



Council Agenda

Monday, March 6, 2023, 7:00 PM

Council Chambers & Electronic Meeting

Electronic Meeting Instructions

To Join a Meeting:

Log into Zoom.us or the Zoom app on your device.

Enter the Meeting ID: 897 0956 7061

Dial In: 1-855-703-8985 (Canada Toll Free) or 1-778-907-2071 Meeting ID: 897 0956 7061

To Participate: During the public participation period, press **Star (*) 9** to "raise your hand".

Participants will be unmuted one by one when it is their turn to speak.

When called upon, you will have to press *6 to unmute the phone from your side as well.

We may experience a delay in opening the meeting due to technical difficulties. In the event that the meeting does not start as scheduled please be patient and stay on the line, we will get started as quickly as possible.

Public Dial-In Details are also posted at www.langford.ca

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1.	TERRITORIAL ACKNOWLEDGEMENT	
2.	CALL TO ORDER	
3.	APPROVAL OF THE AGENDA	
4.	PRESENTATIONS	
4.1	Regional Household Affordability & Prosperity Project - Diana Gibson, Community Social Planning Council	
4.2	Low Carbon Concrete Policy - Craig Appleman, P. Eng. - Herold Engineering, Ken Carrusca, P.Eng. – Cement Assoc. of Canada and Matt Dalkie, P.Eng. - Lafarge Canada Inc	
4.3	Rugby Canada - Nathan Bombrys, CEO and Gareth Rees, Director, Commercial and Program Relations	
5.	PUBLIC HEARINGS	
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11.	IN CAMERA RESOLUTION	
	THAT Council close the meeting to the public pursuant to section 90 (1) (e) of the Community Charter to consider:	
	the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality.	
12.	ADJOURNMENT	

PUBLIC HEARING
Monday, 6 March 2023

Bylaw No. 2098
File No. Z22-0023

A Bylaw to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from the One- and Two-Family Residential (R2) Zone to the City Centre 2 (CC2) Zone to Allow a Townhouse Development.

CITY OF LANGFORD BYLAW NO. 2098

A BYLAW TO AMEND BYLAW NO. 300, "LANGFORD ZONING BYLAW, 1999"

The Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

A. Langford Zoning Bylaw No. 300, 1999 is amended as follows:

1. By deleting from the One- and Two-Family Residential (R2) Zone and adding to the City Centre (CC2) Zone the properties legally described as:

- Lot 1, Section 5, Esquimalt District, Plan 10444, PID No. 005-232-708 (2833 Knotty Pine Road);
- Lot 7, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-692 (2835 Knotty Pine Road);
- Lot 6, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-676 (2837 Knotty Pine Road);
- and
- Lot 5, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-650 (2839 Knotty Pine Road);

as shown shaded on Plan No. 1 attached to and forming part of this Bylaw.

2. By adding the following to Table 1 of Schedule AD:

Zone	Bylaw No.	Legal Description	Amenity Contributions	Eligible for Reduction in Section 2 of Schedule AD
CC2	2098	· Lot 1, Section 5, Esquimalt District, Plan 10444, PID No. 005-232-708 (2833 Knotty Pine Road); and · Lot 7, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-692 (2835 Knotty Pine Road); and · Lot 6, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-676 (2837 Knotty Pine Road); and · Lot 5, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-650 (2839 Knotty Pine Road);	a) \$3,800 per unit created towards the General Amenity Reserve Fund; and b) \$1000 per unit created towards the Affordable Housing Reserve Fund	No

B. This Bylaw may be cited for all purposes as "Langford Zoning Bylaw, Amendment No. 692, (2833, 2835, 2837, and 2839 Knotty Pine Road) Bylaw No. 2098, 2022".

READ A FIRST TIME this 6th day of September, 2022.

PUBLIC HEARING held this day of , 2023.

READ A SECOND TIME this day of , 2023.

READ A THIRD TIME this day of , 2023.

APPROVED BY THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE this day of , 2023.

ADOPTED this day of , 2023.

PRESIDING COUNCIL MEMBER

CORPORATE OFFICER

Schedule A





Staff Report to the Planning, Zoning and Affordable Housing Committee

DATE: Monday, August 29, 2022

DEPARTMENT: Planning

APPLICATION NO.: Z22-0023

SUBJECT: Bylaw No. 2098 - Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development containing approximately 27 units

PURPOSE

Alex Gannochka of ADEPT Engineering Ltd. has applied on behalf of 829 Development Group Ltd. to rezone 2822, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to allow for a townhouse development with approximately 27 units.

BACKGROUND

PREVIOUS APPLICATIONS

No previous planning applications have been made for the subject properties.

Table 1: Site Data

<i>Applicant</i>	Alex Gannochka, ADEPT Engineering Ltd.
<i>Owner</i>	829 Development Group Ltd.
<i>Civic Address</i>	2822, 2835, 2837, and 2839 Knotty Pine Road
<i>Legal Description</i>	LOT 1, SECTION 5, ESQUIMALT DISTRICT, PLAN 10444 LOT 7, SECTION 5, ESQUIMALT DISTRICT, PLAN 10795 LOT 6, SECTION 5, ESQUIMALT DISTRICT, PLAN 10795 LOT 5 SECTION 5 ESQUIMALT DISTRICT PLAN 10795
<i>Size of Property</i>	2,874.9 m ²
<i>DP Areas</i>	City Centre
<i>Zoning Designation</i>	R2 (One- and Two-Family Residential)
<i>OCP Designation</i>	City Centre

2833, 2835, 2837, and 2839 Knotty Pine Road

Z22-0023

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SITE AND SURROUNDING AREA

The subject properties are located in Langford's City Centre on the corner of Knotty Pine Road and Orono Avenue. Each property is flat and contains an existing single-family home and a few mature trees. The surrounding neighbourhood is made up of primarily single-family homes and duplexes, with four to six storey apartments and townhouses being constructed in the area as Langford continues to densify the City Centre.

Council may wish to require that the applicant submit a memo prepared by a Landscape Architect prior to Public Hearing that examines the existing tree on site as well as within the frontage and provide comment on the potential for tree retention as part of the development plan.

Figure 1: Subject Properties



Table 2: Surrounding Land Uses

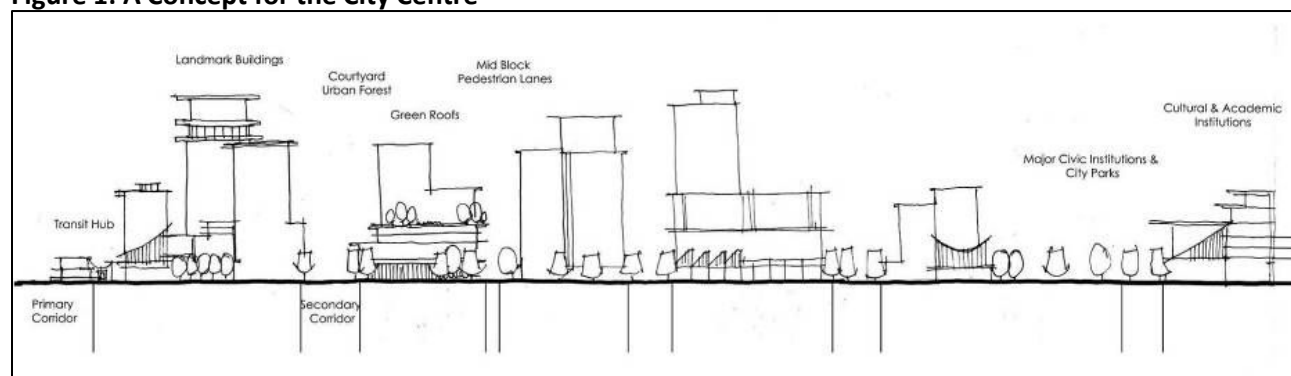
	Zoning	Use
<i>North</i>	R2 (One- and Two-Family Residential)	Single Family Homes
<i>East</i>	R2 (One- and Two-Family Residential) MU2 (Mixed Use Residential Commercial) MU1 (Mixed Use Residential Commercial)	Duplexes Mixed Use Buildings and Apartments
<i>South</i>	R2 (One- and Two-Family Residential)	Single Family Homes
<i>West</i>	R2 (One- and Two-Family Residential)	Single Family Homes

COMMENTS

OFFICIAL COMMUNITY PLAN

The Official Community Plan (OCP) Bylaw No. 1200 designated the subject properties as “City Centre”, which is defined by the following text:

- A major regional growth centre that support a wide range of high-density housing, including affordable and rental housing
- A major employment area for institutional, office, commercial, light industrial uses
- Major civic uses and public buildings are key landmarks
- A major place of community gathering and celebration
- A wide range of public squares, parks and open spaces are integrated throughout
- The City’s major entertainment and/or cultural precinct
- Inter-city and/or inter-regional transit hub connect residents

Figure 1: A Concept for the City Centre

DEVELOPMENT PERMIT AREAS

The subject properties are not located within any environmental or hazardous development permit areas. However, a form and character development permit would be required prior to the issuance of a building permit to review overall compliance with the City Centre and Multi-Family design guidelines as well as zoning bylaw requirements.

DESIGN GUIDELINES

The subject properties are located within 'S1 Centennial Park' of the City Centre Neighbourhoods in the Design Guidelines as outlined in Figure 2. For this region of the City Centre, the design intent is as follows:

Surrounding a large green space, the Centennial Park neighbourhood boasts late century single family dwellings located on cul-de-sac roads.

This neighbourhood is very suitable for mixed-use development, shared streets and enlarged walkways as well as high-density apartment buildings near Goldstream Ave. Other opportunities for development in this neighbourhood include townhouses and medium density apartments to replace the single-family dwellings on cul-de-sacs and shared streets.

Emphasis within the Centennial Park neighbourhood shall be placed on a family focus and being able to move through the housing continuum by addressing various housing types.

Further to these Neighborhood Guidelines, the subject properties are identified as being appropriate for consideration of the City Centre 2 (CC2) Zone on the City Centre Concept Map recently added to the City Centre design guidelines. The CC2 zone calls for apartments up to 4 storeys and townhouse units. As such, this townhouse proposal is consistent with the City Centre Concept Map.

COMMENTS

DEVELOPMENT PROPOSAL

The applicant has applied to rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from the One- and Two-Family Residential (R2) zone to the City Centre 2 (CC2) zone to allow for the development of approximately 27 townhouse units.

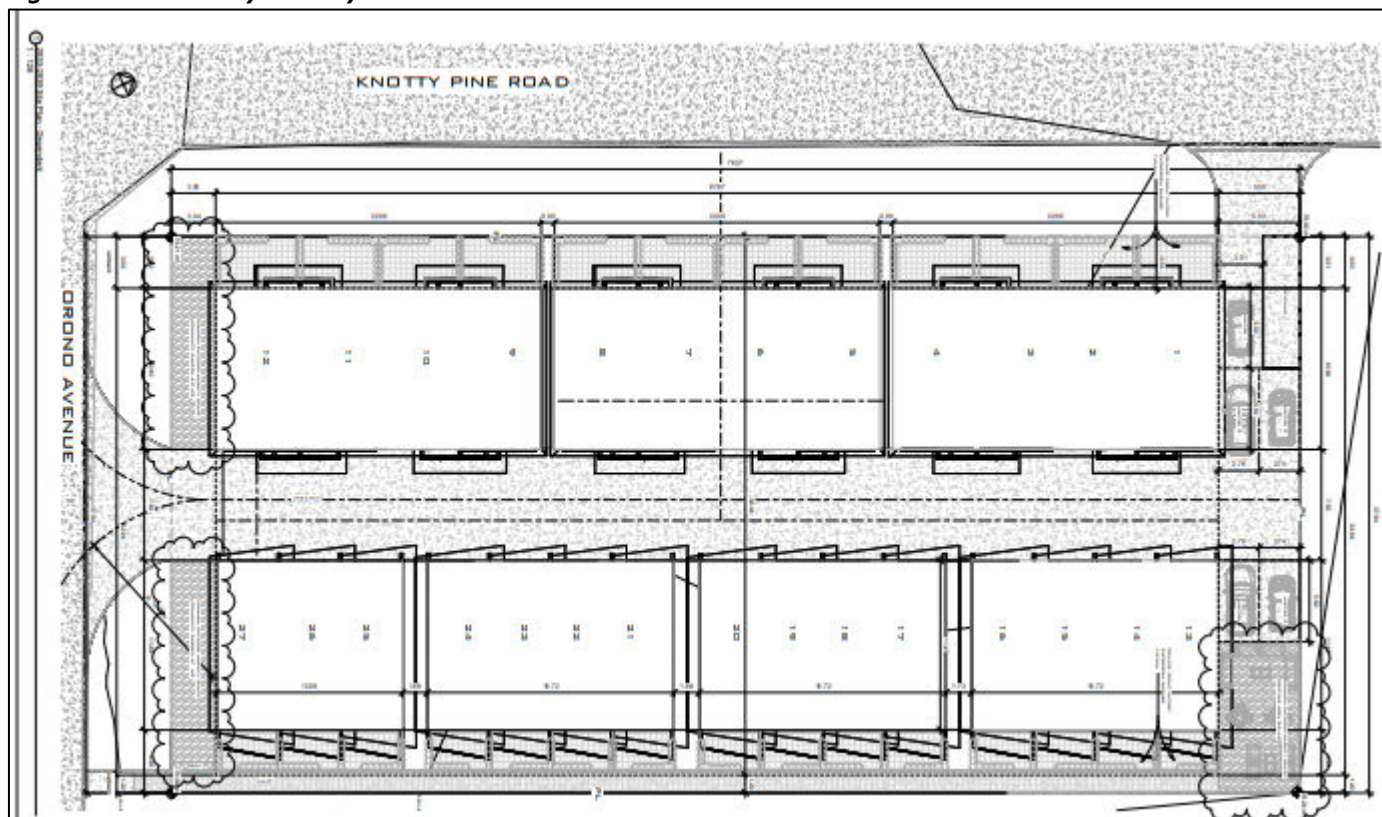
Primary access to the site will occur off Orono Avenue, with a secondary entrance on Knotty Pine to facilitate recycling and garbage pickup as well as provide access to some of the visitor parking spaces. The layout of the townhouses is designed to have an attractive walk-up style facing Knotty Pine, with garage access provided through a central drive-aisle through the site. A second row of townhomes would run along the rear of the site. This helps to allow for more street parking along Knotty Pine and a more pleasant walking experience as each individual driveway won't have to interrupt the sidewalk. This also helps to

Figure 3: S1 Centennial Park



achieve the required 80% active building frontage. A preliminary site layout can be seen below as Figure 4.

Figure 4: Preliminary Site Layout



Resident parking will be provided in accordance with Section 4.01 of Zoning Bylaw No. 300 with two stalls for each unit, in addition to 5 visitor parking stalls. Council may wish to require that any garage or carport that is allocated as a required off-street parking space be used for the parking of vehicles and not the storage of items that would prevent parking within that space; this should be secured through a separate covenant.

Currently, the applicant is short on their required common outdoor amenity space (5% of the lot size) by 3 m² and has shown it separately in three different areas. Staff have asked the applicant to revise their proposal to demonstrate the full 5% in one continuous area so that it will function better for future residents. They also intend to make some small adjustments to add additional landscape buffering on the interior side lot line and rear lot line. As such, Council may wish to require that a revised site plan is submitted prior to Public Hearing. If anything, these changes may result in the loss of a unit or two.

