0	$110,717	$104,985
Feb-2014	1	Rezoning	9	$110,717	$0	$0	$110,717	$104,290
Mar-2014	1	Rezoning	10	$110,717	$0	$0	$110,717	$103,599
Apr-2014	1	Rezoning	11	$110,717	$0	$0	$110,717	$102,913
May-2014	2	Rezoning	12	$110,717	$0	$0	$110,717	$102,232
Jun-2014	2	Rezoning	13	$110,717	$0	$0	$110,717	$101,554
Jul-2014	2	Rezoning	14	$110,717	$0	$0	$110,717	$100,882
Aug-2014	2	Rezoning	15	$110,717	$0	-$871,832	-$761,115	-$688,914
Sep-2014	2	Rezoning	16	$110,717	$0	-$871,832	-$761,115	-$684,352
Oct-2014	2	Rezoning	17	$110,717	$0	-$871,832	-$761,115	-$679,820
Nov-2014	2	Rezoning	18	$110,717	$0	-$871,832	-$761,115	-$675,318
Dec-2014	2	Rezoning	19	$110,717	$0	-$871,832	-$761,115	-$670,845
Jan-2015	2	Rezoning	20	$110,717	$0	-$871,832	-$761,115	-$666,403
Feb-2015	2	Rezoning	21	$110,717	$0	-$871,832	-$761,115	-$661,989
Mar-2015	2	Rezoning	22	$110,717	$0	-$871,832	-$761,115	-$657,605
Apr-2015	2	Rezoning	23	$110,717	$0	-$871,832	-$761,115	-$653,250
May-2015	3	Rezoning	24	$110,717	$0	-$871,832	-$761,115	-$648,924
Jun-2015	3	Rezoning	25	$110,717	$0	-$871,832	-$761,115	-$644,627
Jul-2015	3	Rezoning	26	$110,717	$0	-$871,832	-$761,115	-$640,358
Aug-2015	3	Rezoning	27	$110,717	$0	-$871,832	-$761,115	-$636,117
Sep-2015	3	Rezoning	28	$110,717	$0	-$871,832	-$761,115	-$631,904
Oct-2015	3	Rezoning	29	$110,717	$0	-$871,832	-$761,115	-$627,719
Nov-2015	3	Rezoning	30	$110,717	$0	-$871,832	-$761,115	-$623,562
Dec-2015	3	Rezoning	31	$110,717	$0	-$871,832	-$761,115	-$619,433
Jan-2016	3	Rezoning	32	$110,717	$0	-$871,832	-$761,115	-$615,331
Feb-2016	3	Phase 1	33	$89,079	$15,055,693	-$237,112	$14,907,661	$11,972,416
Mar-2016	3	Phase 1	34	$89,079	$0	-$237,112	-$148,033	-$118,098
Apr-2016	3	Phase 1	35	$89,079	$0	-$237,112	-$148,033	-$117,316
May-2016	4	Phase 1	36	$89,079	$0	-$237,112	-$148,033	-$116,539
Jun-2016	4	Phase 1	37	$89,079	$0	-$237,112	-$148,033	-$115,768
Jul-2016	4	Phase 1	38	$89,079	$0	-$237,112	-$148,033	-$115,001
Aug-2016	4	Phase 1	39	$89,079	$0	-$237,112	-$148,033	-$114,239
Sep-2016	4	Phase 1	40	$89,079	$0	-$237,112	-$148,033	-$113,483
Oct-2016	4	Phase 1	41	$89,079	$0	-$237,112	-$148,033	-$112,731
Nov-2016	4	Phase 1	42	$89,079	$0	-$237,112	-$148,033	-$111,985
Dec-2016	4	Phase 1	43	$89,079	$0	-$237,112	-$148,033	-$111,243
Jan-2017	4	Phase 1	44	$89,079	$0	-$237,112	-$148,033	-$110,506
Feb-2017	4	Phase 1	45	$89,079	$0	-$237,112	-$148,033	-$109,774
Mar-2017	4	Phase 1	46	$89,079	$0	-$237,112	-$148,033	-$109,047
Apr-2017	4	Phase 1	47	$89,079	$0	-$237,112	-$148,033	-$108,325
May-2017	5	Phase 1	48	$89,079	$0	-$237,112	-$148,033	-$107,608
Jun-2017	5	Phase 1	49	$89,079	$0	-$237,112	-$148,033	-$106,895
Jul-2017	5	Phase 1	50	$89,079	$0	-$237,112	-$148,033	-$106,187
Aug-2017	5	Phase 1	51	$89,079	$0	-$237,112	-$148,033	-$105,484
Sep-2017	5	Phase 1	52	$89,079	$0	-$237,112	-$148,033	-$104,786
Oct-2017	5	Phase 1	53	$89,079	$0	-$237,112	-$148,033	-$104,092
Nov-2017	5	Phase 1	54	$89,079	$0	-$237,112	-$148,033	-$103,402
Dec-2017	5	Phase 1	55	$89,079	$0	-$237,112	-$148,033	-$102,718
Jan-2018	5	Phase 1	56	$89,079	$0	-$237,112	-$148,033	-$102,037
Feb-2018	5	Phase 1	57	$89,079	$0	-$237,112	-$148,033	-$101,362
Mar-2018	5	Phase 1	58	$89,079	$0	-$237,112	-$148,033	-$100,690
Apr-2018	5	Phase 1	59	$89,079	$0	-$237,112	-$148,033	-$100,023
May-2018	6	Phase 1	60	$89,079	$0	-$237,112	-$148,033	-$99,361
Jun-2018	6	Phase 1	61	$89,079	$0	-$237,112	-$148,033	-$98,703
Jul-2018	6	Phase 1	62	$89,079	$0	-$237,112	-$148,033	-$98,049
Aug-2018	6	Phase 1	63	$89,079	$0	-$237,112	-$148,033	-$97,400
Sep-2018	6	Phase 1	64	$89,079	$0	-$237,112	-$148,033	-$96,755
Oct-2018	6	Phase 1	65	$89,079	$0	-$237,112	-$148,033	-$96,114
Nov-2018	6	Phase 1	66	$89,079	$0	-$237,112	-$148,033	-$95,478
Dec-2018	6	Phase 2	67	$37,590	$19,658,815	-$150,365	$19,546,040	$12,523,268
Jan-2019	6	Phase 2	68	$37,590	$0	-$150,365	-$112,775	-$71,777
Feb-2019	6	Phase 2	69	$37,590	$0	-$150,365	-$112,775	-$71,301
Mar-2019	6	Phase 2	70	$37,590	$0	-$150,365	-$112,775	-$70,829
Apr-2019	6	Phase 2	71	$37,590	$0	-$150,365	-$112,775	-$70,360
May-2019	7	Phase 2	72	$37,590	$0	-$150,365	-$112,775	-$69,894
Jun-2019	7	Phase 2	73	$37,590	$0	-$150,365	-$112,775	-$69,431
Jul-2019	7	Phase 2	74	$37,590	$0	-$150,365	-$112,775	-$68,972

Aug-2019	7	Phase 2	75	$37,590	$0	-$150,365	-$112,775	-$68,515
Sep-2019	7	Phase 2	76	$37,590	$0	-$150,365	-$112,775	-$68,061
Oct-2019	7	Phase 2	77	$37,590	$0	-$150,365	-$112,775	-$67,610
Nov-2019	7	Phase 2	78	$37,590	$0	-$150,365	-$112,775	-$67,163
Dec-2019	7	Phase 2	79	$37,590	$0	-$150,365	-$112,775	-$66,718
Jan-2020	7	Phase 2	80	$37,590	$0	-$150,365	-$112,775	-$66,276
Feb-2020	7	Phase 2	81	$37,590	$0	-$150,365	-$112,775	-$65,837
Mar-2020	7	Phase 2	82	$37,590	$0	-$150,365	-$112,775	-$65,401
Apr-2020	7	Phase 2	83	$37,590	$0	-$150,365	-$112,775	-$64,968
May-2020	8	Phase 2	84	$37,590	$0	-$150,365	-$112,775	-$64,538
Jun-2020	8	Phase 2	85	$37,590	$0	-$150,365	-$112,775	-$64,110
Jul-2020	8	Phase 2	86	$37,590	$0	-$150,365	-$112,775	-$63,686
Aug-2020	8	Phase 2	87	$37,590	$0	-$150,365	-$112,775	-$63,264
Sep-2020	8	Phase 2	88	$37,590	$0	-$150,365	-$112,775	-$62,845
Oct-2020	8	Phase 2	89	$37,590	$0	-$150,365	-$112,775	-$62,429
Nov-2020	8	Phase 2	90	$37,590	$0	-$150,365	-$112,775	-$62,015
Dec-2020	8	Phase 2	91	$37,590	$0	-$150,365	-$112,775	-$61,605
Jan-2021	8	Phase 2	92	$37,590	$0	-$150,365	-$112,775	-$61,197
Feb-2021	8	Phase 2	93	$37,590	$0	-$150,365	-$112,775	-$60,791
Mar-2021	8	Phase 2	94	$37,590	$0	-$150,365	-$112,775	-$60,389
Apr-2021	8	Phase 2	95	$37,590	$0	-$150,365	-$112,775	-$59,989
May-2021	9	Phase 2	96	$37,590	$0	-$150,365	-$112,775	-$59,592
Jun-2021	9	Phase 2	97	$37,590	$0	-$150,365	-$112,775	-$59,197
Jul-2021	9	Phase 2	98	$37,590	$0	-$150,365	-$112,775	-$58,805
Aug-2021	9	Phase 2	99	$37,590	$0	-$150,365	-$112,775	-$58,415
Sep-2021	9	Phase 2	100	$37,590	$0	-$150,365	-$112,775	-$58,029
Oct-2021	9	Phase 2	101	$37,590	$0	-$150,365	-$112,775	-$57,644
Nov-2021	9	Phase 2	102	$37,590	$0	-$150,365	-$112,775	-$57,263
Dec-2021	9	Phase 2	103	$37,590	$0	-$150,365	-$112,775	-$56,883
Jan-2022	9	Phase 2	104	$37,590	$0	-$150,365	-$112,775	-$56,507
Feb-2022	9	Phase 2	105	$37,590	$0	-$150,365	-$112,775	-$56,132
Mar-2022	9	Phase 2	106	$37,590	$0	-$150,365	-$112,775	-$55,761
Apr-2022	9	Phase 2	107	$37,590	$0	-$150,365	-$112,775	-$55,391
May-2022	10	Phase 2	108	$37,590	$0	-$150,365	-$112,775	-$55,025
Jun-2022	10	Phase 2	109	$37,590	$0	-$150,365	-$112,775	-$54,660
Jul-2022	10	Phase 2	110	$37,590	$0	-$150,365	-$112,775	-$54,298
Aug-2022	10	Phase 3	111	$8,690	$9,088,848	-$709	$9,096,829	$4,350,895
Sep-2022	10	Phase 3	112	$8,690	$0	-$709	$7,981	$3,792
Oct-2022	10	Phase 3	113	$8,690	$0	-$709	$7,981	$3,767
Nov-2022	10	Phase 3	114	$8,690	$0	-$709	$7,981	$3,742
Dec-2022	10	Phase 3	115	$8,690	$0	-$709	$7,981	$3,717
Jan-2023	10	Phase 3	116	$8,690	$0	-$709	$7,981	$3,692
Feb-2023	10	Phase 3	117	$8,690	$0	-$709	$7,981	$3,668
Mar-2023	10	Phase 3	118	$8,690	$0	-$709	$7,981	$3,644
Apr-2023	10	Phase 3	119	$8,690	$0	-$709	$7,981	$3,620
May-2023	11	Phase 3	120	$8,690	$0	-$709	$7,981	$3,596
Jun-2023	11	Phase 3	121	$8,690	$0	-$709	$7,981	$3,572
Jul-2023	11	Phase 3	122	$8,690	$0	-$709	$7,981	$3,548
Aug-2023	11	Phase 3	123	$8,690	$0	-$709	$7,981	$3,525
Sep-2023	11	Phase 3	124	$8,690	$0	-$709	$7,981	$3,501
Oct-2023	11	Phase 3	125	$8,690	$0	-$709	$7,981	$3,478
Nov-2023	11	Phase 3	126	$8,690	$0	-$709	$7,981	$3,455
Dec-2023	11	Phase 3	127	$8,690	$0	-$709	$7,981	$3,432
Jan-2024	11	Phase 3	128	$8,690	$0	-$709	$7,981	$3,409
Feb-2024	11	Phase 3	129	$8,690	$0	-$709	$7,981	$3,387
Mar-2024	11	Phase 3	130	$8,690	$0	-$709	$7,981	$3,364
Apr-2024	11	Phase 4	131	$0	$14,566,694	$0	$14,566,694	$6,100,085
				$8,510,102	$58,370,050	-$30,384,999	$36,495,153	$18,669,254