The applicant has submitted some renderings to demonstrate the general design they hope to construct should this project be approved. The exact design details would be confirmed through the Form and

Character Development Permit process, in compliance with the City's Design Guidelines. The renderings can be seen below in Figure 5.

Figure 5: Proposed Design – Facing Knotty Pine



For the properties to be developed as presented, the four properties would need to be consolidated into one lot. As such, Council may wish to require that the four properties are consolidated prior to the issuance of a development permit.

The applicant is not requesting any variances.

Table 3: Proposal Data

	Permitted by R2 (Current Zoning)	Permitted by RT1 (CC2 Zone defers to RT1 regulations for townhouse use)
<i>Density (FAR and/or min. lot size)</i>	400 m ² min. lot size	3.0 FAR
<i>Height</i>	9 m (30 ft)	3 Storeys
<i>Site Coverage</i>	40%	60%
<i>Front Yard Setback</i>	3.0 m (9.8 ft), or 5.5 m (18 ft) for the garage portion	3.0 m (9.8 ft), or 5.5m (18 ft) for the garage portion
<i>Interior Side Yard Setback</i>	1.5 m (5.0 ft)	1.2 m (3.9ft)
<i>Exterior Side Yard Setback</i>	3.0 m (9.8 ft), or 5.5 m (18 ft) for the garage portion	3.5 m (11.5 ft), or 5.5m (18 ft) for the garage portion
<i>Rear Yard Setback</i>	5.5 m (18 ft)	5.5 m (18 ft)

<i>Parking Requirement</i>	2 per dwelling unit + 1 per suite (if permitted)	2 per dwelling unit plus 2-5 visitor spaces depending on number of units
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PEDESTRIAN, CYCLING AND MOTORIST NETWORK

The subject properties are located near downtown Langford and therefore are within close walking distance to many shops and services. The site is also situated close to many bus stops that provide frequent service to downtown Victoria, Sooke, and other neighbourhoods throughout Langford and the West Shore. The site is also very near to the E&N Trail which provides a safe cycling and walking route from Langford through View Royal and Esquimalt, terminating in downtown Victoria. Primary vehicle access to the development will be provided off Orono Avenue.

FRONTAGE IMPROVEMENTS

Full frontage improvements to Bylaw No. 1000 will be required. The Director of Engineering has noted that this will include a 2.2 m wide sidewalk, bike lane, road edge parking, boulevard improvements, and streetlighting. The Director has noted that while no Traffic Impact Assessment is warranted for this proposal, residential occupancy of the site will not be permitted until after the completion of the new signal light at the intersection of Jacklin Road and Orono Avenue. The City intends to install the signal in 2023 or 2024.

STORMWATER MANAGEMENT

The applicant will be required to provide a stormwater management plan to the satisfaction of the Director of Engineering prior to the issuance of a building permit. Council may wish to require a stormwater technical memo prepared by the project engineer prior to Public Hearing to verify that storm water can be adequately managed on-site for the proposed development.

CONSTRUCTION PARKING MANAGEMENT PLAN

Council may wish to require a Construction Parking Management Plan as a condition of rezoning and require that it be provided to the satisfaction of the Director of Engineering prior to any alteration of land. This should be secured within a covenant, prior to Bylaw Adoption.

CARBON MINERALIZED CONCRETE

In accordance with Council's Carbon Mineralization in Concrete Policy POL-0167-PLAN, which went into effect on June 1, 2022, Council may wish to require that the applicant utilize post-industrial CO₂ mineralized concrete for the construction of the proposed development.

FINANCIAL CONTRIBUTIONS

FINANCIAL IMPLICATIONS

Rezoning the subject property may increase the assessed value of the property, and this may increase municipal revenue. As the applicant will be responsible for frontage improvements and connection to the municipal sewer system, the direct capital costs to the municipality associated with this development will

be negligible. A summary of the Amenity Contributions and Development Cost Charges that the developer will be expected to pay is outlined below in Tables 4 and 5.

COUNCIL'S AMENITY CONTRIBUTION POLICY

The amenity contributions that apply as per Council's current Affordable Housing and Amenity Contribution Policy as summarized in Table 4 below, which is based on 27 units.

Table 4 – Amenity Contributions per Council Policy

Amenity Item	Per unit contribution	Total (27 units)
<i>General Amenity Reserve Fund</i>	\$3,800	\$102,600
<i>Affordable Housing Reserve Fund</i>	\$1,000	\$27,000
TOTAL POLICY CONTRIBUTIONS		\$129,600

Table 5 – Development Cost Charges

Development Cost Charge	Per unit contribution	Total (27 units)
<i>Roads</i>	\$3,865	\$104,355
<i>Park Improvement</i>	\$1,948	\$52,596
<i>Park Acquisition</i>	\$130	\$3,510
<i>Incremental Storage Improvement Fees</i>	\$371.25	\$10,023.75
Subtotal (DCCs paid to City of Langford)		\$170,484.75
<i>CRD Water</i>	\$1,644	\$44,388
<i>School Site Acquisition</i>	\$800	\$21,600
TOTAL (estimate) DCCs		\$236,472.75

OPTIONS:

Option 1

That the Planning, Zoning, and Affordable Housing Committee recommend that Council:

1. Proceed with consideration of First Reading of Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, as a bonus for increased density, the following contributions per

unit, **prior to the issuance of a building permit:**

- i. \$1,000 towards the Affordable Housing Reserve Fund; and
- ii. \$3,800 towards the General Amenity Reserve Fund.

b. That the applicant provides the following, **prior to Public Hearing:**

- i. A technical memo from an engineer that verifies stormwater can be adequately managed on-site for the proposed developments, to the satisfaction of the Director of Engineering;
- ii. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;
- iii. A revised site plan to the satisfaction of the Director of Planning;

c. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:

- i. That the following be implemented to Bylaw No. 1000 standards to the satisfaction of the Director of Engineering prior to the issuance of a building permit:
 - 1. Full frontage improvements, inclusive of sidewalks, bike lanes, road edge parking, streetlighting, and boulevard upgrades; and
 - 2. A storm water management plan.
- ii. That a Construction Park and Traffic Management Plan be provided to the satisfaction of the Director of Engineering prior to any alteration of land;
- iii. That no residential occupancy of the development shall occur until a signal light is installed and fully operational at the intersection of Jacklin Road and Orono Avenue, to the satisfaction of the Director of Engineering;
- iv. That the four subject properties be consolidated prior to the issuance of a Development Permit for Form and Character;
- v. That a separate covenant be registered agreeing that the garages and carports are to be used for the parking of vehicles and not the storage of items preventing the parking of vehicles therein.

- vi. That all concrete used on-site will be produced using post-industrial CO₂ mineralization technology, or equivalent which offers concrete with lower embodied CO₂ than all other competing bids, and that **prior to the issuance of a Building Permit** the applicant shall provide a product-specific Type III Environmental Product Declaration that is 3rd party verified specifying the total embodied carbon content of concrete.

OR Option 2

That the Planning, Zoning, and Affordable Housing Committee recommend that Council:

1. Take no action at this time with respect to Bylaw No. 2098.

SUBMITTED BY: Julia Buckingham, Planner II

Concurrence: Leah Stohmann, MCIP, RPP, Deputy Director of Planning and Subdivision

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Will Ying-udomrat, Manager of Legislative Services

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Michelle Mahovlich, P.Eng, P.Geo, Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Acting Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

2833, 2835, 2837, and 2839 Knotty Pine Road

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Appendix A – Site Map

REZONING BYLAW AMENDMENT

(Z22-0023)

2833, 2835, 2837 & 2839 Knotty Pine Rd



Document Name: Z22-0023_Site_Map

Scale: N.T.S.

Last Revised: 6/9/2022

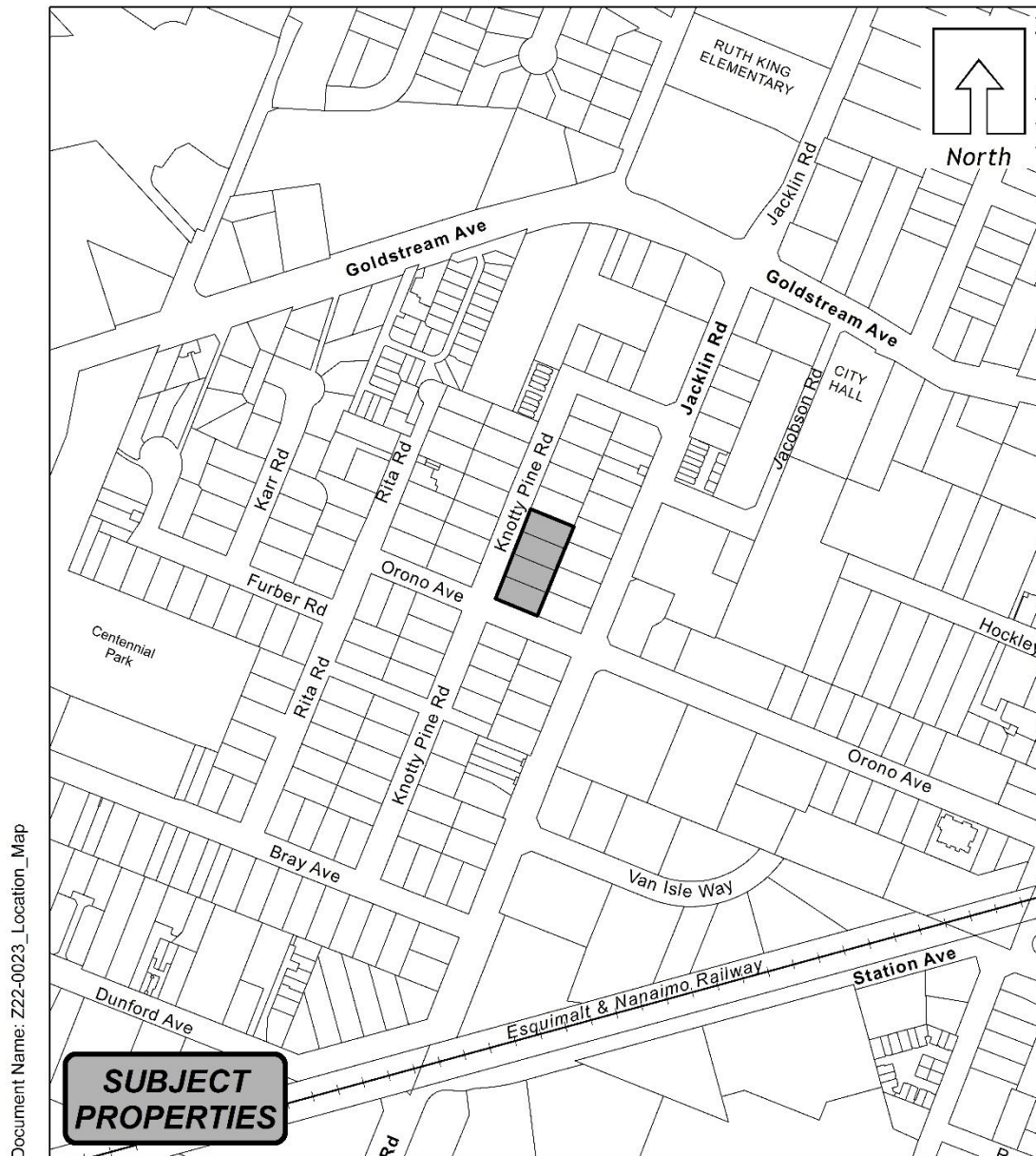
2833, 2835, 2837, and 2839 Knotty Pine Road

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Appendix B – Location Map

**REZONING BYLAW AMENDMENT
(Z22-0023)
2833, 2835, 2837 & 2839 Knotty Pine Rd**



Document Name: Z22-0023_Location_Map

Scale: N.T.S.

Last Revised: 6/14/2022

- i. That the site is developed in accordance with the plan attached to this report as Appendix A.
- ii. That an environmental Development Permit or an exemption from a Development Permit is obtained prior to construction of an accessory structure.
- iii. That a Building Permit is obtained prior to construction of an accessory structure.
- iv. That staff provide a more detailed report describing the potential impact of a blanket setback variance for accessory buildings prior to issuance.

Motion CARRIED.

5.3 Bylaw No. 2098 - Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development containing approximately 27 units

MOVED BY: STEVENS

SECONDED: ICKOVICH

THAT the Planning, Zoning, and Affordable Housing Committee recommend that Council:

1. Proceed with consideration of First Reading of Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, as a bonus for increased density, the following contributions per unit, **prior to the issuance of a building permit**:
 - i. \$1,000 towards the Affordable Housing Reserve Fund; and
 - ii. \$3,800 towards the General Amenity Reserve Fund.
 - b. That the applicant provides the following, **prior to Public Hearing**:
 - i. A technical memo from an engineer that verifies stormwater can be adequately managed on-site for the proposed developments, to the satisfaction of the Director of Engineering;
 - ii. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;
 - iii. A revised site plan indicating private greenspaces should be provided prior to Public Hearing;
 - c. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:

- i. That the following be implemented to Bylaw No. 1000 standards to the satisfaction of the Director of Engineering prior to the issuance of a building permit:
 - 1. Full frontage improvements, inclusive of sidewalks, bike lanes, road edge parking, streetlighting, and boulevard upgrades; and
 - 2. A storm water management plan.
- ii. That a Construction Park and Traffic Management Plan be provided to the satisfaction of the Director of Engineering prior to any alteration of land;
- iii. That no residential occupancy of the development shall occur until a signal light is installed and fully operational at the intersection of Jacklin Road and Orono Avenue, to the satisfaction of the Director of Engineering;
- iv. That the four subject properties be consolidated prior to the issuance of a Development Permit for Form and Character
- v. That a separate covenant be registered agreeing that the garages and carports are to be used for the parking of vehicles and not the storage of items preventing the parking of vehicles therein.
- vi. That all concrete used on-site will be produced using post-industrial CO₂ mineralization technology, or equivalent which offers concrete with lower embodied CO₂ than all other competing bids, and that **prior to the issuance of a Building Permit** the applicant shall provide a product-specific Type III Environmental Product Declaration that is 3rd party verified specifying the total embodied carbon content of concrete.

Motion CARRIED.

5.4 Bylaw No. 2105 - Application to Rezone 771, 775, and 781 Station Avenue from R2 (One- and Two-Family Residential) to CC1 (City Centre) to Allow a Six-Storey Mixed-Use Building

MOVED BY: ICKOVICH

SECONDED: STEVENS

THAT the Planning, Zoning, and Affordable Housing Committee recommend that Council:

- 1. Proceed with consideration of First Reading of Bylaw No. 2105 to amend the zoning designation of the properties located at 771, 775, and 781 Station Avenue from One- and Two-Family Residential (R2) to City Centre (CC1) subject to the following terms and conditions:
 - a. That the applicant provides, as a bonus for increased density, the following contributions per residential unit, prior to the issuance of a building permit:

- iv. That a split rail fence to delineate the Park be constructed or bonded for prior to park dedication, to the satisfaction of the Director of Parks;
- v. That vegetation within the proposed parkland should be retained. If any vegetation is removed, the applicant is required to replant the area, to the satisfaction of the Director of Parks, prior to park dedication;
- d. That **prior to issuance of a Development Permit**, a hazardous tree assessment be completed by a registered professional for area to be dedicated as park, to the satisfaction of the Director of Parks;
- 2. Direct staff to provide notice that Council will consider issuing a Development Variance Permit for the property at 1006 Lomalinda Dr with the following variances:
 - a. That Section 6.22.02(4) of Zoning Bylaw No. 300 be varied to allow the creation of a panhandle lot containing the existing house.

Motion CARRIED.

- 8.1.3 Application for a Development Variance Permit to allow for the rear lot line setback relaxation at 960 Latoria Road.

MOVED BY: BLACKWELL

SECONDED: WADE

THAT Council direct staff to bring this item back to the Planning, Zoning and Affordable Housing Committee.

Motion CARRIED.

- 8.1.4 Bylaw No. 2098 - Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development containing approximately 27 units

MOVED BY: BLACKWELL

SECONDED: WADE

That Council:

- 1. Proceed with consideration of First Reading of Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, as a bonus for increased density, the following contributions per unit, **prior to the issuance of a building permit**:
 - i. \$1,000 towards the Affordable Housing Reserve Fund; and

- ii. \$3,800 towards the General Amenity Reserve Fund.
- b. That the applicant provides the following, **prior to Public Hearing**:
 - i. A technical memo from an engineer that verifies stormwater can be adequately managed on-site for the proposed developments, to the satisfaction of the Director of Engineering;
 - ii. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;
 - iii. A revised site plan indicating private greenspaces should be provided prior to Public Hearing;
- c. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:
 - i. That the following be implemented to Bylaw No. 1000 standards to the satisfaction of the Director of Engineering prior to the issuance of a building permit:
 - 1. Full frontage improvements, inclusive of sidewalks, bike lanes, road edge parking, streetlighting, and boulevard upgrades; and
 - 2. A storm water management plan.
 - ii. That a Construction Park and Traffic Management Plan be provided to the satisfaction of the Director of Engineering prior to any alteration of land;
 - iii. That the four subject properties be consolidated prior to the issuance of a Development Permit for Form and Character;
 - iv. That a separate covenant be registered agreeing that the garages and carports are to be used for the parking of vehicles and not the storage of items preventing the parking of vehicles therein.
 - v. That all concrete used on-site will be produced using post-industrial CO₂ mineralization technology, or equivalent which offers concrete with lower embodied CO₂ than all other competing bids, and that **prior to the issuance of a Building Permit** the applicant shall provide a product-specific Type III Environmental Product Declaration that is 3rd party verified specifying the total embodied carbon content of concrete.

Motion CARRIED.

THAT Council adopt Bylaw No. 2096

Motion CARRIED.

13.16 BYLAW NO. 2098

Langford Zoning Bylaw, Amendment No. 692, (2833, 2835, 2837, and 2839 Knotty Pine Road) Bylaw No. 2098, 2022'. (FIRST READING)

MOVED BY: WADE

SECONDED: BLACKWELL

THAT Council give Bylaw No. 2098 first reading.

Motion CARRIED.

13.17 BYLAW NO. 2104

"City of Langford Permissive Tax Exemption Bylaw No. 2104, 2022". (ADOPTION)

MOVED BY: SAHLSTROM

SECONDED: WADE

THAT Council adopt Bylaw No. 2104.

Motion CARRIED.

13.18 BYLAW NO. 2105

"Langford Zoning Bylaw, Amendment No. 694, (771, 775, and 781 Station Avenue), Bylaw No. 2105, 2022". (FIRST READING)

MOVED BY: WADE

SECONDED: BLACKWELL

THAT Council give Bylaw No. 2105 first reading.

Motion CARRIED.

13.19 BYLAW NO. 2106

"Centre Mountain Water Service Local Area Service – Temporary Borrowing Bylaw, 2022". (FIRST, SECOND AND THIRD READINGS)

MOVED BY: WADE

SECONDED: SAHLSTROM

THAT Council give Bylaw No. 2106 first, second and third readings.

Motion CARRIED.

Councillors Blackwell and Szpak opposed.



City of Langford

Staff Report to Council

DATE: Monday, February 6, 2023

DEPARTMENT: Planning

APPLICATION NO.: Z22-0023

SUBJECT: Bylaw No. 2098 - Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development

BACKGROUND:

Alex Gannochka of ADEPT Engineering Ltd. has applied on behalf of 829 Development Group Ltd. to rezone 2822, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to allow for a townhouse development, originally proposed with 27 units.

The application was considered by the Planning, Zoning, and Affordable Housing Committee on August 29, 2022. No written correspondence was received for this meeting, but three members of the public spoke during the meeting. One concern was that the townhomes were not a dense enough housing form backing on to the Jacklin corridor, which is visioned within the OCP to have taller apartment buildings. The two other concerns were about on-site greenspace, lack of parks nearby, retention of mature trees on-site, and size of units. The Committee recommended that Council proceed with consideration of the Bylaw to rezone the properties.

Council gave First Reading to Bylaw No. 2028 on September 6, 2022. As part of their resolution, the following items were required prior to a Public Hearing:

1. A technical memo from an engineer that verifies stormwater can be adequately managed on-site for the proposed developments, to the satisfaction of the Director of Engineering;
2. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;
3. A revised site plan to the satisfaction of the Director of Planning;

COMMENTARY:

The applicant has since submitted all the required documents and is seeking approval from Council for their application to proceed to a Public Hearing in March.

The Director of Engineering has reviewed and approved the technical memo pertaining to stormwater management. A full stormwater management plan will be required prior to the issuance of a building permit.

The applicant also submitted an arborist report pertaining to the existing trees on the subject properties. The arborist has noted that there are twelve trees on site, of which, three could be possibly retained. This includes a Garry Oak with a dbh of 105 cm, a Bigleaf Maple with a dbh of 107 cm, and a Cypress with a dbh of 41 cm. To support the retention of these trees, particularly the Garry Oak and Bigleaf Maple, the applicant has altered their site plan and location of on-site outdoor amenity space. This will be discussed further below. The Cypress tree is located on the property along Knotty Pine Road and would be situated in front of the townhomes. The arborist report contains recommendations on how to protect the trees throughout construction, inclusive of fencing requirements.

The applicant has submitted a revised site plan, as required. Part of the original request for a revised site plan was due to the on-site amenity space requirement which the applicant had originally separated into three separate areas throughout the site. The applicant also needed to alter their site plan to demonstrate the required landscape buffer along the rear and side property lines.

The new site plan, included as Appendix A, shows a consolidated amenity space of 143.7 m² which is equal to the required 5% of the lot area. The amenity space area has moved to the southwest corner of the site, at the corner of Knotty Pine Road and Orono Avenue. This location is particularly advantageous as it is the location of the above noted Garry Oak and Bigleaf Maple trees, which would aid in the viability of their retention. While the 5% amenity space is typically provided on-site, City staff and the applicant have discussed the option of dedicating the 5% amenity space to the City in lieu of it being retained as private on-site common amenity space. This would see the Garry Oak and Bigleaf Maple maintained by the City instead of the private strata. City ownership of the area would also allow for possible future park improvements, like the installation of a bench that could be utilized by the general public, including residents of the townhomes. Council may also wish to note that the townhomes all have some form of private open space, either in the form of a ground floor patio space, balcony, or combination of the two.

The revised site plan also includes the addition of a landscape buffer area along the rear and side property lines. The changes to the location of the amenity space and inclusion of the landscape buffer areas have resulted in the loss of one unit, leaving the current development proposal with a total of 26 units.

While the Council resolution noted that the revised site plan should be to the satisfaction of the Director of Planning, staff believe in this instance that Council should review and accept their proposal as it includes land dedication.

Given the above, Council may wish to accept the applicant's proposal to dedicate 5% of the land to the City at the southwest corner of the lot prior to the issuance of a building permit. They also may wish to proceed with scheduling the application for a Public Hearing.

OPTIONS:

Option 1

That Council:

1. Accept the revised site plan and proceed with scheduling a Public Hearing for Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:
 - i. To dedicate 5% of the lot area to the City at the southwest corner of the lot, inclusive of the Garry Oak and Bigleaf Maple trees, prior to the issuance of a building permit;
 - ii. That the tree protection measures outlined in the arborist report be implemented throughout construction to protect the Garry Oak, Bigleaf Maple, and Cypress trees that have retention potential, inclusive of tree protection fencing;

OR Option 2

That Council

1. Request a different proposal for amenity space prior to scheduling a Public Hearing for Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2).

SUBMITTED BY: Julia Buckingham, Planner II

Concurrence: Leah Stohmann, MCIP, RPP Deputy Director of Planning and Subdivision

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng, Director of Engineering and Public Works

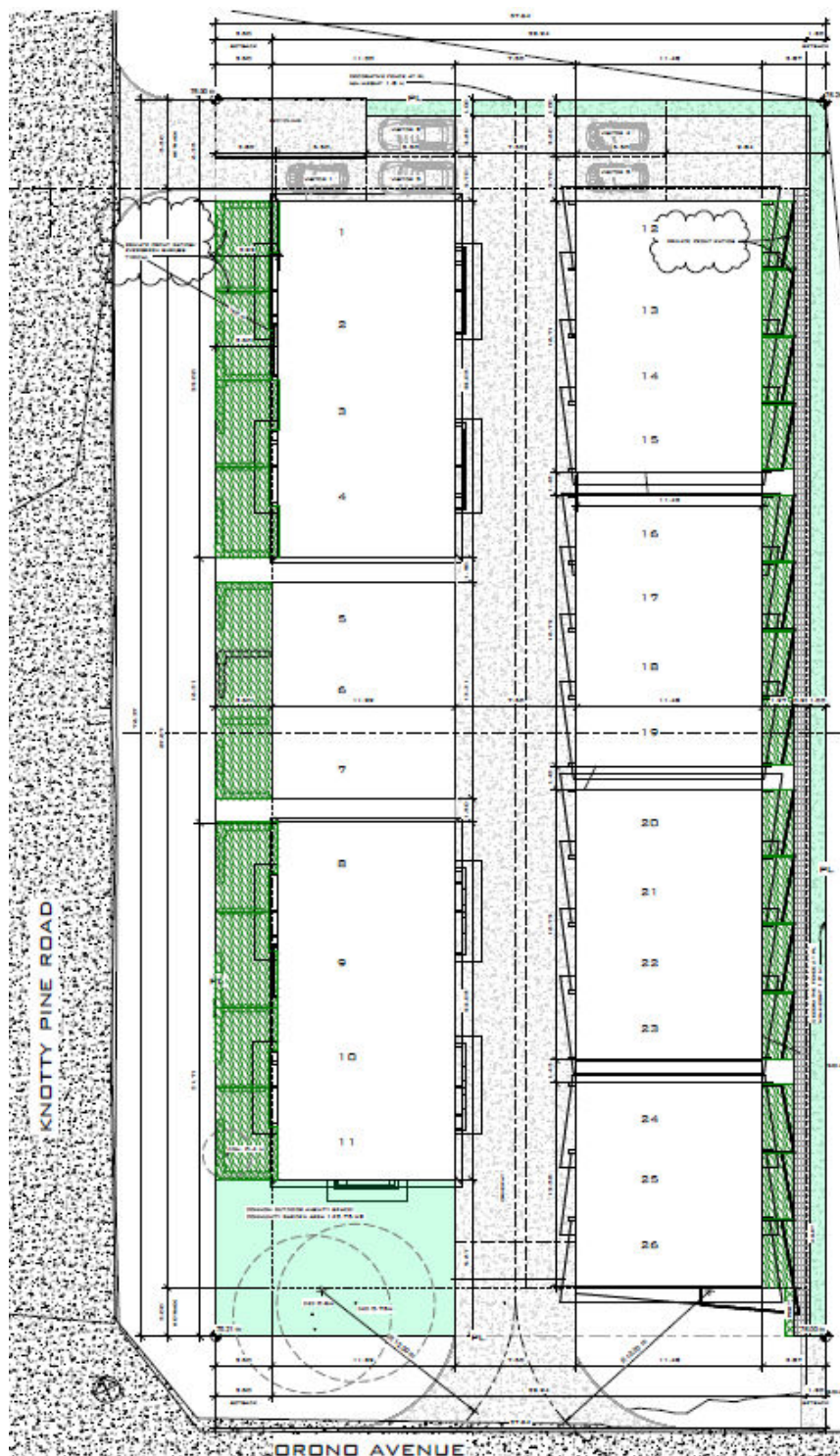
Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

Appendix A – Revised Site Plan



Motion CARRIED.

10.2 DVP22-0014 - Application to Vary Fence Height at 2788 and 2792 Winster Avenue (RCMP Property)

MOVED BY: HARDER

SECONDED: GUIRY

That Development Variance Permit No. DVP22-0014 be issued by Council for the City of Langford to Braden Hutchins on behalf of City of Langford to vary the fence height at 2788 and 2792 Winster Road (RCMP Properties) subject to the following terms and conditions:

1. Variances

The following regulations of Zoning Bylaw No. 300 be varied pursuant to section 498 of the *Local Government Act*:

a) That section 3.21.03(3) of Zoning Bylaw No. 300 be varied to increase the maximum permitted height of a fence abutting a highway from 1.2m (3.9 ft) to 3.5m (11.5 ft).

Motion CARRIED.

11. REPORTS

11.1 Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development

MOVED BY: WAGNER

SECONDED: HARDER

That Council:

1. Accept the revised site plan and proceed with scheduling a Public Hearing for Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:
 - i. To dedicate 5% of the lot area to the City at the southwest corner of the lot, inclusive of the Garry Oak and Bigleaf Maple trees, prior to the issuance of a building permit;

- ii. That the tree protection measures outlined in the arborist report be implemented throughout construction to protect the Garry Oak, Bigleaf Maple, and Cypress trees that have retention potential, inclusive of tree protection fencing;

Motion CARRIED.

11.2 Application for a Development Variance Permit to reduce front, rear, and interior lot line setbacks at 960 Latoria Rd

MOVED BY: YACUCHA

SECONDED: WAGNER

THAT Council:

1. Direct staff to provide notice that Council will consider issuing a Development Variance Permit for the property at 960 Latoria Road with the following variance:
 - a. That Section 3.05.02(1) of Zoning Bylaw 300 be varied to reduce the rear lot line setback from 15m (49.2ft) to 4.57m (15ft) for the proposed agricultural accessory structure only.

Subject to the following terms and conditions:

- i. That the site is developed in accordance with the plan shown as Figure 4.
- ii. That environmental Development Permit or an exemption from a Development Permit is obtained prior to construction of an accessory structure.
- iii. That a Building Permit is obtained prior to construction of an accessory structure.

Motion CARRIED.

Councillor Guiry opposed.

11.3 West Shore Parks and Recreation Society Budget

MOVED BY: GUIRY

SECONDED: HARDER

THAT Council approve the 2023 West Shore Parks and Recreation Society budget.

Motion CARRIED.

Notice of Public Hearing

City Hall Council Chambers
Third Floor, 877 Goldstream Avenue

This meeting will be held electronically and in person at the above address.
Information on how to participate in this meeting is listed below.