ADDENDUM C

Altus Group Report: Analysis of Construction Hard Costs

June 28th 2013

Attention:

Mr. Arif Rahemtulla
VP Construction
CONCERT PROPERTIES LTD.
9th Floor, 1190 Hornby Street
Vancouver, BC
V6Z 2K5

Re: Analysis of Construction Hard Costs for the Harbourside Development Project in North Vancouver, BC, Canada

Further to our meeting this week we are pleased to enclose our professional opinion on the construction costs you provided for us to review on Harbourside in North Vancouver.

Should you have any questions or require clarification please contact the either of the under signed.

Sincerely,

ALTUS GROUP LIMITED

Per:

Raymond Bott, MRICS, PQS
Director

Digitally signed by Steve Elias
DN: cn=Steve Elias, o=Altus Group Limited, ou=Cost, email=steve.elias@altusgroup.com, c=CA
Date: 2013.06.28 11:03:25 -07'00'

Steve Elias, FRICS, PQS
Senior Director

cc:

1. Mandate

We understand that Concert Properties Ltd. is in discussions with the District of North Vancouver (DNV) regarding the payment of CAC's with regard to the Harbourside Development Project. Altus has been requested to professionally opine on the construction $/SF gross buildable area that Concert Properties Ltd. are providing to DNV.

2. Professional Qualifications

Raymond Bott and Steve Elias are both Professional Quantity Surveyors and members of the Canadian Institute of Quantity Surveyors (CIQS), they are both also members of the Royal Institute of Chartered Surveyors. (MRICS / FRICS).

Mr. Elias has worked for many of the lenders that Concert has used over the last 20 years and as such has been party to reviewing Concerts actual costs for constructing projects. This work would be part of the monthly draw process of Concert receiving funds from their lenders on their numerous projects. He has been involved in over 20 projects over the years. As such he is very aware of the costing structure that Concert receives on their projects.

3. Information Received

Altus utilized the following documentation upon which their Professional Opinion is based:

A. The Proposed development:

   a. Section 5.1 – Overall Summary: Harbourside Waterfront Rezoning Submission dated November 19, 2012 comprising:

      i. A plan layout of the proposed Harbourside development.

      ii. A perspective of the proposed development.

B. Project Statistics:

   a. A summary of the preliminary building statistics for the proposed development – Undated.

C. Schedule/Cash Flow:

   a. A representative schedule and cash flow for a Lot C

D. Budget:

   a. Background and Rationale:

      i. Harbourside Water front Rezoning: Conceptual Level Building Budget dated June 25, 2013.

b. Anecdotal comparative review of cost centres – Typical v Harbourside dated June 26, 2013.

c. Comparative Budget Summary dated June 25, 2013.

d. Axis: Status Report – Reconciliation dated June 25, 2013.

E. Geotechnical:

a. Preliminary Geotechnical Strategy Report dated September 19, 2012.

4. Methodology undertaken for providing a Professional Opinion

In order to assess the reasonableness of the construction cost provided by Concert Properties to DNV, the following steps were undertaken:

- We met with representatives of Concert Properties, who provided us with a detailed explanation of the methodology and process they used to arrive at the construction costs per sf for the Harbourside Dvelopment;

- We were provided with the detailed backup documentation listed in Section 3.

- The Axis project is utilized as a benchmark project by Concert Properties, to which certain adjustments were made to arrive at a Harbourside Development construction cost calculation. We confirmed the Axis Project construction costs since we are monitoring the project for the project Lender, and have access to the actual construction costs. We note the construction of the Axis project is predominantly complete.

- We analyzed and reviewed the construction cost/sf adjustments made by Concert Properties to the base Axis Project construction cost, to arrive at a construction cost/sf for the Harbourside Development. This analysis was carried out by calculating the total effective cost of the proposed $/sf Concert adjustments, and then analyzing the total costs in relation to the elemental quantity of each adjustment or the cost per suite if applicable. This process allowed us to analyze each recommended Harbourside construction cost/sf.

5. Professional Opinion

Based on our analysis, we found certain $/sf gross buildable adjustments Concert Properties made to the Axis Project were slightly high, these included the allowance for hydronic heat and the allowance for design contingency, but are also of the opinion that other upward adjustments which should have been made were not in fact included. The adjustments which we believe should have been made to the Axis costs are additional costs for cost escalation from the time of tender of Axis to the anticipated time of tender for Harbourside. Another adjustment is the increased cost of formwork for the Harbourside Project compared to the Axis project since table forms will not be utilized due to the size, shape and position of the building. Altus' proposed downward adjustments are roughly equal to the upward adjustments.

Overall it is our professional opinion that the cost presented of $285/sf gross buildable is reasonable for the residential buildings in Harbourside Development Project as per the documentation provided to Altus Group.