MEETING DATE:

6 March 2023

STARTING AT:

7:00PM

How to Connect:

Teleconference # 1-855-703-8985 (Canada Toll Free)
1-778-907-2071 (long distance charges may apply)

Zoom.us or Zoom app on your mobile device
Meeting ID #897 0956 7061

Bylaw No:

2098

Location:

2833, 2835, 2837, and 2839 Knotty Pine Road as shown shaded on the attached map

Purpose:

To amend the City of Langford Zoning Bylaw No. 300 by amending the zoning designation of the subject properties from the One- and Two-Family Residential (R2) Zone to the City Centre (CC2) Zone to allow a townhouse development.



Langford.ca

2nd Floor, 877 Goldstream Avenue, Langford, BC V9B 2X8 | t 250.478.7882



City of Langford

IMPORTANT – PUBLIC HEARING NOTICE OWNER/OCCUPANT

Read the Bylaw:

[Langford.ca/city-hall/public-notices](https://langford.ca/city-hall/public-notices) or contact City Hall to make an appointment to view the bylaw in person (8:30am-4:30pm Monday to Friday, excluding holidays).

Ask Questions or Submit Questions:

Email: planning@langford.ca
Mail: City of Langford

You must include your name and civic address. Submissions must be received by noon on the Tuesday prior to the public hearing to be included in the agenda. Correspondence received after that date but no later than 3 pm on the day of the public hearing will be circulated to Council and uploaded to the website as an "Addendum Package" the day after the public hearing.

Speak at Public Hearing: Participate by phone or via Zoom app, or in person—see the website for more information.

Watch Public Hearing: View in the Zoom app, or watch the recording at [Langford.ca](https://langford.ca)

Personal Information: All submissions will be published, including your name and address. For more information on this collection and disclosure, go to [Langford.ca/privacy](https://langford.ca/privacy).

Langford.ca

2nd Floor, 877 Goldstream Avenue, Langford, BC V9B 2X8 | t 250.478.7882



City of Langford

CRD reconsidering parks entrance sign strategy after backlash

Board chair says new sign design will allow First Nation recognition in the future

Jake Romphf
News Staff

Before an immediate and visceral rejection of a proposed change, the Capital Regional District planned on spending \$137,000 on new Thetis Lake and two other regional park signs. The CRD's social media was flooded with negative responses in mid-January when it posted a rendering of what would replace the decades-old wooden display greeting Thetis Lake's visitors - prompting the district to back-track on those plans. The 2022 regional parks budget included \$137,000 for replacing entry signs, including the paused Thetis Lake change. That also funded a new sign that was installed at Elk/Beaver Lake Regional Park's Beaver Beach entrance on Jan. 12 and a pillar-like sign at East Point Regional Park. Directors at the Feb. 8 board meeting voted to proceed with implementing the CRD's signage strategy with the exception of regional park entry signs, which will now be considered further by the regional parks committee.

"I'm hoping the regional parks committee will look at the value of the old wooden sign that currently welcomes people to (Thetis Lake) park and look if there's a way to keep that sign and have a new sign," CRD chair Colin Plant said in an interview. He noted that even though the public strongly supports it, the log sign being made of wood means it will deteriorate even if it's treated. "We'll see what we can do and people can come to the committee with their suggestions about what they would like to see," Plant said. The CRD's updated parks strategy, which has received interim approval, calls for integrating First Nation stories, names and information on signage. Asked why some new signs were already installed as those consultations with local First Nations are ongoing, Plant said there's a need to ensure the displays are doing their job, while leaving space for them to be updated with Indigenous languages and names in the future. "The sign's design - even though some people may not like the design and would prefer the status quo - was done in a way that would allow us to recognize First Nations," he said. "I think the CRD is very interested in exploring, with local Nations, the names for areas where we have regional parks and the idea of honouring the names is something that I think the board will want to do." The CRD's 2021-approved signage guidelines

state signs should be consistent to create a "recognizable brand," while their design and materials "speaks to the integrity of the CRD identity." "The public expressed dislike of the new sign design, particularly for a park, and the public also expressed concern over the expenditures associated with the new signs and the strategy," staff said at the Feb. 8 board meeting. Director Sid Tobias said he saw his email explode after the social media posts went up.

"We can talk about corporate branding but I think there's a place where it's appropriate and where it's not," the View Royal mayor said. While corporate-looking signs might be better placed outside a hospital, Tobias said the public has a personal attachment to local parks and they should have a say. "We should be informed by the public, by the history and wait until we've done the First Nations engagement to find out what that might look like."

NOTICE OF AMENDING BYLAW

Colwood Land Use Bylaw No. 151, 1989, Amendment No. 201
(Accessory Dwelling Unit), Bylaw No. 1967, 2023

MEETING:	Public Hearing
DATE and TIME:	Thursday, March 2, 2023, 6:30 pm
PLACE:	Council Chambers, 3300 Wishart Road, Colwood BC

NOTICE IS GIVEN that Council of the City of Colwood will hold a Public Hearing on Thursday, March 2, 2023, at 6:30 pm in relation to the proposed "Colwood Land Use Bylaw No. 151, 1989, Amendment No. 201 (Accessory Dwelling Unit), Bylaw No. 1967, 2023".

PURPOSE: This bylaw is proposing amendments to the City of Colwood's regulations for Secondary Suites and Accessory Dwelling Units contained in Section 2.2 of the Colwood Land Use Bylaw No. 151, 1989, including:

- Permitting detached accessory dwelling units (garden suites) to be located in the yard of a duplex or a townhouse
- Increasing the maximum allowable area for a detached accessory dwelling unit (garden suites) from 60 m² to 90 m²
- Excluding the area of a detached accessory dwelling unit (garden suite) from the area calculation of all accessory buildings located on a lot

SUBJECT PROPERTY: This Bylaw applies to all lands within the City of Colwood.

INSPECTION OF MATERIALS: Copies of the proposed bylaw and related materials can be viewed at www.colwood.ca/publicnotices or in person at Colwood City Hall from February 15 to March 2, 2023 between 8:30 am and 4:30 pm, Monday to Friday excluding statutory holidays.

We want to hear from you!

WRITE TO US

The deadline for written submissions is 12:00 pm on the day of the meeting and must include your name and civic address.

- Email corporateservices@colwood.ca
- Mail/Drop-off: City of Colwood, 3300 Wishart Road, Colwood, BC V9C 1R1

SPEAK TO COUNCIL

In Person: The public is welcome to provide comments in person during the meeting.

Electronically: To pre-register to speak please contact corporateservices@colwood.ca up until noon on the day of the meeting.

NEED MORE INFORMATION? Contact Development Services at (250) 478-5053 ext. 112 or planning@colwood.ca.

Marcy Lalande, CMC
Corporate Officer

Colwood

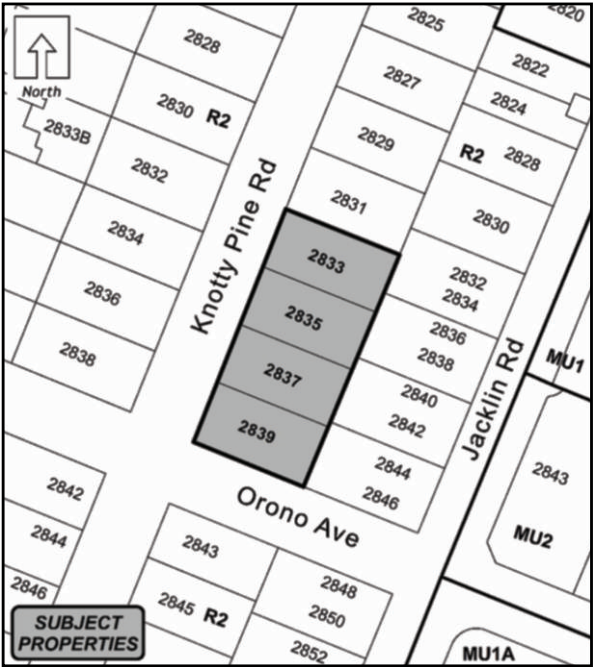


City of Langford

Notice of Public Hearing

The City of Langford has received an application to amend Zoning Bylaw No. 300 by means of the proposed Bylaw noted below. All persons who believe that their interest in property is affected by the proposed Bylaw will be afforded an opportunity to be heard by presenting written submissions prior to 3 pm on the day of the Public Hearing or by making oral submissions at the Public Hearing. Please be advised that no submission may be received by Council after the close of the Public Hearing and any submissions made to Council, whether orally or in writing, will form part of the public record.

Meeting Date and Time	6 March 2023, 7:00 pm
Meeting Place	City Hall Council Chambers, Third Floor, 877 Goldstream Avenue
Bylaw No.	2098
Location	2833, 2835, 2837, and 2839 Knotty Pine Road as shown shaded on the plan below
Purpose	To amend the City of Langford Zoning Bylaw No. 300 by amending the zoning designation of the subject properties from the One- and Two-Family Residential (R2) Zone to the City Centre 2 (CC2) Zone to allow a Townhouse Development.



PLEASE NOTE: This meeting will be held electronically and in person at the above address. Information about how to connect to this meeting is indicated in the table below.

Teleconference # 1-855-703-8985 (Canada Toll Free) OR 1-778-907-2071 (long distance charges may apply)
Meeting ID #897 0956 7061 - Zoom.us or Zoom app on your mobile device

Council will not answer questions about the proposal or proposed bylaw except to provide clarification. The purpose of the Public Hearing is for Council to hear the views and opinions of those members of the public who wish to make comments. Please have all your questions answered in advance of the Public Hearing by contacting the Planning Department as noted below.

The Agenda, including material that Council may consider in relation to the bylaw, will be posted to the City's website: <https://www.langford.ca/city-hall/agendas-and-minutes/> no later than the Friday before the public hearing. Correspondence may be submitted by emailing planning@langford.ca or by writing to Langford City Hall, 2nd Floor, 877 Goldstream Avenue, Langford, BC, V9B 2X8. You may also contact the Planning Department at (250) 478.7882.

Braden Hutchins
Director of Corporate Services

Regional districts call on feds to fund rail corridor revival

Feds have until March 14 to decide fate of rail line

Austin Westphal
News Staff

Vancouver Island regional districts are urgently calling on the Canadian government to commit to protecting the historic Island Rail Corridor as the mid-March deadline to decide its fate inches closer.

In a Tuesday (Feb. 21) news release, the Capital Regional District board said it's working alongside other regional districts on the Island – representing more than 610,000 residents – to encourage the federal government to sit down with the province and regional districts to provide an update of its position on the issue.

“We believe it is in the national, provincial and regional interest to protect this corridor and advance First Nations reconciliation efforts and should be a top priority for the federal government,” said CRD board chair Colin Plant. “It is imperative that we recognize the significance of this crucial transportation infrastructure and work together to ensure its protection for generations to come.”

The federal government has until March 14 to decide whether it will fund infrastructure on a disputed corridor segment that runs through a Nanoose-area First nation. That Court of Appeal-imposed deadline was the result of a lawsuit launched by the Snaw-Naw-As First Nation, which has maintained the land was stolen in 1912 and is no longer being used for railway purposes.

The First Nation brought forward the suit after passenger service along the line ended in 2011, leaving it to deteriorate in the decade following.

Two rulings sided with Canada and the Island Corridor Foundation, which committed to restoring the entire 295-kilometre rail corridor if it can manage to secure sufficient funding. The court, however, will allow the First Nation to enforce its right of reversion if the feds don't put up funding or reach a decision by the deadline.

“Regional district boards across Vancouver Island previously supported the ICF's request that the federal and provincial governments work together to create a multi-disciplinary team, reflecting all interests, to protect the corridor and advance rail transportation on Vancouver Island,” said a Feb. 17 letter from the CRD to the ministers of transport and Crown-Indigenous relations. “We also request that the federal and provincial government equitably settle Indigenous claims within and along the Island Rail Corridor.”

Transport Canada has said the federal government's decision-making will be informed by B.C.'s engagement on the corridor's future and remains under consideration.

– With files from Jake Romphf



The Island Rail Corridor has been left to deteriorate since passenger service ended in 2011. (Black Press Media file photo)

Dunsmuir, Royal Bay schools under brief hold and secure Friday

Students at Dunsmuir Middle School and Royal Bay Secondary School were temporarily under a hold and secure order Friday (Feb. 24) afternoon - all because someone spotted a gun that turned out to be a replica.

Both schools were advised to do so at around noon on Friday by the West Shore RCMP “out of an abundance of caution,” according to an email sent out to parents by Paul Block, associate superintendent for the Royal Bay Family of Schools with the Sooke School District. Police were notified

about a small group of youths brandishing what appeared to be a firearm at a bus stop near the 400 block of Dressler Road in Colwood, according to a police statement.

Police were able to locate and arrest a male and female suspect, both youths. The firearm in question was located and determined to be a replica. There is no ongoing threat to public safety at this time.

The schools have been updated and have lifted their hold and secure protocol. The police investigation is still ongoing. There will be no further comments at this time.

CHURCH SERVICES IN THE WEST SHORE

CALVARY CHAPEL WESTSHORE

Sunday 10 am
948 Dunford Ave • 778-679-2092
ccwestshore.com

Our Lady of the Rosary Roman Catholic Church

798 Goldstream Ave, Victoria BC
250.478.3482

Pastor - Fr. Dean N. Henderson
Welcoming all Westshore Catholics and
those curious about Catholic Christianity

Please visit our website for online Mass Information
olorchurch.ca

The Anglican Church of Canada

SAINT MARY OF THE INCARNATION

4125 Metchosin Road

Service at 10:00am on Sundays
For info contact 250-474-4119
Check our website for online services
stmarysmetchosin.ca

CHURCH OF THE ADVENT

Anglican Church of Canada

The Rev. Ingrid Andersen, Priest

510 Mount View Ave, Victoria V9B 2B1
250-474-3031

Sunday Services 8:30 and 10am and Livestreamed Worship
available every Sunday at colwoodanglican.ca

City of Langford

Notice of Public Hearing

The City of Langford has received an application to amend Zoning Bylaw No. 300 by means of the proposed Bylaw noted below. All persons who believe that their interest in property is affected by the proposed Bylaw will be afforded an opportunity to be heard by presenting written submissions prior to 3 pm on the day of the Public Hearing or by making oral submissions at the Public Hearing. Please be advised that no submission may be received by Council after the close of the Public Hearing and any submissions made to Council, whether orally or in writing, will form part of the public record.