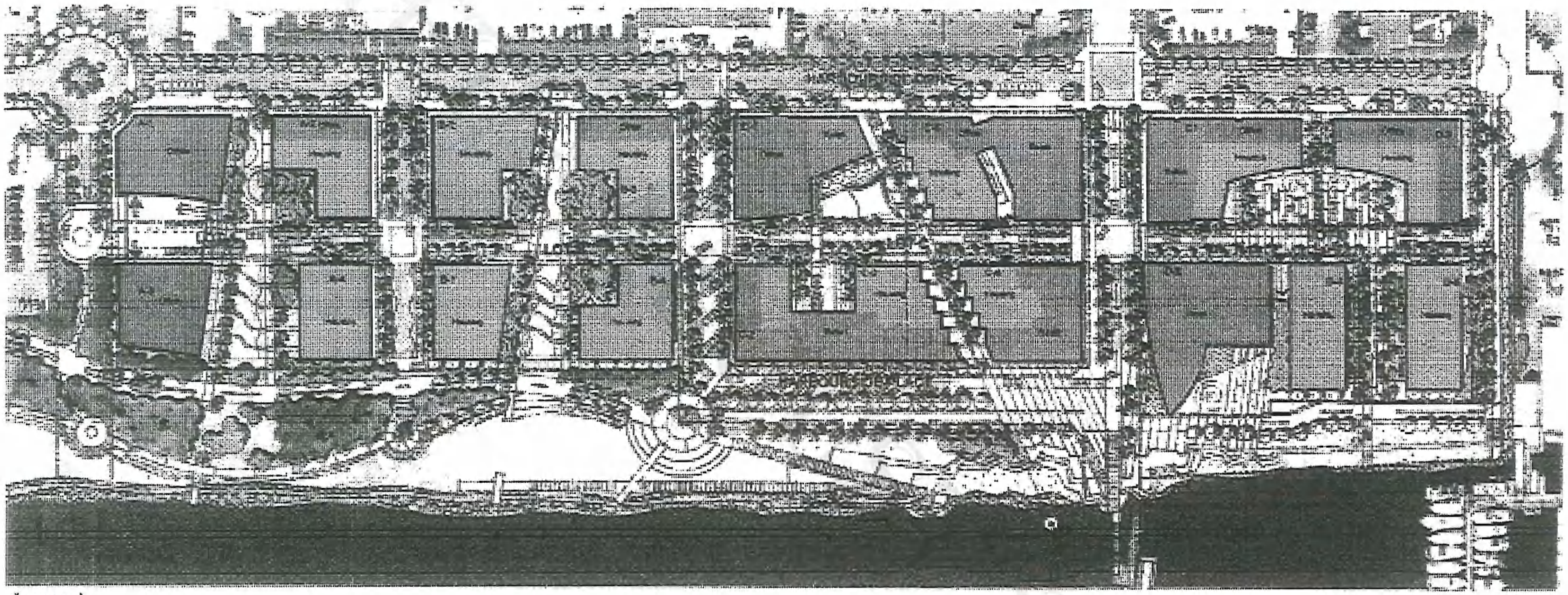
5.1 Overall Summary

Building	Description	GFA
Lot A		
A-1	Office	5,814 m^2
A-1		5,814 m^2
A-2	Market Housing	5,419 m^2
A-2	Office	326 m^2
A-2		5,745 m^2
A-3	Office	6,830 m^2
A-3		6,830 m^2
A-4	Market Housing	4,878 m^2
A-4		4,878 m^2
Lot A		23,267 m^2
Lot B		
B-1	Market Housing	4,888 m^2
B-1		4,888 m^2
B-2	Rental/Seniors Housing	7,166 m^2
B-2		7,166 m^2
B-3	Market Housing	6,052 m^2
B-3	Office	310 m^2
B-3		6,362 m^2
B-4	Market Housing	5,563 m^2
B-4		5,563 m^2
Lot B		23,929 m^2
Lot C		
C-1	Office	4,283 m^2
C-1	Retail	365 m^2
C-1		4,648 m^2
C-2	Market Housing	3,855 m^2
C-2		3,895 m^2
C-3	Market Housing	3,974 m^2
C-3	Retail	1,364 m^2
C-3		5,338 m^2
C-4	Market Housing	3,523 m^2
C-4	Retail	1,058 m^2
C-4		4,580 m^2
C-5	Market Housing	5,905 m^2
C-5	Office	776 m^2
C-5	Retail	1,078 m^2
C-5		7,372 m^2
Lot C		26,304 m^2
Lot D		
D-1	Market Housing	6,942 m^2
D-1	Office	324 m^2
D-1	Retail	717 m^2
D-1		7,982 m^2
D-2	Hotel	9,833 m^2
D-2		9,833 m^2
D-3	Market Housing	5,346 m^2
D-3	Office	683 m^2
D-3		6,029 m^2
D-4	Market Housing	4,995 m^2
D-4		4,995 m^2
D-5	Market Housing	4,989 m^2
D-5		4,989 m^2
Lot D		33,859 m^2
Grand total		107,429 m^2

Proposed exclusions deducted from FSR:

All amenity areas up to 1500 sf/building including rooftop use support
Above grade uses/parking below proposed new FCL (*dynamic response elements such as storefront offices along Harbourside Drive and Commercial office and retail to be raised with time will be counted in FSR)
Above grade and FCL storage, mech.,elec., and bike storage
Balconies (no limitation to open balconies)

Height Calculation
Height is calculated from the new Flood Construction Level of 5.24m geodetic to the top of roof structure. Balcony guards, planters, parapets, rooftop amenity, stair and elevator access and mechanical penthouses are to be excluded in the calculation for height.



Legend

Hotel Market Housing Office Rental/Seniors Housing Retail rbourside Statistic

Phase 1 Lot C	Phase 3 - Building Lot-A, [41]					Phase 4 - Building Lot-B [42]					Phase 1 - Building Lot-C [43 & 44]										Phase 2 - Building Lot-D [45]								Summary
	A-1	A-3	A-2		A-4	B-1	B-2	B-3		B-4	C-1		C-2	C-3		C-4		C-5			D-1			D-2	D-3		D-4	D-5	Total
Excavation	P1	Office	Market Housing	Office	Market Housing	Market Housing	Rental/ Senior Housing	Market Housing	Office	Market Housing	Office	Retail	Market Housing	Market Housing	Retail	Market Housing	Retail	Market Housing	Office	Retail	Market Housing	Office	Retail	Hotel	Market Housing	Office	Market Housing	Market Housing	-
Site Area	P2																												
in Hectare	0.987 ha					1.000 ha					1.260 ha										1.660 ha								4.907 ha
in m2	9,870 m2					10,000 m2					12,600 m2										16,600 m2								49,070 m2
in ft2	106,237 ft2					107,636 ft2					135,622 ft2										178,677 ft2								528,172 ft2
Vehicle Parking																													
Office	163	191		9					9		138								11			9				19			549
Retail												12			44		34			35			23						148
Rental/Senior							67																						67
Hotel																								131					131
Marketing Housing			60		51	49		109		60			34	46		43		94			111				82		53	53	845
Lot Total	474					294					491										481								1740
Parkade Area																													
P1	106,237 ft2					107,636 ft2					135,622 ft2										178,677 ft2								528,172 ft2
P2	65,867 ft2					73,193 ft2					109,854 ft2										123,287 ft2								372,201 ft2
Total Area	172,104 ft2					180,829 ft2					245,476 ft2										301,963 ft2								900,373 ft2
Average Stall Area	363 ft2					615 ft2					500 ft2										628 ft2								526 ft2
Bike Parking																													
Office	250	294		14					13		215								17			14				29			846
Retail												16			59		46			46			31						198
Rental/Senior							143																						143
Hotel																								281					281
Marketing Housing			69		59	57		126		69			39	53		50		108			128				95		62	62	977
Lot Total	686					408					649										702								2445
Vehicle Parking Ratio																													
Rental/Senior							0.7																						
Hotel																								0.7					
Marketing Housing			1.3		1.3	1.3		1.3		1.3			1.3	1.3		1.3		1.3			1.3				1.3		1.3	1.3	
Units Per Car Parking R																													
Rental/Senior							96 units																						96 units
Hotel																								187 units					187 units
Marketing Housing			46 units		39 units	38 units		84 units		46 units			26 units	35 units		33 units		72 units			85 units				63 units		41 units	41 units	650 units
Bike Parking Ratio																													
Rental/Senior							1.5																						
Hotel																								1.5					
Marketing Housing			1.5		1.5	1.5		1.5		1.5			1.5	1.5		1.5		1.5			1.5				1.5		1.5	1.5	
Units Per Bike Parking (																													
Rental/Senior							95 units																						95 units
Hotel																								187 units					187 units
Marketing Housing			46 units		39 units	38 units		84 units		46 units			26 units	35 units		33 units		72 units			85 units				63 units		41 units	41 units	651 units
Units Per Development																													
Marketing Housing			78 units		45 units	45 units		81 units		52 units			34 units	37 units		55 units		78 units			102 units				69 units		49 units	49 units	774 units
Lot Total	123 units					178 units					204 units										269 units								774 units
GFA Break Down																													
Office	62,580 ft2	73,516 ft2		3,509 ft2					3,337 ft2		53,635 ft2								4,187 ft2			3,487 ft2				7,352 ft2			211,603 ft2
Retail												3,929 ft2			14,682 ft2		11,496 ft2			11,603 ft2			7,718 ft2						49,427 ft2
Rental/Senior							77,348 ft2																						77,348 ft2
Hotel																								106,183 ft2					106,183 ft2
Marketing Housing			58,328 ft2		52,505 ft2	52,397 ft2		65,142 ft2		60,093 ft2			39,341 ft2	42,775 ft2		37,920 ft2		63,559 ft2			74,721 ft2				57,542 ft2		53,764 ft2	53,700 ft2	711,789 ft2
Building Total	62,580 ft2	73,516 ft2	61,837 ft2		52,505 ft2	52,397 ft2	77,348 ft2	68,478 ft2		60,093 ft2	57,564 ft2		39,341 ft2	57,456 ft2		49,416 ft2		79,350 ft2			85,926 ft2			106,183 ft2	64,894 ft2		53,764 ft2	53,700 ft2	1,156,350 ft2
Lot Total	250,438 ft2					258,317 ft2					283,127 ft2										364,468 ft2								1,156,350 ft2
Saleable in ft2																													
Of 90%	56,322 ft2	66,164 ft2		3,158 ft2					3,003 ft2		48,272 ft2								3,768 ft2			3,139 ft2				6,616 ft2			190,442 ft2
Re 90%												3,536 ft2			13,213 ft2		10,346 ft2			10,443 ft2			6,946 ft2						44,484 ft2
Re 82%							63,425 ft2																						63,425 ft2
Ho 82%																								87,070 ft2					87,070 ft2
Ma 82%			47,829 ft2		43,054 ft2	42,966 ft2		53,416 ft2		49,277 ft2			32,260 ft2	35,075 ft2		31,095 ft2		52,119 ft2			61,271 ft2				47,185 ft2		44,087 ft2	44,034 ft2	583,667 ft2
Lot Total	216,527 ft2					212,087 ft2					240,127 ft2										300,348 ft2								969,089 ft2
Average Saleable in ft2																													
Marketing Housing O			613 ft2		957 ft2	955 ft2		659 ft2		948 ft2			1,980 ft2			565 ft2		668 ft2			601 ft2				684 ft2		900 ft2	899 ft2	754 ft2

Lot-C [43 & 44]
Schedule & Cash Flow

	2015		2016				2017				2018			
	J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ground Improvement	Ground Improvement													
Excavation		Excavation												
Foundation and Parkade			Foundation & Parkade											
Building-5				Building-5										
Building-4						Building-4								
Building-2							Building-2							
Building-3								Building-3						
Building-1										Building-1				
Cummulative	3,907,153	7,687,312	10,871,917	20,252,742	29,365,490	38,325,612	46,095,388	53,163,282	60,062,361	67,544,950	74,197,293	78,525,884	80,691,195	$285.0 /ft2
$ Per Quarter	3,907,153	3,780,159	3,184,605	9,380,825	9,112,748	8,960,122	7,769,776	7,067,894	6,899,079	7,482,589	6,652,343	4,328,591	2,165,311	

Harbourside Waterfront Rezoning: Conceptual Level Building Budget

June 25, 2013

General

1. A $285/SF GBA budget number has been used as a blended hard cost construction number for all buildings at Harbourside: It is assumed that residential will be completed to a finished level and commercial to shell space.
2. Since the initial project plan was created other uses such as seniors have also been considered or added. It is assumed new uses will approach design to fall within the budget envelope of $285/SF GBA.
3. Buildings have not been defined in details at this stage and building specific budgets have not been prepared to date.
4. This budget analysis has been completed for the CAC evaluation to demonstrate that the $285/SF GBA for the residential component of the project is reasonable.

The budget analysis has been prepared on the basis of the following information:

1. Conceptual building designs in the Harbourside Waterfront Rezoning submission dated November 19, 2012.
2. Budget and actual hard cost data from 3 of Concert's projects currently in construction – Salt, Era and Axis. The first two projects are market condominiums and Axis is a rental protect.

The use of Concert's current projects in this analysis provides the following:

1. A direct reflection of Concert's procurement approach and cost structure.
2. The use of actual tendered and hence competitive budget numbers for each individual trade package.

Budget Analysis

1. The attached comparative budget summary provides primary project data for Salt, Era and Axis. It also contains a reference residential building [B1] at Harbourside. For information purposes the remainder of the buildings in that lot, [B2, B3 and B4] are also included.
2. The buildings are described by their primary statistics above and below grade and their "specifications" in the way of major building systems and features.
3. The summary identifies the stage at which each building is in construction and forecasts hard costs for the projects.
4. The hard costs that Concert includes in global $/SF GBA number are:
    a. The cost of the general contract [Division 1-16].
    b. Building permit costs.
    c. Utility connections costs.
    d. Bonding
    e. Testing
    f. Short and long term warranty costs.
5. The budget for a typical "residential" building at Harbourside has been assembled using the Axis as the baseline with project specific adjustments for Harbourside.

6. The Axis is a market rental building: 104,000 SF GBA; 174 suites; 15 storey concrete hi-rise.
7. The reference building at Harbourside: 53,000SF GBA; 45 suites; 7 storey mid-rise. This is a relatively small building.
8. The project specific adjustments to the baseline Axis number are as follows:
   a. Parkade efficiency:
      i. None assumed at present given overall allocation at Axis although the actual car space allocations for Harbourside are considerably higher.
   b. Substructure:
      i. Ground and ground water conditions Harbourside will necessitate additional measures in the way of dewatering/cut off and ground improvements.
   c. Superstructure:
      i. Assumed above grade efficiencies are equal.
      ii. Given the relative size of the building and adjustment for the relative ratio of envelope is required.
   d. Specifications:
      i. Adjustments included for both the interior and exterior specifications off the rental specification level.
   e. Systems:
      i. An adjustment for hydronic heat as opposed to electric baseboards and
      ii. An option to include air conditioning if required.
9. The budget is in current dollars. Given the stage of the project the budget is accurate to +/- 10%.
10. The risks associated with building construction include:
    a. Market:
       i. Costs of construction services.
          1. Given the small size of individual buildings the procurement will likely need to consider a larger overall package.
       ii. Escalation.
       iii. Availability of specialty contractors.
    b. Regulatory:
       i. Timeline for approvals.
       ii. Conditions and additional requirements arising out of approvals.
    c. Scope:
       i. Change in quantity, detail or character of work.
    d. Schedule:
       i. Multi-phasing.
          1. The likely approach will be to build a full parkade within complete block and all buildings therein sequentially.
    e. Technical:
       i. Feasibility in particular for geotechnical solutions.
    f. Construction:
       i. Performance and execution.
       ii. Temporary works.

6/26/2013

#		Typical % Total			Harbourside +	Equal	-	Notes
	General Contractor							
1	General conditions	9.5%				x		
2	Fee	2.3%				x		
3.1	Hazmat Abatement & Demo.	0.5%				n/a		
3.2	Detailed exc & backfill	4.5%			x			Dewatering/tanking or cut off. G Improvement req'd
4	Landscaping	1.1%			x			
5	Formwork	15.1%			x			Short building, stepping roof, flytable inefficiency
	Concrete Supply	5.4%				x		
6	Rebar	6.4%			x			Not a point tower, more transfer on plaza slab
7	Masonry	0.8%			x			
8	Str. Steel	0.8%				x		
9	Railings	0.8%				x		
10	Rough carpentry					x		
11.1	Finish carpentry	1.6%				x		
11.2	Misc. Bosa	0.2%						
11.3	Millwork	0.3%				x		
12	Roofing / WP / Traffic Decking	1.0%				x		
13	Firestopping	0.1%				x		
14	Spray insulation	0.0%				x		
	Prefinished Insulated Metal Panels	0.3%				x		
15	Doors & Hardware	2.5%				x		
16	Windows	4.3%			x			Greater relative percentage
17	Window installation	1.1%			x			
18	Storefront and cladding	1.9%			x			
	Misc. Glazing/Shower Drs/Mirrors	0.8%			x			
19	Drywall	4.2%					x	More retail and office space
20	Ceramic tile	1.8%			x			
21	Flooring	0.9%			x			
22	Painting	2.0%			x			
23	Overhead doors	0.1%				x		
24	Bike racks/lockers	0.1%				x		
25	Window washing	0.3%					x	Short building
26	Closet shelving	0.1%				x		
27	Signage	0.1%				x		
28	Appliances	2.9%			x			Higher finish
29.1	Cabinets - Supply	1.9%				x		
29.2	Cabinets - Install	1.1%					x	
30	Blinds	0.5%				x		
31	Elevators	2.3%					x	Not high speed elevators
32	Mechanical	7.9%			x			Hydronic heating/ AC cooling/ Ventilation
33	Electrical	7.1%				x		
	Total GC	**94.53%**						
	Directs							
1	Miscellaneous	0.1%				x		
2	Municipal fees	1.1%				x		
3	Utility conections	0.9%				x		
4	Lobby finishes	0.0%				x		
5	Bonding	0.0%				x		
6	Hoarding	0.0%				x		
7	Demolition	0.0%				x		
8	Excavation shoring	0.0%				x		
9	Off Site Improvement	0.2%				x		
10	Encroachment	0.1%				x		
11	Environmental	0.1%				x		
12	Contingency	3.0%				x		
	Total Directs	**5.47%**						
	Hard Cost total	**100.00%**						

June 25, 2013

Harbourside
Comparative Budget Summary

#	Item	Salt	Axis	Era	Harbourside LOT	Harbourside Lot B
A	**Site**				Single Bldg - B1	Rem. B2, B3 B4
1	Site area [SF]	12,000	42,548	20,785		
B	**Use/Location**					
1	Use	Condo - Mid	Rental	Condo - Mid	Condo - upper	Condo/Sen/Office
2	Location	Hornby/Drake	UBC	Victoria	North Vancouver	North Vancouver
C	**Primary Building Areas**					
1	Gross Building Area [SF]	164,218	103,942	123,508	52,397	202,593
2	Residential suite area [SF]	130,444	85,102	97,398		
3	Commercial [SF]	3,354	0	4,866		
4	Common and amenity [SF]	30,420	18,840	21,244	+/- 9,400	+/- 36,500
5	Saleable [SF]	133,798	85,102	102,264	42,966	166,126
6	Efficiency [ratio]	81.5%	81.9%	82.8%	82.0%	82.0%
D	**Suites**					
1	Suite count [No]	194	174	157	45	228
2	Average area per suite [SF]	672	489	620	955	729
E	**Building Envelope**					
1	Floor to floor [Ft]	9.33	8.67	9.33	9.50	9.50
2	Floors	31	15	15	7	7fl; 7fl; 9fl
3	"Average" floor plate	5,297	6,929	8,234	7,485	8,808
4	Glazing System Envelope Ratio	50%	40%	40%	65%	65%
F	**Parking**					
1	Area of parking [SF]	92,302	30,579	41,530	30,138	150,690
2	Parking levels [No]	7.7	1.5	2.0	2.0	2.0
3	Parking stalls [No]	152	58	104	49	245
4	Area/stall	607	527	399	615	615
5	Stalls/suite	0.8	0.3	0.7	1.1	1.1
6	Parking area/GBA	0.6	0.3	0.3	0.6	0.7
G	**Building Specifications/Features**					
1	Excavations/Foundations	Conventional	Conventional	Conventional	Dewater/tank/pilir	Dewater etc.
2	Exterior specification	Alvar +	Oscar	Oscar	Patina like	Patina like
3	Interior specification	Oscar + +	Oscar	Oscar +	Patina/Tapestry	Patina/Tapestry
4	Mech systems				Hydronic heat	Hydronic heat
5	Elec systems	Conventional	Conventional	Conventional	Conventional	Conventional
6	Air conditioning	None	None	None	Yes	Yes
7	Structural	Concrete	Concrete	Concrete	Concrete	Concrete
8	Elevators [Ft/min.]	2	2	2	1	
9	Other special - Exterior	Jewel boxes	None	Heritage restor.	?	?
10	Other special - Parkade	Tight site	None	Caissons	Piling/tanking	Piling/tanking
11	Other special - Interiors	None	None	None	?	?
12	Complexity [1-10]	7	5	6	7	7
H	**Sustainability**					
1	City	LEED Gold Eqv.	REAP Gold	LEED Gold Eqv.	LEED Gold Eqv.	LEED Gold Eqv.
2	Other - Concert	Various	Various	Various	Various	Various
3	Innovation	n/a	n/a	n/a	n/a	n/a
I	**Schedule**					
1	Phasing	None	None	None	Multiphase	Multiphase
2	Duration to occupancy [Months]	32	17	26		
J	**Budget Forecast to Completion**					
1	Hard Cost/SF GBA	276	230	250		
K	**Project status**					
1	Construction	Struct./finishing	Occup. - July	Foundations		

#	Harbourside - Condo Budget	Option 1 Base Axis No AC	Option 2 Base Axis w/AC
A	**Base**	230.0	230.0
B	**Parkade**		
1	Parking efficiency	0.0	0.0
2	Cut off /dewater - tank	10.0	10.0
3	Ground improvements	10.0	10.0
C	**Building**		
1	Above grade efficiency	0.0	0.0
2	Envelope/GBA efficiency	5.0	5.0
3	Exterior specification	5.0	5.0
4	Interior specifications	10.0	10.0
5	Hydronic heat	10.0	10.0
6	AC	0.0	12.5
7	Mews - Structure upgrade	0.0	0.0
D	**Site**		
1	Remediation	0.0	0.0
E	**Contingencies**		
1	Design and scope	0.0	0.0
2	Construction	14.0	14.6
F	**Project Budget**	294.0	307.1