Meeting Date and Time	6 March 2023, 7:00 pm
Meeting Place	City Hall Council Chambers, Third Floor, 877 Goldstream Avenue
Bylaw No.	2098
Location	2833, 2835, 2837, and 2839 Knotty Pine Road as shown shaded on the plan below
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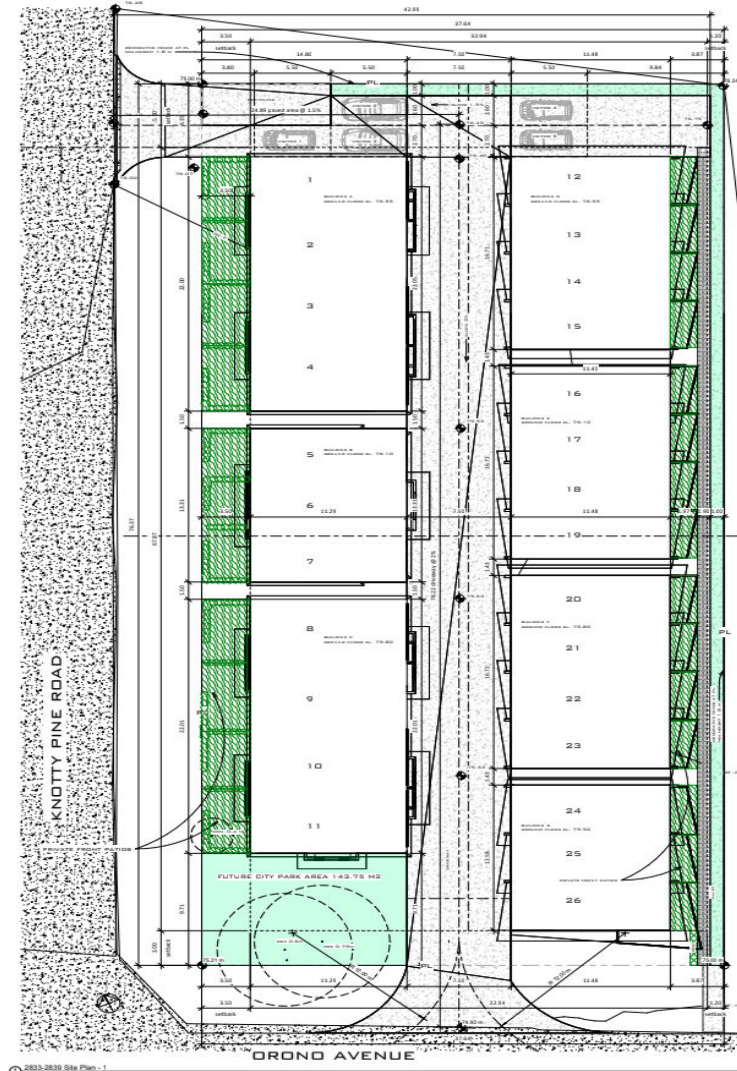
Braden Hutchins
Director of Corporate Services

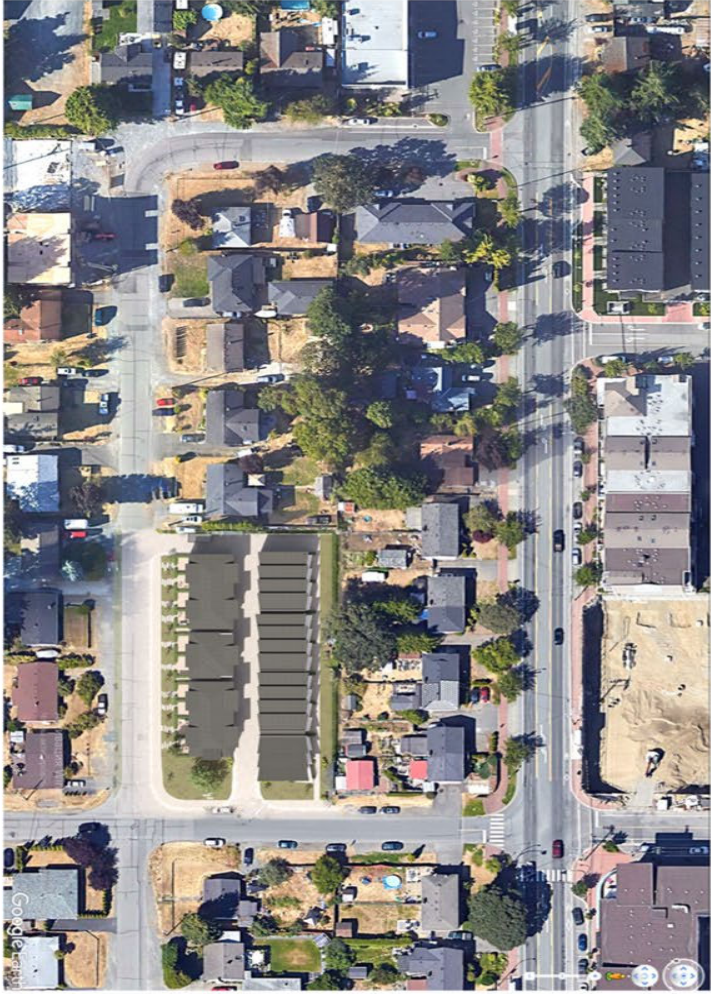


Application to Rezone 2833, 2835, 2837, 2839 Knotty Pine Road

**829 Development Group Ltd. welcomes
the public to hear our presentation
regarding the 26 Townhomes
Development within the City's Center
OCP area, close to downtown**







- ❖ Located at the corner of Knotty Pine Road and Orono Ave
- ❖ 26 Townhomes, 2 and 3 bedrooms. 2 garage parking spaces or 1 garage and 1 carport per unit. Guest parking
- ❖ No setback/variances were requested
- ❖ Modern design adds a new appeal to the neighborhood and is pleasing to the eye
- ❖ There is an existing Townhouse complex on the same block of Knotty Pine Road

- ❖ There are a few multi-story developments nearby, and by constructing townhouses, we would offer more alternatives for prospective buyers
- ❖ All major downtown amenities are within walking and biking distance





- ❖ We dedicate 5% of amenity space to the City for a future park
- ❖ The future park will include retained Garry Oak and Bigleaf Maple Trees
- ❖ In addition to the previous point, the company will plant at least 10 trees
- ❖ 3 retained trees will be protected as per Arborist's Tree Protection Plan during construction



APPENDIX I Tree Inventory

Tree Ref #	Species	Location (on, off, shared, municipal)	DBH (cm)	CRZ (m)	Canopy spread (radius metres)	Structural condition	Health condition	Retention suitability	Tolerance to construction activity	Remove/ Retain	Comments
1	Japanese Maple (<i>Acer palmatum</i>)	On	40	5	2	Poor	Fair	Unsuitable	Moderate	Remove	Multi-stemmed at 0.5 m / poor unions / crown dieback
2	Cypress (<i>Cupressaceae spp.</i>)	On	41	5	3	Good	Good	Suitable	Good	Retain	Close to the utility wires / otherwise typical of form for the species.
3	Garry Oak (<i>Quercus garryana</i>)	On	105	13	8	Fair	Good	Suitable	Good	Retain	Tree stems located at the base of the tree / minor deadwood / asymmetrical canopy due to suppression from other trees
4	Bigleaf Maple (<i>Acer macrophyllum</i>)	On	107	13	6	Fair	Good	Suitable	Good	Retain	Double stemmed at 1m / crossing-rubbing branches present throughout canopy
5	Cypress (<i>Cupressaceae spp.</i>)	On	29	3	29	Good	Good	Suitable	Good	Remove	Minor deadwood
6	Ash (<i>Fraxinus excelsior</i>)	On	60	7	6	Fair	Good	Conditional	Moderate	Remove	Double stem at base / included bark in unions / minor deadwood
7	Yew (<i>Taxus spp.</i>)	On	45	5	2	Good	Good	Suitable	Good	Remove	Multiple stems at base of the tree
8	Garry Oak (<i>Quercus garryana</i>)	On	46	6	5	Fair	Good	Suitable	Good	Remove	Multiple attachment points at 2m / close proximity to utility lines / minor deadwood
9	Cherry (<i>Prunus sp.</i>)	On	35	4	2	Fair	Good	Unsuitable	Moderate	Remove	Poor attachment points

Tree Ref #	Species	Location (on, off, shared, municipal)	DBH (cm)	CRZ (m)	Canopy spread (radius metres)	Structural condition	Health condition	Retention suitability	Tolerance to construction activity	Remove/ Retain	Comments
10	Garry Oak (<i>Quercus garryana</i>)	On	130	16	9	Fair	Good	Suitable	Good	Remove	Double stemmed at 1m / minor deadwood
11	Garry Oak (<i>Quercus garryana</i>)	On	35	4	2	Poor	Good	Unsuitable	Good	Remove	Previously topped in the past
12	Popular (<i>Populus nigra</i>)	On	90	11	3	Poor	Good	Unsuitable	Poor	Remove	Poor attachment points

Tree Inventory Key

Tree numbers (#) – tree numbers relate to the location of the tree on the site plan and assigned tag (Appendix II)

Tree species – common names (latin names)

Location – On, Off, shared, municipality

Bylaw status – Is the tree protected (Yes/No)

DBH – diameter at breast height (measured 1.4m from grade)

CRZ – critical root zone is a radius in meters from the tree trunk calculated as (DBH in cm x 12)/100) Ref: Best Management Practices (BMP) - Managing Trees During Construction, Second Edition By Kelby Fite and E. Thomas Smiley

Canopy spread – radius (m) of the crown spread to the dripline of the longest limb

Structural condition –

- Poor – structural defects that have been in place for a prolonged period of time to the point that mitigation measures are limited.
- Fair – structural concerns that are possible to mitigate through pruning
- Good – No visible or minor structural flaws that require little to no pruning

Health condition –

- Poor – significant signs of visible decline that threatens the long term retention of the tree.
- Fair – signs of stress
- Good – no visible signs of significant stress / or minor aesthetic issues.

Retention suitability –

- Suitable – a tree with no visible or minor health / structural defects, is tolerant to changes to growing environment and is a possible candidate for retention providing that the CRZ can be adequately protected.
- Conditional – a tree with good health but is a species with a poor tolerance to changes to its growing environment or has a structural defect that would require a certain measure to be implemented in order to consider it suitable for retention.
- Unsuitable – a tree with poor health, a major structural defect that cannot be mitigated, or a tree with poor tolerance to construction impacts and is unlikely to survive long term.

Retention status –

- Remove – not possible to retain given the proposed construction plans
- Retain – possible to retain the tree in the long term given the proposed plans and information available. Assuming the mitigation measures are followed.

- ❖ Our goal is to offer residents with affordable homes in the downtown core, within walking distance to schools, kindergartens, public transit, local stores and restaurants, as well as, future universities.





Amenity Contribution per Council Policy

<u>Amenity Item</u>	<u>Per Unit Contribution</u>	<u>Total (26 units)</u>
General Amenity Reserve Fund	\$3,800	\$98,800
Affordable Housing Reserve Fund	\$1,000	\$26,000
<u>TOTAL POLICY CONTRIBUTIONS</u>		<u>\$124,800</u>

Development Cost Charges

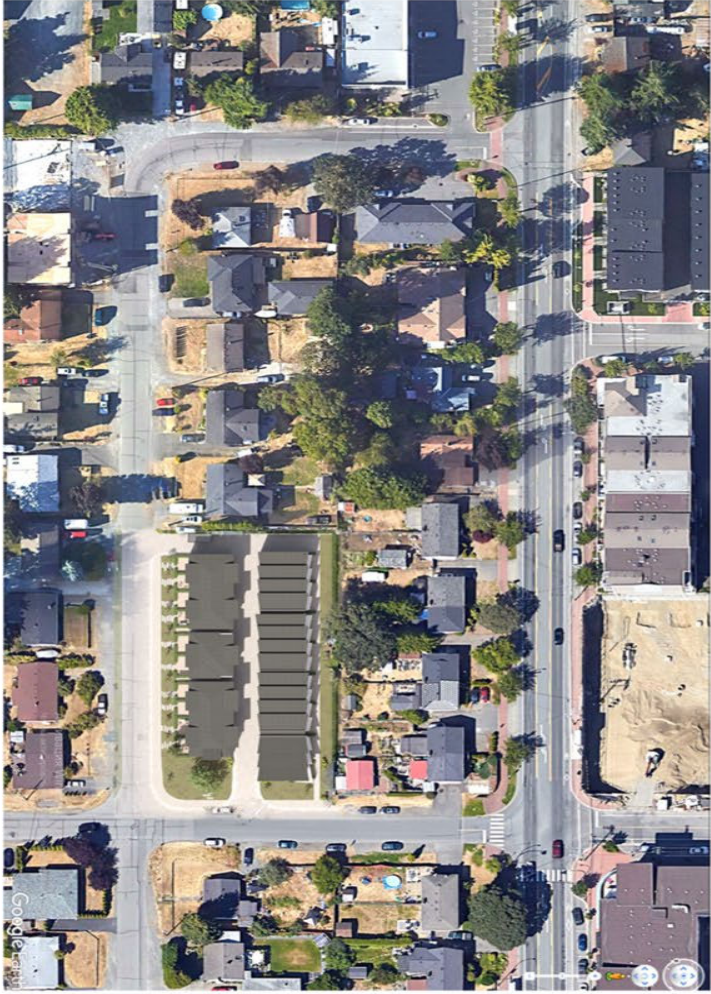
<u>Development Cost Charge</u>	<u>Per Unit Contribution</u>	<u>Total (26 units)</u>
Roads	\$3,865	\$100,490
Park Improvement	\$1,948	\$50,648
Park Acquisition	\$130	\$3,380
Incremental Storage Improvement Fees	\$371.25	\$9,652.50
<u>Subtotal (DCC's pad to City of Langford)</u>		<u>\$164,170.50</u>
CRD Water	\$1,644	\$42,744
School Site Acquisition	\$800	\$20,800
<u>TOTAL (estimate) DCC's</u>		<u>\$227,714.50</u>

Conclusion

- ❖ Meets City of Langford OCP
- ❖ Close to City's Downtown
- ❖ No variances requested
- ❖ Creates affordable housing in the neighbourhood
- ❖ Fits in well with the neighbourhood
- ❖ Housing that is modern and energy efficient
- ❖ Development creates a new park in the downtown core







Thank you for the opportunity to present this
project





City of Langford

Council Minutes

February 6, 2023, 7:00 PM

Council Chambers & Electronic Meeting

PRESENT:	Mayor S. Goodmanson Councillor K. Guiry Councillor C. Harder Councillor M. Morley	Councillor L. Szpak - Remote Councillor M. Wagner Councillor K. Yacucha
ATTENDING:	D. Kiedyk, Chief Administrative Officer B. Hutchins, Director of Corporate Services M. Watmough, Deputy Director of Corporate Services M. Baldwin, Director of Planning and Subdivision M. Dillabaugh, Director of Finance M. Mahovlich, Director of Engineering and Public Works K. Balzer, Director of Engineering and Public Works	K. Dube, Senior Manager of Information Technology and GIS Y. Nielsen, Director of Parks, Recreation and Facilities W. Robinson, Manager of Building Services R. Gillich, Systems Administrator B. Boisvert, Records Assistant R. Parmar, FOI Coordinator

Meeting available by teleconference.

1. TERRITORIAL ACKNOWLEDGEMENT

M. Watmough, Deputy Director of Corporate Services, read the City of Langford's Territorial Acknowledgment.

2. CALL TO ORDER

Mayor Goodmanson called the meeting to order at 7:05 pm.

3. APPROVAL OF THE AGENDA

THAT Council approve the agenda as presented.

4. PRESENTATIONS

4.1 Royal Roads University - Brian White, Professor and Dr. Rob Newall

Professor Brian White presented to Council a social science project regarding densification of the downtown area of the City of Langford. Dr. Rob Newall presented to Council a research project regarding the Millstream Watershed.