June 25, 2013

Axis: Status Report - Reconciliation
Report as of May 31, 2013

#	Item	AXIS	Notes
	Proforma		
XX 1	Hard Construction cost	26,755,000	
2	Construction softs	1,729,000	
	Marketing upgrade	0	
A	**Total Proforma**	28,484,000	
	Construction budget		
1	Hard Construction cost	23,875,000	
2	Construction softs	1,850,000	
B	**Total Construction**	25,725,000	
	Construction - uncommitted		As of May 31, 2013
1	HCC - Potentials	26,100	
2	HCC - Contingency	993,151	
3	Directs - uncommited	60,000	
4	Soft Potentials	355,744	
5	Soft - Contingency	84,500	
C	**Total - uncommitted**	1,519,495	
D	**Total contingency (2+5)**	1,077,651	
P	**Total Potentials**	441,844	
E	**Other Potentials**	250,000	
F	**Long term Allowance**	750,000	
	Status Report		Per accounting May 31, 2013
1	Hard Construction cost	3,959,251	
2	Construction softs	319,244	
G	**Uncommitted as Status**	4,278,495	
AA	Variance Proforma - Budget	2,759,000	
	(A - B)		
BB	Reconcile against Status	0	
	G - ((A - B) + C)		
CC	Post Const. Savings (overrun)		
	G - (P + E+ F)	**2,836,651**	
DD	**Projected hard construction cost**		
	XX - CC	23,918,349	
EE	**Projected hard construction cost/SF GBA**		
	DD/104,000	230	

Attachment #4

HARBOURSIDE

HARBOURSIDE WATERFRONT REZONING APPLICATION

Following the successful application for an Official Community Plan amendment in July 2012, Concert has now made an application to rezone the site. This application proposes to amend the zoning bylaw to a new Comprehensive Development Zone that allows for residential and commercial uses, and densities and heights consistent with the Official Community Plan (OCP).

Please review the information on display and provide your feedback.

City staff, Concert and consultants are available to answer your questions.

Harbourside
HARBOURSIDE WATERFRONT
REZONING APPLICATION

HARBOURSIDE

PROCESS TO DATE AND POTENTIAL NEXT STEPS

OCP Amendment 2009 – 2012

2009
Application submitted

2010 – 2011
City staff review
Planning study
Open House (2)
Public workshop
Advisory committee reviews
Town Hall Meeting

2012
Town Hall Meeting (2)
Public Hearing
OCP bylaw amended

WE ARE HERE

Rezoning 2012 – 2013

2012
Application submitted

2013
City staff review
Open House
Developer Information Session
Advisory committee reviews
Town Hall Meeting
Public Hearing
Zoning bylaw amendment

IF ZONING IS APPROVED

2014
City-led parks planning process

Development Permits 2014 – 2023

Applications submitted
- Phase 1 (2014)
- Phase 2 (2017)
- Phase 3 (2020)
- Phase 4 (2023)

City staff review
Advisory committee reviews

Harbourside
HARBOURSIDE WATERFRONT REZONING APPLICATION

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HARBOURSIDE

HIGHLIGHTS OF PROPOSED COMMUNITY BENEFITS AND INFRASTRUCTURE IMPROVEMENTS

Community Benefits & Infrastructure Improvements

ENHANCING ACCESSIBILITY $7.6M

- Bewicke rail safety improvements
- Fell Avenue bridge widening
- improvements to key intersections
- five car share vehicles
- Spirit Trail enhancement and expansion
- 50 additional public parking spaces
- new bus route or shuttle service providing frequent transit

ENVIRONMENTAL BENEFITS $8.6M

- lonsdale energycorp. LEC District Energy connection
- adaptable flood management design to protect against sea level rise
- shoreline habitat enhancement

CREATING COMMUNITIES $15.4M

- road and sidewalk improvements
- unique public art
- Kings Mill Walk park enhancements
- 3.5 acres of additional public park & open space
- outdoor plaza for community events
- waterfront boardwalks and pier extensions
- site servicing and utility upgrades
- concession kiosk with washrooms

CASH CONTRIBUTION $2-4M PLUS

- 1,500 additional full-time jobs
- full-service hotel
- 800 new homes including 100 rentals
- 4,500 construction jobs
- boutique-quality retail & services
- $2.3M in annual property tax revenue

The following community benefits and infrastructure improvements have been proposed by Concert and are subject to further negotiation as well as the parks planning process that will follow rezoning.

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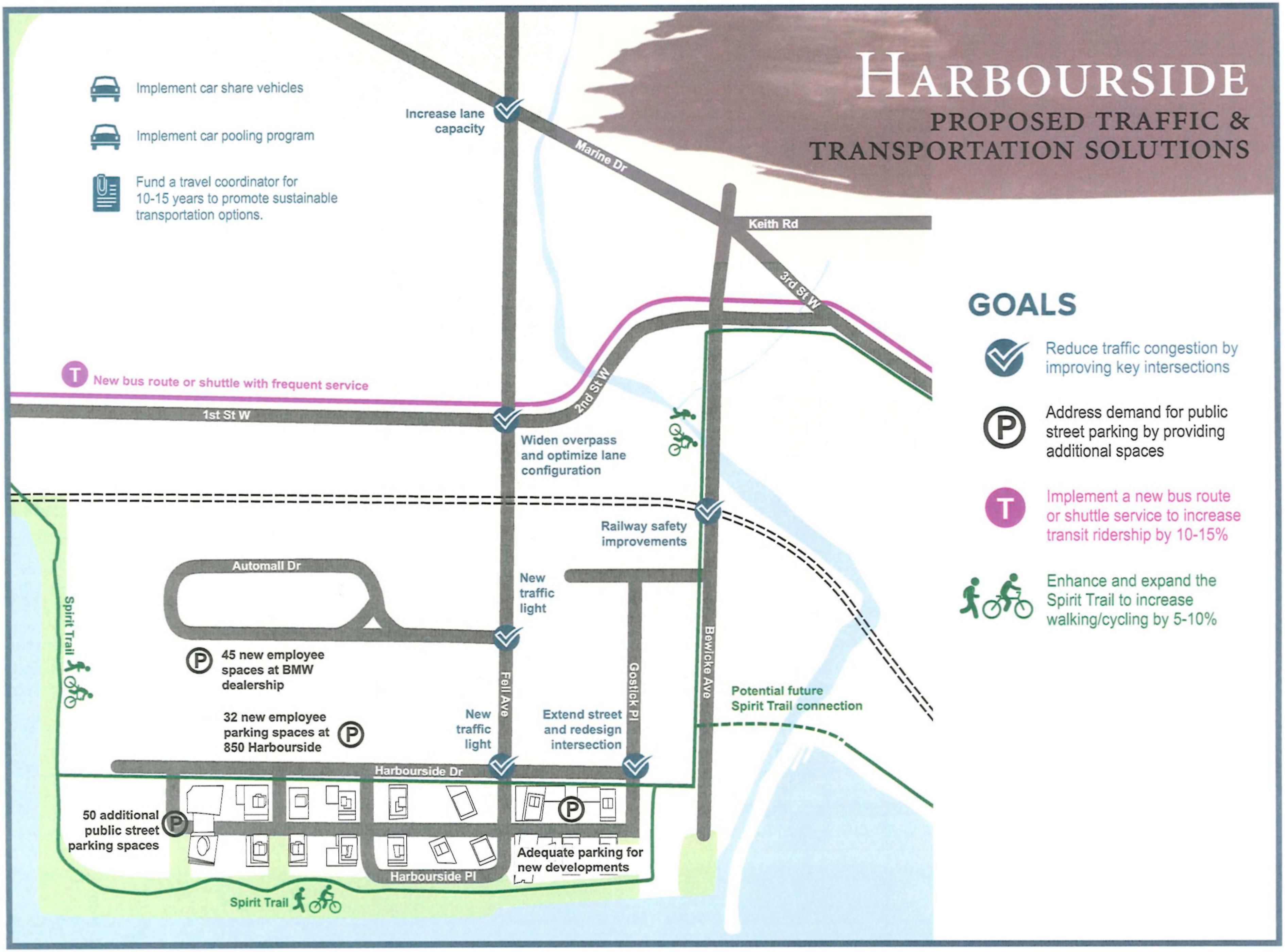

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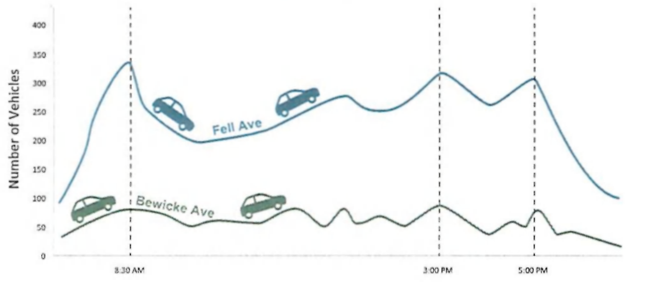
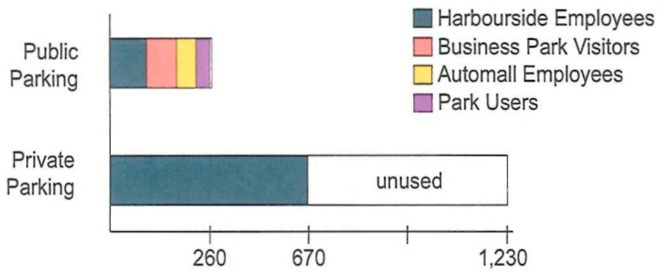
HARBOURSIDE
EXISTING TRAFFIC & TRANSPORTATION ISSUES

TRAFFIC FLOW



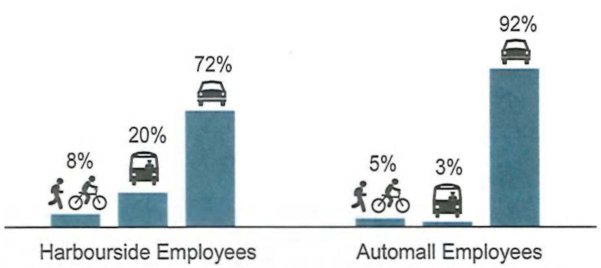
- With two vehicular access points to/from Harbourside, 85% of trips occur via Fell Ave.
- Peak congestion in the PM periods reflects employees commuting from the business park and the Lions Gate Academy school schedule.