5. PUBLIC HEARINGS

5.1 BYLAW NO. 2068

"Langford Zoning Bylaw, Amendment No. 674, (658 and 664 Redington Avenue), Bylaw No. 2068, 2022".

The Mayor opened the Public Hearing for Bylaw No. 2068 at 7:24 p.m.

Director of Planning Matthew Baldwin advised that Rachael Sansom of Grayland Consulting has applied on behalf of Greg Burke of the Redington Property Group to amend the text of the Business Park 1A – Millstream Road East (BP1A) Zone at 658 and 664 Redington Avenue to increase the allowable gross floor area from 8,500m² to 20,250m².

This is being proposed in order to allow for the construction of a mini-storage facility at 664 Redington Avenue.

Council required a Traffic Impact Assessment, based on the total proposed gross floor area of 20,250m², be completed prior to a Public Hearing.

The Director of Engineering has received and approved the Traffic Impact Assessment, which stated that an additional 18 vehicle trips to the site would be the result of the proposed text amendment.

Prior to bylaw adoption, the applicant will register a covenant that agrees to complete all recommended road improvements noted in the Traffic Impact Assessment and that a reciprocal access easement between 658 and 664 Redington Avenue is registered prior to issuance of a building permit.

This proposal is consistent with the Official Community Plan 'Mixed Use Employment Centre' designation.

Notifications and advertisements have been placed as required by the *Local Government Act*.

Mayor Goodman called a first time for presentations.

Rachael Sansom of Grayling Consulting presented a rendering of the proposed project.

Councillor Szpak inquired about a new sidewalk.

Michelle Mahovlich; Director of Engineering and Public Works - responded to Councillor Szpak that land is not available to build a new sidewalk in the area. But efforts to expand the already existing sidewalk, will be made.

Councillor Szpak inquired about a Chestnut tree being retained.

Michelle Mahovlich; Director of Engineering and Public Works - responded to Councillor Szpak that all efforts to retain viable landscaping will be made.

D. Stroud, 2458 Jeanine Dr - Expressed concern for the Millstream Watershed protection.

S. Geary, Bear Mountain Pkwy - Inquired what steps are being taken to ensure large vehicles can maneuver through the roundabout safely.

Michelle Mahovlich, Director of Engineering and Public Works - responded to the caller that the roundabout is designed to allow large vehicles.

Rachael Sansom, Graying Consulting - responded that commercial vehicles would be accessing the proposed development.

F. Denux of Groupe Denux Property - In favour of the proposal to expand the current storage site.

J. Warnock, 302 Lone Oak Pl - In favour of the proposed development.

P. Dodds, 672 Redington Ave - Expressed concern about the construction plan.

L. Plomp, 3472 Whimfield Terr - Expressed concern about the size of the development.

Mayor Goodmanson called a second time for presentations.

None presented.

Mayor Goodmanson called for a third and final time for presentations. There being none, he declared the Public Hearing for Bylaw No. 2068 closed at 7:51 p.m.

5.2 BYLAW NO. 2105

"Langford Zoning Bylaw, Amendment No. 694, (771, 775, and 781 Station Avenue), Bylaw No. 2105, 2022".

The Mayor opened the Public Hearing for Bylaw No. 2105 at 7:52 p.m.

Director of Planning Matthew Baldwin advised that Ben Gulbrandsen of Pacific Viking Group Properties Inc. has applied on behalf of 1334908 Station Holdings Ltd to amend the zoning of 771, 775, and 781 Station Avenue from the R2 (One- and Two-Family Residential) Zone to the CC1 (City Centre) Zone.

This is being proposed in order to allow for the development of a six-storey mixed-use building with approximately 60 residential units and 850 m² of commercial space on the ground floor.

Prior to Public Hearing, Council required the following items:

- i. A technical memo from an engineer that verifies storm water can be adequately managed on-site for the proposed development to the satisfaction of the Director of Engineering;
- ii. A frontage drawing to confirm if road dedication is required to complete all required frontage improvements
- iii. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;

The Director of Engineering has reviewed and approved both the technical memo pertaining to stormwater and the frontage drawing. The applicant was able to demonstrate that all frontage requirements can be accommodated within the existing road right of way, and no road dedication will be required for this project.

The applicant also submitted a memo pertaining to existing trees on the subject properties, prepared by a Landscape Architect. All 10 trees on site will need to be removed due to their location within the building envelope and parkade footprint. Council may wish to note that 6 new trees will be planted within the City boulevard as part of the required frontage improvements.

In further support of this application, the applicant has agreed to provide the following:

1. A Section 219 covenant, registered in priority of all other charges on title, that agrees to the following:
 - a. That the following will be provided and implemented to Bylaw No. 1000 standards to the satisfaction of the Director of Engineering prior to the issuance of a building permit:
 - i. Full frontage improvements inclusive of finishing the sidewalk, boulevards, and completing Aprell Place to the R11 cross section standards;
 - ii. A storm water management plan; and
 - iii. A construction parking management plan.
 - b. That the properties be consolidated prior to issuance of a Development Permit for Form and Character;
 - c. That no occupancy permit be issued for the proposed building until a strata plan for the building has been registered, to the satisfaction of the Approving Officer;
 - d. That a separate covenant be registered prior to issuance of a building permit for the proposed development that ensures residential parking is allocated to each unit and visitors as required by the zoning bylaw and is not provided in exchange for compensation separate from that of a residential unit;
 - e. That all concrete used on-site will be produced using post-industrial CO₂ mineralization technology, or equivalent which offers concrete with lower embodied CO₂ than all other competing bids, and that prior to the issuance of a Building Permit the applicant shall provide a product-specific Type III Environmental Product Declaration that is 3rd party verified specifying the total embodied carbon content of concrete; and
 - f. That, prior to the issuance of a Building Permit, the developer enters into a Housing Agreement that requires a minimum 5% of units constructed be directed to and in accordance with the Attainable Home Ownership Program (POL-0166-PLAN) and that the developer identify the Attainable units on the plans submitted for the required Development Permit application.

This proposal is consistent with the Official Community Plan City Centre designation.

Notifications and advertisements have been placed as required by the *Local Government Act*.

Mayor Goodmanson called a first time for presentations.

Alan Lowe, Architect on behalf of Pacific Viking Group Properties Inc. - presented an outline of the proposed development.

T. Bolt, 655 Goldstream Ave - Expressed concern about the lack of **accessibility** in the development plans.

L. Stroud, 2458 Jeanine Dr - Expressed concern about the loss of trees in the development area. Believes there to be too much parking in the plans. Concerned about the amount donated to the affordable housing program.

B. Armstrong, 2813 Rodney Rd - Expressed inquiry about the setbacks to the property. Expressed concern about the outside cladding colours. Inquired about the size of the trees to be planted and suggested planting trees nearby the development.

M. Rogers, 2711 Windman Ln - Expressed concern about the replacement of trees will be non-native.

S. Geary, Bear Mountain Pkwy - Supports the development. Expressed concern about construction noise to local businesses.

M. McKay, 2830 Peatt Rd - Expressed support for the proposed development.

M. Sunshine, 501 Langvista Dr - Expressed concerns about the loss of trees. Supports the potential of planting trees across from the development.

E. MacDonald, 2472 Setchfield Ave - Expressed an alternative to the loss of trees, by repurposing acorns from recent trees.

P. Hamilton, 656 Granderson Rd - Expressed concern regarding the overall look of **development and would like it to match the vision of the area.**

Scott, Flint Ave - Expressed support for the development.

Mayor Goodmanson called a second time for presentations.

B. Armstrong, 2813 Rodney Rd - Expressed a request for more accessible units be available.

N. Johal, 3274 Walfred Pl - Expressed support for the development. Inquired about using arborist in all developments.

G. Burke, Victoria - Expressed support for the development.

Mayor Goodmanson called for a third for presentations.

E. Schmitt, 646 Atkins Ave - Expressed support for the development.

Alan Lowe, architect for the development - responded to the concerns of the public.

T. Bolt, 655 Goldstream Ave - Expressed the difficulties of the lack of **accessibility** in a development.

P. Hamilton, 656 Granderson Rd - Expressed concern about Oak trees not being planted.

D. Cottle, 515 Westwind Dr - Inquired about the use of sidewalks.

Councillor Wagner inquired about maintaining a public space area in the development area. Also inquired about the size of the trees.

Councillor Guiry inquired about parking being E.V. ready.

Matthew Baldwin, Director of Planning - responded that parking requirements are part of the zoning bylaw.

Councillor Morley inquired about the trees being drought resistant and requested that indigenous trees be used instead.

Yari Nielsen, Director of Parks, and Facilities - responded regarding the trees. Trees that are recommend by the Parks Department are already growing in Langford and some indigenous trees are difficult to maintain on short Boulevards.

Alan Lowe, architect for the development – responded to the Councillors inquiries. Steps are being made to maintain the public space. The developers will consider the recommendations made by staff for the trees to be planted.

Mayor Goodmanson declared the Public Hearing for Bylaw No. 2105 closed at 8:56 p.m.

6. PUBLIC PARTICIPATION

M. Morton, 495 Phelps Ave - re: Item #12.4 - Expressed opposition to the bylaw.

J. Smirl, 3490 Luxton Rd - re: Item #12.4 - Expressed opposition to the bylaw.

D. Smirl, 3490 Luxton Rd - re: Item #12.4 - Expressed opposition to the bylaw.

H. Frederiksen, 2613 Viola Pl - re: Item #11.6 - Expressed concern for the lack of committees being developed.

M. Wignall, 2375 Selwyn Rd - re: Item #12.4 - Expressed opposition of the bylaw.

B. Louie, 2191 Bellamy Rd - re: Item #11.6 - Expressed support for the previous committee's structure. re: Item #11.7 - Expressed suggestions regarding social media engagement.

L. Foxall, Players Dr - re: Item #12.4 - Expressed opposition to the bylaw. re: Item #7.1 - Expressed concern that their statement was captured incorrectly. re: Item #11.7 - Expressed concern about Council and social media use.

S. Geary, Bear Mountain Pkwy - re: Item #11.6 - Expressed support. re: Item #11.7 - Expressed support. re: Item #11.8 - Expressed support. re: Item #12.4 - Expressed support.

S. Sifert, 918 Walfred Rd - re: Item #12.4 - Expressed opposition to the bylaw. re: Item #11.7 - Expressed concern about social media use.

M. Sunshine, 501 Langvista Dr - re: Item #11.6 - Expressed support. re: Item #11.7 - Expressed support. re: Item #12.4 - Expressed support.

W. Hobbs, 3442 Luxton Rd - re: Item #11.6 - Expressed concern that there is not a Protective Service Committee. re: Item #12.4 - Expressed concern about the removal of trees.

C. Craig, 2830 Lakehurst Dr - re: Item #11.6 - Expressed concern about Board of Variance Committee. re: Item #11.7 - Expressed concern about the report. re: Item #12.4 - Expressed support to the bylaw.

C. Weatherston, 2977 Cressida Cr - re: Items #12.4 and #12.5 - Expressed support to both bylaws. re: Items #11.6 and #11.7 - Expressed support for both items.

D. Saunders, 813 Pears Rd, Victoria - re: Item #12.4 and #12.5 - Expressed opposition to the bylaws.

N. Johal, 3274 Walfred Rd - re: Item #12.4 - Expressed opposition to the bylaw. re: Item #11.7 Supports the report. re: Item #12.3 - Expressed concern about an increase in cost.

B. Armstrong, 2813 Rodney Rd - re: Item #12.4 - Expressed support for the bylaw.

N. Johal, 3274 Walfred Rd - re: Item #11.6 - Expressed concern regarding the proposed **committee's** structure.

MOVED BY: HARDER

SECONDED: GUIRY

THAT Council at 9:40 p.m. extend the public participation for 15 minutes.

Motion CARRIED.

MOVED BY: WAGNER

SECONDED: GUIRY

THAT Council extend the meeting past 10:00 p.m. for 1 hour.

Motion CARRIED.

MOVED BY: GUIRY

SECONDED: WAGNER

THAT Council at 10:01 p.m. extend public participation for 15 minutes.

Motion DEFEATED.

Amendment:

MOVED BY: GUIRY

SECONDED: MORLEY

THAT Council at 10:03 p.m. extend the public participation for 15 minutes for first time speakers.

Motion DEFEATED.

7. ADOPTION OF COUNCIL MINUTES

7.1 Minutes of the Council Meeting - January 16, 2023

MOVED BY: HARDER

SECONDED: GUIRY

THAT Council approve the minutes of the meeting of Council held on January 16, 2023.

Motion CARRIED.

8. COMMITTEE RESOLUTIONS

8.1 Minutes of the Transportation and Public Works Committee Meeting - April 12, 2022

MOVED BY: HARDER

SECONDED: WAGNER

THAT Council approve the minutes of the meeting of the Transportation and Public Works Committee held April 12, 2022.

Motion CARRIED.

8.2 Minutes of the Special Administration and Finance Committee Meeting - April 20, 2022

MOVED BY: WAGNER

SECONDED: GUIRY

THAT Council approve the minutes of the meeting of the Special Administration and Finance Committee held April 20, 2022.

Motion CARRIED.

8.3 Minutes of the Protective Services Committee Meeting - April 26, 2022

MOVED BY: YACUCHA

SECONDED: GUIRY

THAT Council approve the minutes of the meeting of the Protective Services Committee held April 26, 2022.

Motion CARRIED.

8.4 Minutes of the Planning, Zoning and Affordable Housing Committee Meeting - August 29, 2022

MOVED BY: MORLEY

SECONDED: WAGNER

THAT Council approve the minutes of the meeting of the Planning, Zoning and Affordable Housing Committee held August 29, 2022.

Motion CARRIED.

8.5 Minutes of the Parks Recreation, Environment, Culture and Beautification Meeting - September 22, 2022

MOVED BY: GUIRY

SECONDED: YACUCHA

THAT Council approve the minutes of the meeting of the Parks Recreation, Environment, Culture and Beautification Committee held September 22, 2022.

Motion CARRIED.

9. OTHER BOARD AND COMMISSION MINUTES

9.1 West Shore Parks and Recreation Board Meeting - December 8, 2022

MOVED BY: GUIRY

SECONDED: YACUCHA

THAT Council receive the minutes of the West Shore Parks and Recreation meeting held on December 8, 2022.

Motion CARRIED.

10. NOTICES OF INTENT

10.1 TUP19-0002 - Renewal for non-medical cannabis retail store of 101-945 Reunion Ave

MOVED BY: YACUCHA

SECONDED: HARDER

THAT Temporary Use Permit No. TUP19-0002 be issued by the Council for the City of Langford to The Original Farm Ltd on behalf of Jacklin Property Ltd to allow The Original Farm Langford to continue their Cannabis Retail operation by extending the current Temporary Use Permit for a three-year period at 101-945 Reunion Avenue subject to the following terms and conditions:

1. Conditions

The following requirements are imposed under section 493 of the *Local Government Act*:

Whereas:

- a) The non-medicinal use of cannabis and cannabis related products has historically been prohibited by federal law in Canada and, as a result, has historically been prohibited by the City under its Zoning Bylaw No. 300;
- b) On October 17, 2018, the Federal Government legalized the non-medicinal use of cannabis and cannabis products;
- c) The Federal Government and the Provincial Government have developed a regulatory framework for the retail sale of cannabis and cannabis products for non-medicinal use;
- d) The City wishes to authorize the retail sale of cannabis and cannabis products within its boundaries, but recognizes that there are challenges associated with it doing so;

e) The City issued the Request for Proposals for the Retail Sales of Cannabis and Cannabis Related Products to seek proposals from individuals and organizations interested in undertaking the retail sale of cannabis and cannabis products for non-medicinal use within the City's boundaries, and required that proposals include details as to how the challenges with the retail sale of cannabis and cannabis products would be addressed;

f) The City received and reviewed over 30 proposals in response to the Request For Proposals, and identified The Original Farm's proposal as one that best addressed the challenges with the retail sale of cannabis and cannabis products; and,

g) The Original Farm is committed to assisting the City and taking positive steps to address the challenges with the retail sale of cannabis and cannabis products;

Now therefore be it resolved that Council issue Temporary Use Permit TUP19-0002 to The Original Farm for it to operate a Cannabis Retail Store at 101-945 Reunion Avenue for an additional three-year term subject to the terms and conditions in the Temporary Use Permit originally issued by Council on May 7, 2019 and amended by Council on September 20, 2021.

Motion CARRIED.

10.2 DVP22-0014 - Application to Vary Fence Height at 2788 and 2792 Winster Avenue (RCMP Property)

MOVED BY: HARDER

SECONDED: GUIRY

That Development Variance Permit No. DVP22-0014 be issued by Council for the City of Langford to Braden Hutchins on behalf of City of Langford to vary the fence height at 2788 and 2792 Winster Road (RCMP Properties) subject to the following terms and conditions:

1. Variances

The following regulations of Zoning Bylaw No. 300 be varied pursuant to section 498 of the *Local Government Act*:

a) That section 3.21.03(3) of Zoning Bylaw No. 300 be varied to increase the maximum permitted height of a fence abutting a highway from 1.2m (3.9 ft) to 3.5m (11.5 ft).

Motion CARRIED.

11. REPORTS

11.1 Application to Rezone 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre 2 (CC2) to Allow for a Townhouse Development

MOVED BY: WAGNER

SECONDED: HARDER

That Council:

1. Accept the revised site plan and proceed with scheduling a Public Hearing for Bylaw No. 2098 to amend the zoning designation of the properties located at 2833, 2835, 2837, and 2839 Knotty Pine Road from One- and Two-Family Residential (R2) to City Centre (CC2) subject to the following terms and conditions:
 - a. That the applicant provides, **prior to Bylaw Adoption**, a Section 219 covenant, registered in priority of all other charges on that title, that agrees:
 - i. To dedicate 5% of the lot area to the City at the southwest corner of the lot, inclusive of the Garry Oak and Bigleaf Maple trees, prior to the issuance of a building permit;
 - ii. That the tree protection measures outlined in the arborist report be implemented throughout construction to protect the Garry Oak, Bigleaf Maple, and Cypress trees that have retention potential, inclusive of tree protection fencing;

Motion CARRIED.

11.2 Application for a Development Variance Permit to reduce front, rear, and interior lot line setbacks at 960 Latoria Rd

MOVED BY: MORLEY

SECONDED: WAGNER

THAT Council:

1. Direct staff to provide notice that Council will consider issuing a Development Variance Permit for the property at 960 Latoria Road with the following variance:
 - a. That Section 3.05.02(1) of Zoning Bylaw 300 be varied to reduce the rear lot line setback from 15m (49.2ft) to 4.57m (15ft) for the proposed agricultural accessory structure only.

Subject to the following terms and conditions:

- i. That the site is developed in accordance with the plan shown as Figure 4.
- ii. That environmental Development Permit or an exemption from a Development Permit is obtained prior to construction of an accessory structure.

- iii. That a Building Permit is obtained prior to construction of an accessory structure.

Motion CARRIED.

Councillor Guiry and Yacucha opposed.

11.3 West Shore Parks and Recreation Society Budget

MOVED BY: GUIRY

SECONDED: HARDER

THAT Council approve the 2023 West Shore Parks and Recreation Society budget.

Motion CARRIED.

11.4 Greater Victoria Public Library 2023 Budget and 2023-2027 Five Year Financial Plan

MOVED BY: SZPAK

SECONDED: HARDER

THAT Council approve the Greater Victoria Public Library 2023 Operating Budget and Five-Year Financial Plan.

Motion CARRIED.

11.5 Community Engagement for Proposed New Park on Jeanine Drive

MOVED BY: GUIRY

SECONDED: WAGNER

THAT Council direct staff to proceed with community engagement for the proposed new park on Jeanine Drive

Motion CARRIED.

11.6 Proposal for Interim Committee Structure

MOVED BY: YACUCHA

SECONDED: WAGNER

THAT Council

Direct staff to initiate the process for creating two interim committees of Council by bringing forward an updated Terms of Reference / Committee of Council Policy, an expression of interest process for appointing citizen representatives to each committee, and a proposed committee schedule for Council's consideration;

AND

That Council direct staff to send out letters to all current committee members on behalf of Mayor and Council thanking them for their service and contributions.

Motion CARRIED.

11.7 Council Code of Conduct

MOVED BY: GUIRY

SECONDED: MORLEY

THAT the Council Code of Conduct Policy, POL-0169-ADMIN, be adopted.

Motion CARRIED.

11.8 Respectful Workplace Policy

MOVED BY: HARDER

SECONDED: WAGNER

THAT Council repeal POL-0001-ADMIN Workplace Bullying and Harassment Policy and adopt POL-0170-ADMIN Council Respectful Workplace Policy.

Motion CARRIED.

11.9 Center Mountain Lellum and North Langford Elementary School Turf Field Operating Agreement

MOVED BY: YACUCHA

SECONDED: HARDER

THAT Council instruct the Mayor and the Chief Administrative Officer to execute the Operating Agreement in substantially the proposed form, subject to minor edits and modifications;

Motion CARRIED.

12. BYLAWS

12.1 BYLAW NO. 2068 (Background report attached)

"Langford Zoning Bylaw, Amendment No. 674, (658 and 664 Redington Avenue), Bylaw No. 2068, 2022". (SECOND AND THIRD READINGS)

THAT Council give Bylaw No. 2068 second and third readings.

MOVED BY: MORLEY

SECONDED: WAGNER

THAT Council at 10:57 p.m. extend the meeting 1 more hour or end of business.

Motion DEFEATED.

MOVED BY: HARDER
SECONDED: YACUCHA

THAT Council at 10:58 p.m. extend the meeting 15 minutes.

Motion CARRIED.

12.2 BYLAW NO. 2105 (Background report attached)

"Langford Zoning Bylaw, Amendment No. 694, (771, 775, and 781 Station Avenue), Bylaw No. 2105, 2022". (SECOND AND THIRD READINGS)

That Council give Bylaw No. 2105 second and third readings.

12.3 BYLAW NO. 2113 (Background report attached)

"Sewer Utility Bylaw Amendment No. 6, Bylaw No. 2113, 2023". (FIRST, SECOND AND THIRD READINGS)

MOVED BY: YACUCHA
SECONDED: WAGNER

THAT COUNCIL direct staff to work with West Shore Environmental Services to bring forward a bylaw amendment that does the following:

1. freezes the SCRF rate until such time as the full review of the contract and financial modelling is complete; and
2. that includes an increase in user fees for 2023.

Motion CARRIED.

Councillor Morley opposed.

12.4 BYLAW NO. 2117

"City of Langford Tree Protection Bylaw No. 2117, 2023". (ADOPTION)

MOVED BY: GUIRY
SECONDED: MORLEY

THAT Council adopt City of Langford Tree Protection Bylaw No. 2117, 2023.

Motion CARRIED.

MOVED BY: YACUCHA
SECONDED: WAGNER

THAT Council at 11:12 p.m. extend the meeting until 12 a.m.

Motion CARRIED.

12.5 BYLAW NO. 2118

"City of Langford Ticket Information Authorization Bylaw Amendment No. 20, Bylaw No. 2118, 2023". (ADOPTION)

MOVED BY: YACUCHA

SECONDED: SZPAK

THAT Council adopt City of Langford Ticket Information Authorization Bylaw Amendment No. 20, Bylaw No. 2118, 2023.

Motion CARRIED.

13. IN CAMERA RESOLUTION

MOVED BY: GUIRY

SECONDED: HARDER

THAT Council close the meeting to the public pursuant to section 90 (2) (b) of the *Community Charter* to consider:

- the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

Motion CARRIED.

14. RISE and REPORT

14.1 Te'mexw Treaty Advisory Committee Appointment

MOVED BY: YACUCHA

SECONDED: HARDER

THAT Council rise and report the in camera resolution from February 6, 2023:

THAT Council appoint Councillor Wagner to be the City's representative on the Te'mexw Treaty Advisory Committee.

Motion CARRIED.

15. ADJOURNMENT

Mayor Goodmanson adjourned the meeting at 11:26 pm.

Presiding Council Member

Certified Correct - Corporate Officer



City of Langford

Council Minutes

February 21, 2023, 7:00 PM

Council Chambers & Electronic Meeting

PRESENT:	Mayor S. Goodmanson	Councillor L. Szpak
	Councillor K. Guiry	Councillor M. Wagner
	Councillor C. Harder	Councillor K. Yacucha
	Councillor M. Morley	
ATTENDING:	D. Kiedyk, Chief Administrative Officer	K. Balzer, Director of Engineering
	B. Hutchins, Director of Corporate Services	K. Dube, Senior Manager of Information Technology and GIS
	M. Watmough, Deputy Director of Corporate Services	C. Lowe, IT Support Specialist
	M. Baldwin, Director of Planning and Subdivision	B. Boisvert, Records Assistant
		L. Hitchman, Scanning Technician
	M. Dillabaugh, Director of Finance	

Meeting available by teleconference.

1. TERRITORIAL ACKNOWLEDGEMENT

M. Watmough, Deputy Director of Corporate Services, read the City of Langford's Territorial Acknowledgment.

2. CALL TO ORDER

Mayor Goodmanson called the meeting to order at 7:03 pm.

3. APPROVAL OF THE AGENDA

MOVED BY: HARDER

SECONDED: GUIRY

THAT Council approve the agenda with edits to item 6.1.

Motion CARRIED.

4. PRESENTATIONS

- 4.1 Vancouver Island South Film & Media Commission - Kathleen Gilbert, Film Commissioner

Kathleen Gilbert, Film Commissioner, Vancouver Island South Film & Media Commission - presented information to Council regarding the state of the film industry in the City of Langford and surrounding municipalities.

4.2 South Island Mountain Bike Society - Yvonne Mendel, Director of Advocacy

Yvonne Mendel, Director of Advocacy, South Island Mountain Bike Society - presented information to Council regarding the area Bike Society.

5. PUBLIC PARTICIPATION

T. Sunshine, 501 Langvista Dr - re: Item 9.1 - Expressed concern around the parameters of the program. Suggested attainable housing program work with other organizations or put towards the rental market.

L. Foxall, Players Dr - re: Item 6.1 - Expressed concern regarding capturing all comments made by Council on the minutes. Item 9.6 - Would like to thank previous committee members for their service to the City of Langford.

B. Armstrong, 2813 Rodney Rd - re: Item 4.2 - Expressed appreciation for the presentation in item 4.2. Expressed concern regarding the accessibility of trails in the area. Item 9.1 - Expressed concern that the program's eligibility remain in the CRD area and are applicants are employed in the City of Langford.

M. Worton 495 Phelps Ave - re: Item 9.6 - Expressed concern that there are only 2 proposed committees. Inquired about the process of determining only 2 committees.

P. Hamilton, 636 Granderson Rd - re: Item 6.1 - Expressed concern that the previous minutes did not reflect the essence of their comments.

B. Louis, 2391 Bellamy Rd - re Item 6.1 - Expressed concern that the previous minutes did not reflect the essence of their comments. Item 9.3 - Expressed support for that Council does not divest the trolleys at this time. Item 9.6 - Expressed support for previous committee structures.

S. Sifert, 918 Walfred Pl - re: Item 6.1 - Expressed concern that name was spelled wrong in previous minutes. Item 9.6 - Expressed support for the previous committee structures.

M. Sunshine, 501 Langvista Dr - re: Item 9.1 - Expressed opposition, would like a partnership structure. Item 9.2 - Expressed support for the hydro line to be moved. Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed. Item 9.4 - Expressed support, raises awareness in the community. Item 9.6 - Expressed support for the new proposed structure of the committees.

W. Hobbs, 3442 Luxton Rd - re: Item 9.6 - Expressed support for the new proposed structure of the committees.

L. Plomp, 3592 Whimfield Terr - re: Item 9.6 - Expressed support for the new proposed structure of the committees.

S. Geary, 1375 Bear Mountain Pkwy - re: Item 9.4 - Expressed support, fire awareness for forest and urban fires.

M. Wignall, 2375 Selwyn Rd - re: Item 9.6 - Inquired about how committee members will be selected.

N. Johal, 3274 Walfred Rd - re: Item 9.2 - Expressed support. Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed. Item 9.6 - Expressed support the previous committee structures.

M. Mcnaughton, 829 Gannet Crt - re: Item 9.1 - Expressed support for the policy. Expressed support for residency expansion. Aligns with federal government policies.

N.Johal, 3274 Walfred Pl - re: Item 9.6 - Expressed support the previous committee structures. Inquired about the committee member selection process. They would like committees to have input in road designs.

S. Plank, 632 Goldstream Ave - re: Items 9.1 - Expressed concern that funding be used in affordable housing. Supports partnerships. Item 9.2 - Inquired if there would be a loss in parking available. Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed. Item 9.6 - Expressed the new proposed committee structure. Item 10.3 - Inquired if there was an analysis done on the sewer bylaw contract.

S. Rossander, 1347 Ravensview Dr - re: Item 10.3 - Expressed concern regarding the Consumer price index. Would like a cost analysis.

C. Lervold, 2993 Glen Lake Rd - re: Item 6.1 - Expressed concern regarding the previous minutes. Item 9.2 - Expressed support for Option 2, Not authorize the Statutory Right of Way at this time. Item 9.4 - Suggested a roundtable of previous committee members for their input.

H. Frederiksen, 2613 Viola Pl - re: Item 9.2 - Expressed support. Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed. Item 9.6 - Expressed they would like a requirement for membership, to have a stake in the City of Langford.

Second time presenters.

N. Johal, 3472 Walfred Pl - re: Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed.

L. Foxall, Players Dr - re: Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed.

M. Wignall, 2375 Selwyn Rd - re: Item 10.3 - Would like a detailed review of the contract.

S. Sifert, 918 Walfred Pl - re: items 9.2 - Expressed support. Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed.

S. Geary, 1375 Bear Mountain Pkwy - re: Item 9.3 - Expressed concern about why the trolleys were previously decommissioned. Expressed support for divesting.

C. Lervold, 2993 Glen Lake Rd - re: Item 9.6 - Expressed concern that committees representing public safety doesn't get ignored. Would like public input for Committee structure process.

B. Sahlstrom, 936 Walfred Rd - re: Item 9.3 - Expressed concern about the loss of the trolleys, would like them to be repurposed.