AVAILABILITY OF PARKING

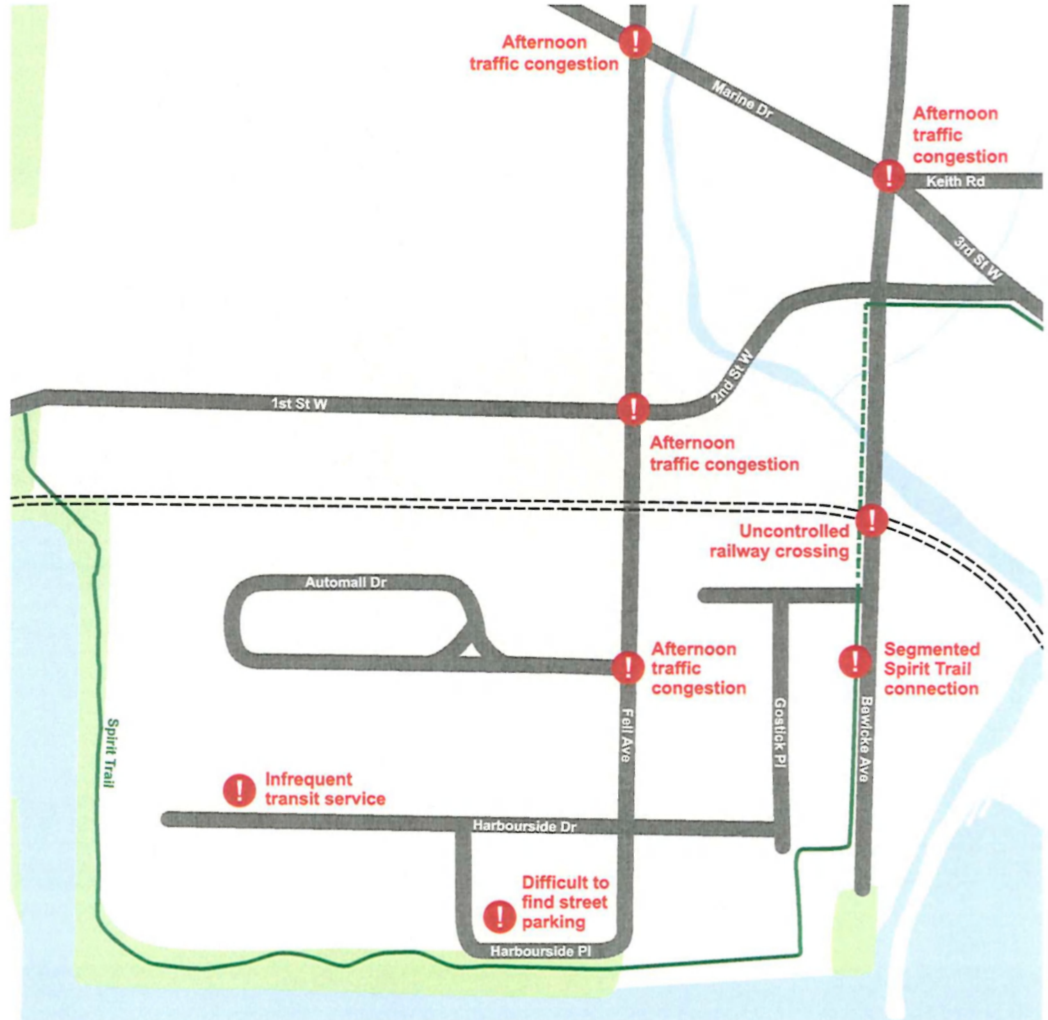


- Public street parking is fully utilized.
- Private parking assigned to individual business park tenants is only 50% utilized.

MODES OF TRANSPORTATION



- Vast majority of employees drive due to the lack of viable alternatives.
- Existing transit service is infrequent and is oriented towards Bodwell High School's schedule.



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Harbourside

ADDRESSING SEA LEVEL RISE

Our innovative flood management design will exceed the City's minimum requirements while allowing for adaptability to protect against sea level rise in the future.

Buildings:
Ground floor of buildings would be constructed at or above the new flood construction level, with the exception of commercial spaces along Harbourside Drive.

Harbourside Drive:
Commercial spaces along Harbourside Drive would integrate over-height ceilings to allow the ground floor to be raised in the future.

Dike Band:
A nearly continuous concrete band would be integrated and serve as a dike to protect against storm surges. The breaks in this band would allow for easy pedestrian access but could be dammed in advance of a storm.

Shoreline:
Shoreline improvements, such as terraces and a protruding headland, would dissipate wave action.

Street Elevations:
Street elevations south of Harbourside Drive would be raised to the new flood construction level.

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HARBOURSIDE

HIGHLIGHTS OF PROPOSED COMMUNITY BENEFITS AND INFRASTRUCTURE IMPROVEMENTS

New subsidized bus or shuttle route with frequent service

Key intersection improvements and widening of Fell Avenue bridge to reduce traffic congestion

Bewicke Avenue rail safety improvements and Spirit Trail enhancements

High quality employment spaces to provide 1,500 full-time jobs

Over 2.5 acres of additional open space

Road and sidewalk improvements

100 rental homes to provide affordable housing opportunities

Retail and service amenities including boutique shops, restaurants and grocery

50 additional public street parking spaces to alleviate parking pressures

Full service hotel

Expand and integrate the Spirit Trail connection with separated bicycle and pedestrian paths and landscaping

Unique public art pieces

Shoreline enhancements to protect against sea level rise

Concession kiosk with public washrooms

Shoreline habitat enhancements to improve sea ecology

Fund City-led park process and resulting improvements

Boardwalks and pier extensions to improve waterfront access

Outdoor plaza for community events

Over 1 acre of additional public park & beach area

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HARBOURSIDE
CONCEPTUAL DESIGN

Harbourside
HARBOURSIDE WATERFRONT
REZONING APPLICATION

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HARBOURSIDE
PROJECT DESCRIPTION

ADDRESS	925, 889 & 801 Harbourside Drive & 18 Fell Avenue
LOT SIZE	Approximately 12 acres
OFFICIAL COMMUNITY PLAN (OCP)	Amended in July 2012 to "Harbourside Waterfront" designation.
CURRENT ZONING	Comprehensive development zone (CD-359) permitting up to 530,000 sf of commercial & light industrial uses.
PROPOSED ZONING	Proposed zoning complies with the uses, densities and heights permitted by the OCP. New comprehensive development zone totaling 1.2 million sf, which adds roughly: • Up to 715,000 sf of residential condominium use (800 units) • Up to 80,000 sf of residential rental use (100 units) • Min of 371,000 sf of commercial use (office, hotel and retail) A number of community benefits and infrastructure upgrades are also being proposed.

HEIGHT AND LAND USE

- Most buildings at up to 21.4m in height
- 4 buildings at up to 27.6m in height

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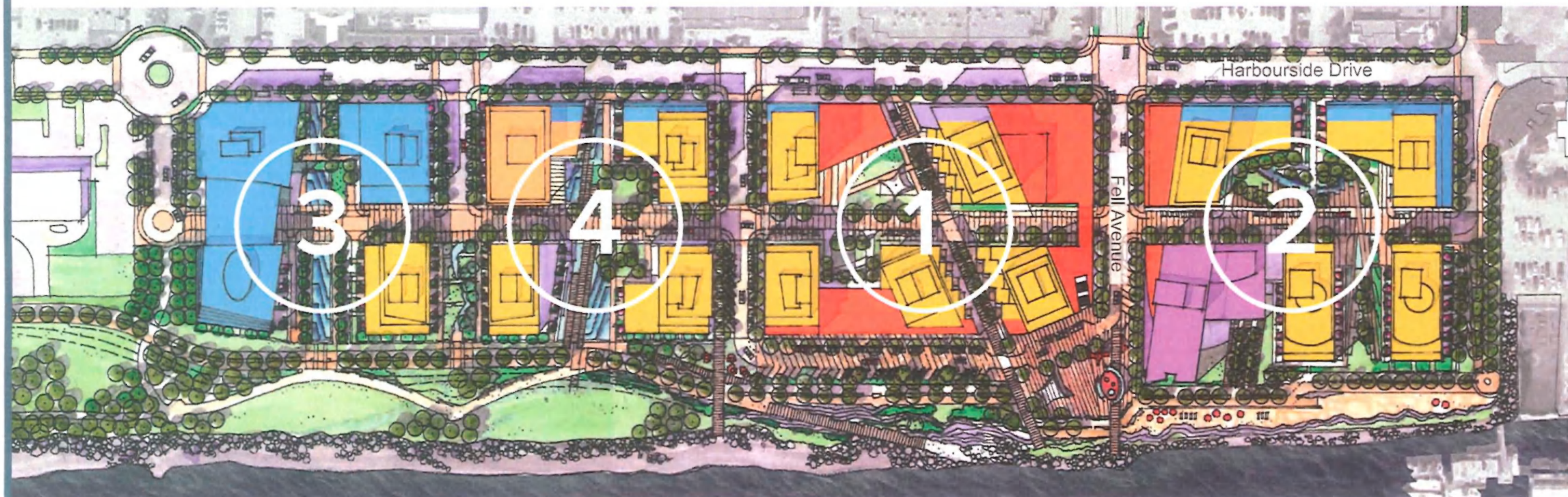
HARBOURSIDE
PROPOSED DEVELOPMENT PHASING



This application proposes a total of 18 buildings, in four phases, over a period of 10 to 15 years.

- RESIDENTIAL
- OFFICE
- RETAIL
- HOTEL
- RENTAL

HARBOURSIDE
PAST AND PRESENT

PAST:

- Harbourside was once known as the "Fullerton Fill", a vacant, contaminated lumber mill and log storage site.
- In 1998, Concert (formerly Greystone Properties) amended the OCP and rezoned the area to create the Harbourside Business Park.
- As part of the rezoning, major community amenity contributions were provided to the City including:
  - Creation and dedication of Kings Mill Walk
  - Habitat restoration and conservation of MacKay Creek
  - Financial contribution that allowed for the creation of the City's first all-weather playfield at Carson Graham School.

PRESENT:

- Waterfront lots remain largely undeveloped due to weak market demand, limited access and challenges of financing a stand-alone hotel in this location.
- Harbourside is characterized by daytime-oriented, single-purpose buildings along with a waterfront dog park.
- In July 2012, Concert's application to amend the OCP was approved. The new "Harbourside Waterfront" designation permits a mix of commercial and residential uses.

Harbourside

HARBOURSIDE WATERFRONT REZONING APPLICATION

Engaging the Community

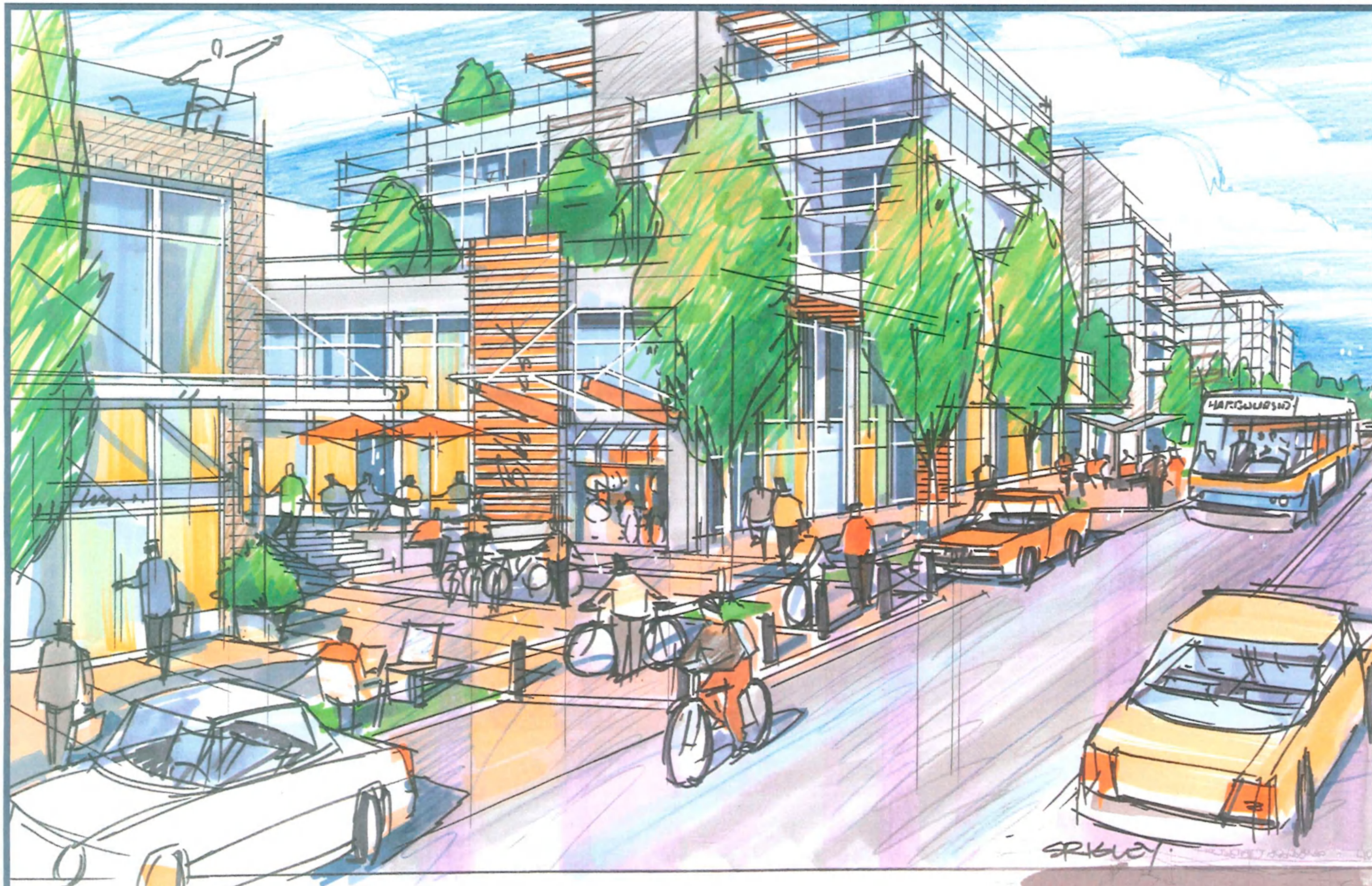
Concert has taken the Harbourside conversation online. Through our website, Twitter feed and blog, we share up-to-date information on the Harbourside planning process.

Blog

Twitter @HarboursideNV

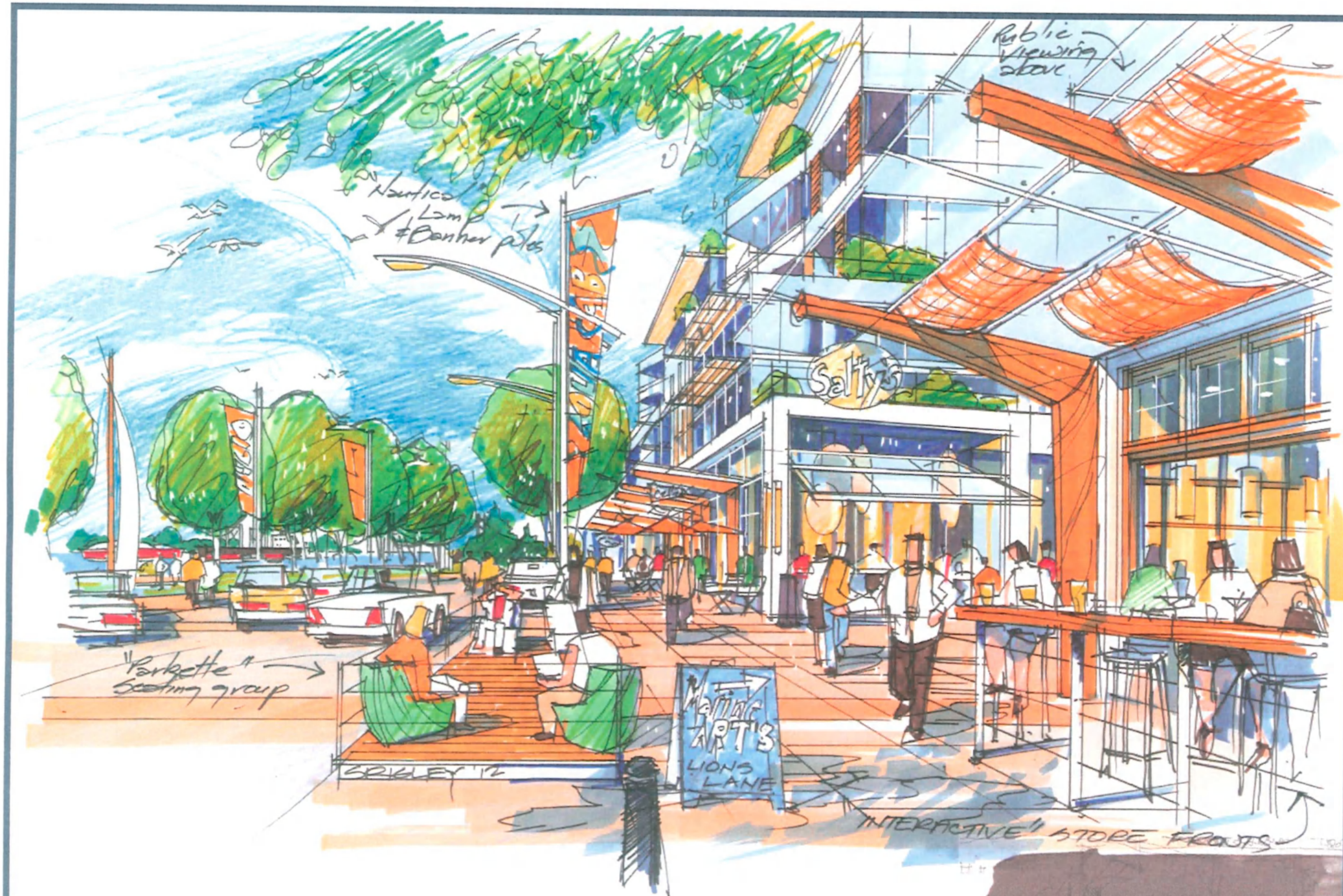
HarboursideWaterfront.com

Harbourside
HARBOURSIDE WATERFRONT REZONING APPLICATION



Harbourside Drive

HARBOURSIDE
CONCEPTUAL DESIGN



Harbourside Place

HARBOURSIDE
CONCEPTUAL DESIGN

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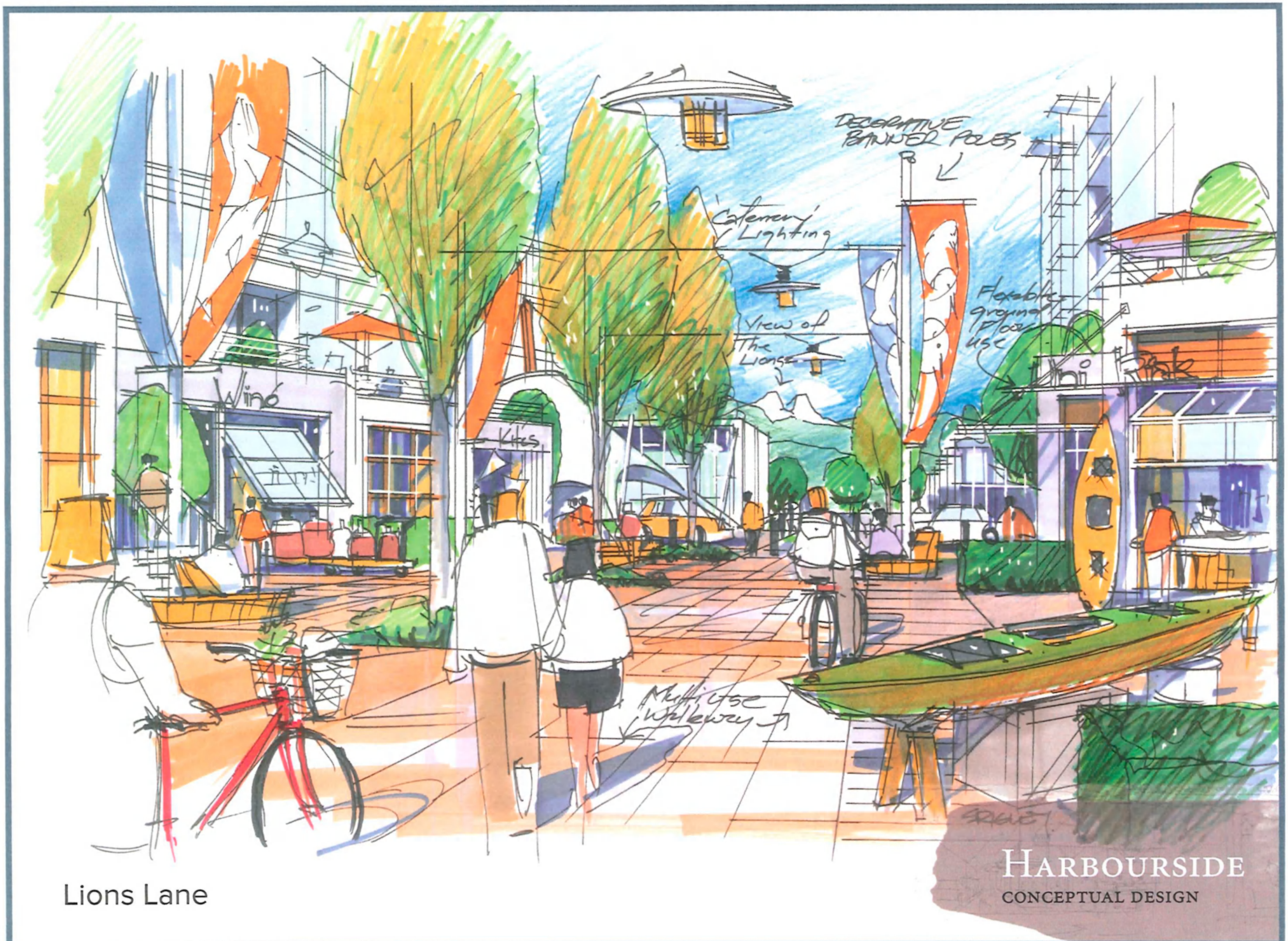

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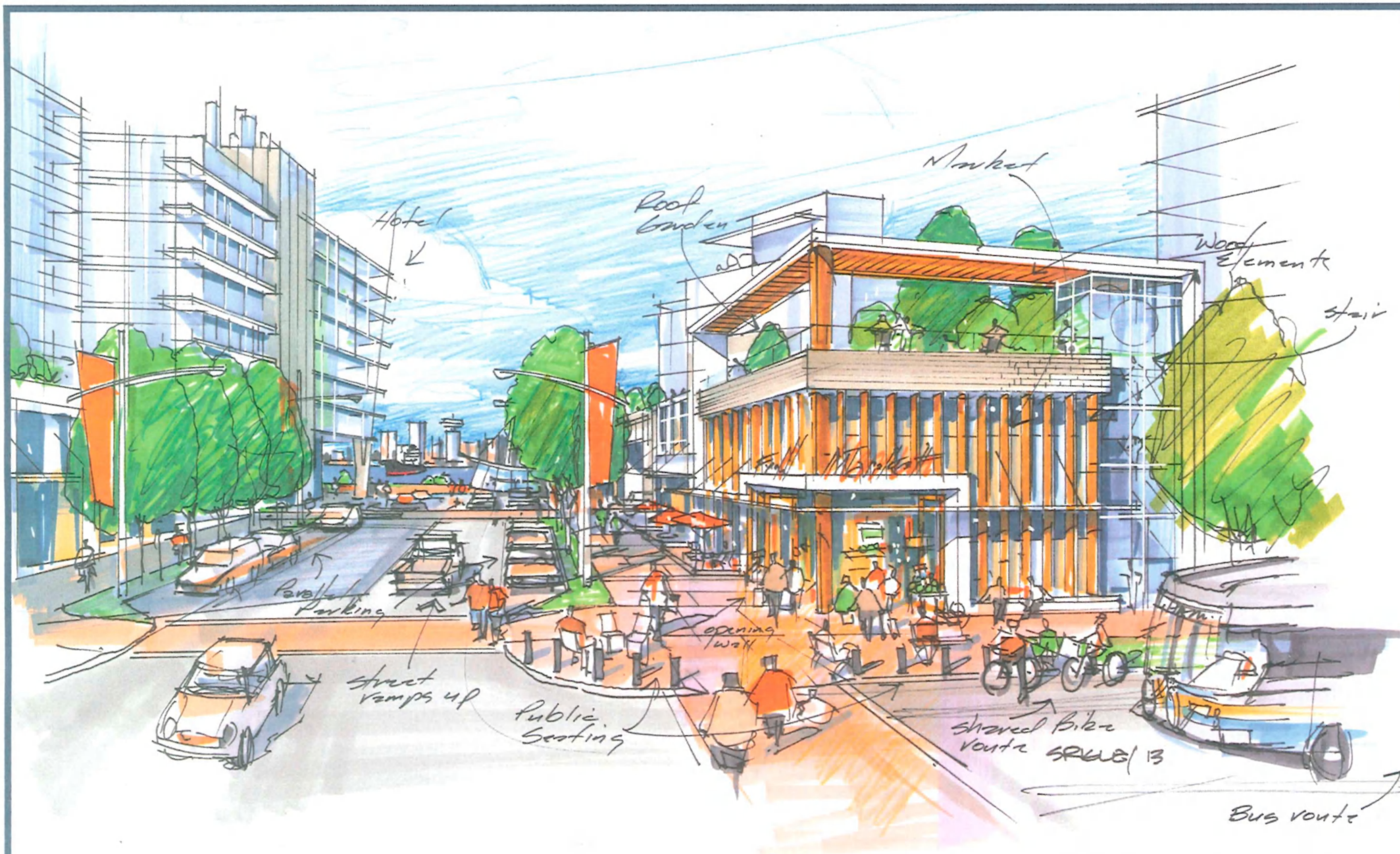

Harbourside Drive and Fell Avenue

HARBOURSIDE
CONCEPTUAL DESIGN

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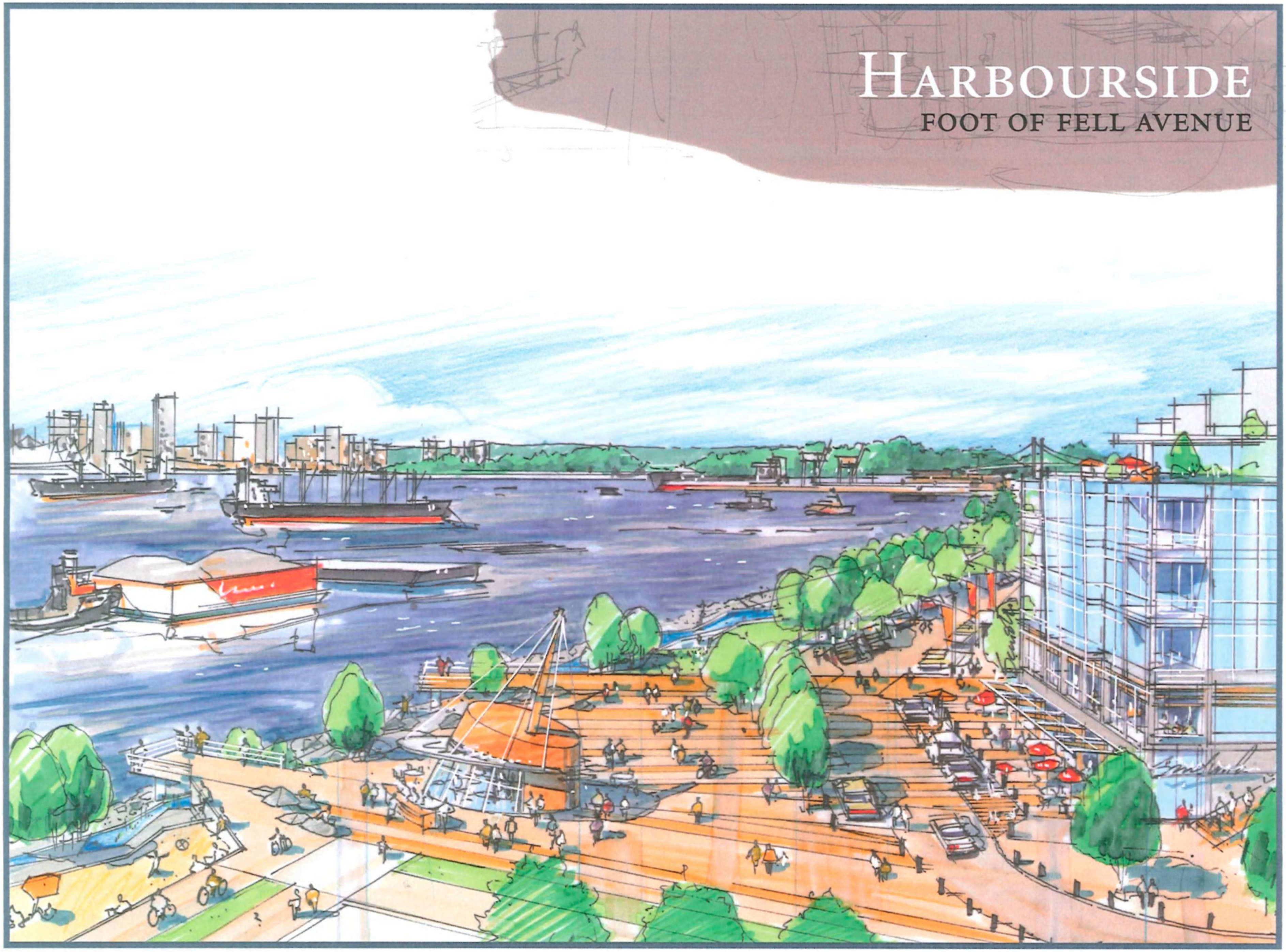

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