M. Sunshine, 501 Langvista Dr - re: Item 6.1 - Expressed that there be a different way of giving feedback of omissions or errors on previous minutes.

MOVED BY: SZPAK
SECONDED: WAGNER

THAT Council at 8:19 p.m. extend the public participation until everyone has spoken.

Motion CARRIED.

6. ADOPTION OF COUNCIL MINUTES

6.1 Minutes of the Council Meeting - February 6, 2023

MOVED BY: SZPAK
SECONDED: GUIRY

THAT Council approve the minutes of the meeting of Council held on February 6, 2023.

Motion CARRIED.

7. OTHER BOARD AND COMMISSION MINUTES

7.1 West Shore Parks and Recreation Board Meeting - January 19, 2023

MOVED BY: GUIRY
SECONDED: HARDER

THAT Council receive the minutes of the West Shore Parks and Recreation meeting held on January 19, 2023.

Motion CARRIED.

8. NOTICES OF INTENT

8.1 DVP22-0006 - 960 Latoria Rd

MOVED BY: HARDER
SECONDED: SZPAK

That Development Variance Permit No. DVP22-0006 be issued by Council for the City of Langford to Jayson Wight and Charlotte Milne to reduce front, rear, and interior lot line setbacks at 960 Latoria Road subject to the following terms and conditions:

1. Variances

The following regulations of Zoning Bylaw No. 300 be varied pursuant to section 498 of the *Local Government Act*:

a) That Section 3.05.02(1) be varied to reduce the rear lot line setback from 15m (49.2ft) to 4.57m (15ft) for the proposed agricultural accessory structure only.

2. Conditions

The following requirements are imposed pursuant to section 498 of the *Local Government Act*:

- a) That the site is developed in accordance with the plan shown as Figure 4.
- b) That environmental Development Permit or an exemption from a Development Permit is obtained prior to construction of an accessory structure.
- c) That a Building Permit is obtained prior to construction of an accessory structure.

Motion CARRIED.

9. REPORTS

9.1 Attainable Housing Policy

MOVED BY: GUIRY

SECONDED: SZPAK

THAT Council

1. Approve Attainable Home Ownership Program Policy POL-0166-Plan as amended; and
2. Direct staff to prepare a further amendment to the Policy to add requirements for purpose-built rental buildings for Council's consideration, and review individual proposals on a case-by-case basis in the interim provided they meet a benchmark of including at least 10% of the units in a building for at least 10% below market rent.

Motion CARRIED.

Amendment:

MOVED BY: HARDER

SECONDED: WAGNER

THAT Council amend the policy Section 1. b. v. - Three-bedroom unit: Minimum two (2) person household, one of which must be a dependent amended to Three bedroom unit: Minimum three (3) person household, one of which must be a dependent.

Mayor Goodmanson and Councillor Szpak opposed.

Motion Carried Unanimously

Amendment:

MOVED BY: WAGNER

SECONDED: SZPAK

THAT Council amend the policy Section 1. c. - Applicant(s) shall be a resident, as determined in accordance with section 67 of the Local Government Act, of the City of

Langford for at least 6 months immediately before the date that such person applies to the City to become a Qualified Buyer or are members of the Canadian Armed Forces posted in Victoria or are members of the RCMP posted in the Westshore or have been employed for at least 6 months by a City of Langford business; be amended to include; employees of primary Urgent Health Care centers.

Motion withdrawn.

Amendment:

MOVED BY: WAGNER

SECONDED: SZPAK

THAT Council amend the policy Section 1. c. - Applicant(s) shall be a resident, as determined in accordance with section 67 of the Local Government Act, of the City of Langford for at least 6 months immediately before the date that such person applies to the City to become a Qualified Buyer or are members of the Canadian Armed Forces posted in Victoria or are members of the RCMP posted in the Westshore or have been employed for at least 6 months by a City of Langford business; be amended to include; employees of Health Care.

Motion CARRIED.

Amendment:

MOVED BY: WAGNER

SECONDED: HARDER

THAT Council rescind amendment #2.

Motion CARRIED.

Amendment:

MOVED BY: HARDER

THAT Council amend the policy Section 2.

g. Construction standards:

- i. Each Housing Unit shall be constructed as a self-contained dwelling unit designed and constructed for residential use by a single household, and contain, each in a separate room, a kitchen, bathroom (including a sink, toilet, and shower/bathtub), eating area, living room and bedroom(s);
- ii. Each Housing Unit shall be fully equipped with appliances, including fridge, stove, dishwasher, micro-wave, and washer dryer;
- iii. Each Housing Unit will be completely finished to the same standards, and equipped with appliances of the same type and quality, as the other residential units contained in the building;

be amended to include

- iv. In suite storage be included;

Motion withdrawn.

MOVED BY: MORLEY
 SECONDED: YACUCHA

THAT Council direct staff to make further amendments to the policy; to add requirements for purpose built rental buildings for Council consideration for the CMHC, MLI select program, which requires a 10-year commitment for developers to rent a minimum of 10% newly created units at 30% at a median renters income.

Motion withdrawn.

MOVED BY: SZPAK
 SECONDED: WAGNER

THAT Council refer the Attainable Housing program discussion to a Committee of the Whole meeting with consideration of Councillor Wagner's concerns.

Motion CARRIED.

MOVED BY: GUIRY
 SECONDED: WAGNER

THAT Council extend the meeting until 11:30 pm. or end of business.

Motion CARRIED.

9.2 BC Hydro Statutory Right of Way

MOVED BY: YACUCHA
 SECONDED: HARDER

THAT Council approve the Statutory Right of Way as attached and authorize the Mayor and CAO or Corporate Officer to execute the documents, subject to minor amendments as may be necessary.

Motion CARRIED.

9.3 Trolley Disposition

MOVED BY: WAGNER
 SECONDED: YACUCHA

THAT Council does not divest the trolleys at this time.

Councillor Guiry opposed.

Motion Carried Unanimously

9.4 FireSmart Community Funding Support Application

MOVED BY: YACUCHA
 SECONDED: GUIRY

That Council resolves that the City shall submit an application to the Community Resilience Investment Program - FireSmart Community Funding & Supports Program supporting the proposed activities and willingness for staff to provide overall grant management.

Motion CARRIED.

9.5 Deputy Corporate Officer Appointment

MOVED BY: SZPAK

SECONDED: MORLEY

THAT Council rescind the appointments of each of Will Ying-udomrat, Michelle Mahovich, Michael Dillabaugh and Matthew Baldwin as Deputy Corporate Officer.

Motion CARRIED.

9.6 Committee Terms of Reference

MOVED BY: SZPAK

SECONDED: GUIRY

THAT Council approve the proposed terms of reference in form and content included with this report, excepting minor changes;

AND

That Council appoint Councillor Wagner, Councillor Szpak, and Councillor Guiry, to the Sustainable Development Advisory Committee;

AND

That Council appoint Councillor Morley, Councillor Yacucha, and Councillor Harder, to the Community Advisory Committee;

AND

That Council direct staff to post the committee positions to the City's website and in the Goldstream Gazette for interested members of the community to apply.

Motion CARRIED.

10. BYLAWS

10.1 BYLAW NO. 2016 (Background report attached)

"Langford Zoning Bylaw, Amendment No. 648, (640 and 644 Granderson Road), Bylaw No. 2016, 2021". (ADOPTION)

MOVED BY: SZPAK

SECONDED: HARDER

THAT Council adopt Bylaw No. 2016.

Motion CARRIED.

10.2 BYLAW NO. 2060 (Background report attached)

"Langford Zoning Bylaw, Amendment No. 669, (825, 829, 833, 845 Orono Avenue), Bylaw No. 2060, 2022". (ADOPTION)

MOVED BY: HARDER

SECONDED: GUIRY

THAT Council adopt Bylaw No. 2060.

Motion CARRIED.

10.3 BYLAW NO. 2113 (Background report attached)

"Sewer Utility Bylaw Amendment No. 6, Bylaw No. 2113, 2023". (FIRST, SECOND AND THIRD READINGS)

MOVED BY: SZPAK

SECONDED: HARDER

THAT Council give Sewer Utility Bylaw Amendment No. 6, Bylaw No. 2113, 2023 first, second and third reading.

Councillor Morley opposed.

Motion Carried Unanimously

10.4 BYLAW NO. 2119 (Background report attached)

"Station Avenue Fees and Charges Bylaw No. 2010, Amendment No. 1, 2023". (FIRST, SECOND AND THIRD READINGS)

MOVED BY: GUIRY

SECONDED: WAGNER

THAT Council give first, second and third reading to Bylaw 2119.

Motion CARRIED.

10.5 BYLAW NO. 2124 (Background report attached)

"Hotel Room Tax Requisition Bylaw No. 2124". (FIRST, SECOND AND THIRD READINGS)

MOVED BY: YACUCHA

SECONDED: WAGNER

THAT Council give first three readings to "Hotel Room Tax Requisition Bylaw No. 2124, 2023"

Motion CARRIED.

11. IN CAMERA RESOLUTION

MOVED BY: YACUCHA

SECONDED: MORLEY

THAT Council close the meeting to the public pursuant to section 90 (1) (e), (g) and (i) of the *Community Charter* to consider:

- the acquisition, disposition or expropriation of land or improvements;
- litigation or potential litigation affecting the municipality;
- the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Motion CARRIED.

12. ADJOURNMENT

MOVED BY: HARDER

SECONDED: MORLEY

THAT Council adjourn the meeting.

Mayor Goodmanson adjourned the meeting at 12:25 a.m.

Presiding Council Member

Certified Correct - Corporate Officer



City of Langford

Committee of the Whole Minutes

February 27, 2023, 7:00 p.m.

Council Chambers & Electronic Meeting

PRESENT:	Mayor S. Goodmanson Councillor K. Guiry Councillor C. Harder Councillor M. Morley	Councillor L. Szpak Councillor M. Wagner Councillor K. Yacucha
ATTENDING:	D. Kiedyk, Chief Administrative Officer B. Hutchins, Director of Corporate Services M. Watmough, Deputy Director of Corporate Services M. Baldwin, Director of Planning and Subdivision M. Dillabaugh, Director of Finance K. Balzer, Director of Engineering and Public Works	Y. Nielsen, Director of Parks, Recreation and Facilities K. Dube, Senior Manager of Information Technology and GIS C. Aubrey, Fire Chief W. Robinson, Manager of Building Services D. Petrie, Senior Manager of Business Development and Events R. Parmar, FOI Coordinator

Meeting available by teleconference.

1. TERRITORIAL ACKNOWLEDGEMENT

M. Watmough, Deputy Director of Corporate Services, read the City of Langford's Territorial Acknowledgment.

2. CALL TO ORDER

The Chair called the meeting to order at 7:03 pm.

3. APPROVAL OF THE AGENDA

MOVED BY: SZPAK

SECONDED: GUIRY

THAT the Committee approve the agenda as presented.

Motion CARRIED.

4. REPORTS

4.1 Introduction to Significant Budget Pressures and Budget Items

MOVED BY: YACUCHA

SECONDED: GUIRY

THAT Committee of the Whole receives this report for information.

Motion CARRIED.

4.2 YMCA Financial Challenges and Next Steps

MOVED BY: YACUCHA

SECONDED: WAGNER

THAT Committee of the Whole recommends that Council:

1. Direct staff to include an additional \$950,000 in the 2023 budget and five-year financial plan as an additional financial contribution for the operation of the Recreation Centre by the YMCA under the current tripartite, operating and lease agreements;
2. Direct staff to request the following information and assurances of next steps from the YMCA:
 - a. Operating reports, as specified under the operating agreement, for the last five years;
 - b. Commitment to a comprehensive operational review of the YMCA governance and operating structure at the Recreation Centre;
3. Direct staff to assess and compare the governance and operating structure of the YMCA at the Recreation Centre to other comparable facilities in the region to determine the most suitable governance and operating structure that would provide the greatest level of service at the lowest cost for Langford residents going forward; and
4. Direct staff to enter into negotiations with Westhills for the potential purchase of the Rec Centre;

Motion CARRIED.

4.3 Fire Department Master Plan

MOVED BY: SZPAK

SECONDED: GUIRY

THAT Committee of the Whole directs staff to include nine additional firefighting positions in the budget and five-year financial plan in each of the next three years for consideration;

AND

THAT the Committee of the Whole receives the LFR Master Plan, as prepared by Emergency Management Group and directs staff to prioritize the remaining recommendations as part of the annual budgeting process.

Motion CARRIED.

4.4 RCMP Facility

MOVED BY: SZPAK

SECONDED: YACUCHA

THAT Committee of the Whole recommend to Council on March 6th OR through the budget process on March 27th, that the City:

approve a budget of \$721,560, which represents the City of Langford's (60.13%) of the total budget of \$1,200,000 required to further define the project requirements and goals, to arrive at a point where a decision on whether the project should proceed can be made;

AND

THAT Mayor Goodmanson and CAO Darren Kiedyk be appointed to a Joint Police Facilities Steering Committee to be made up of the Mayors and CAO's of the Town of View Royal, and the Cities of Langford and Colwood to oversee the process of advancement of further project definition, or

Motion CARRIED.

MOVED BY: WAGNER

SECONDED: SZPAK

THAT the Committee at 10:07 p.m. extend the meeting of the Committee of the Whole to midnight or end of business.

Motion Carried Unanimously

4.5 City of Langford RCMP Officer Staffing

MOVED BY: HARDER
SECONDED: YACUCHA

THAT the Committee of the Whole receive this report for information.

Motion CARRIED.

MOVED BY: MORLEY
SECONDED: SZPAK

THAT Committee of the Whole directs staff to use a target “Cop to Pop ratio” of 1:750 for the 2023 Budget and 2023 – 2027 Five Year Financial Plan for consideration.

Councillors Guiry, Harder and Wagner opposed.

Motion CARRIED.

4.6 Staffing Update - 2023 Budget Requests

MOVED BY: SZPAK
SECONDED: HARDER

THAT the Committee of the Whole receive this report for information.

Motion CARRIED.

MOVED BY: WAGNER
SECONDED: YACUCHA

THAT Committee of the Whole directs staff to include the following in the positions 2023 Budget and 2023 – 2027 Five Year Financial Plan for consideration:

- a. One (1) regular full-time Arts, Culture & Economic Development Coordinator;
- b. One (1) regular full-time Parks Facilities Coordinator;
- c. One (1) regular full-time Records Assistant;
- d. One (1) regular full-time Senior Accountant;
- e. One (1) regular full-time Accounting Technician;
- f. One (1) regular full-time Community Patrol Officer;
- g. The conversion of one (1) regular part-time Administrative Assistant - Bylaw to regular full-time;
- h. The addition of one municipal employee at the RCMP detachment for every three officers added.

Motion CARRIED.

5. ADJOURNMENT

MOVED BY: HARDER
SECONDED: YACUCHA

THAT the Committee of the Whole adjourn the meeting.

Motion CARRIED.

The Chair adjourned the meeting at 1:00 a.m.

Presiding Council Member

Certified Correct - Corporate Officer



City of Langford

Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Administration

SUBJECT: YMCA Financial Challenges and Next Steps

BACKGROUND:

On February 27th, Committee of the Whole recommended to Council:

THAT Council:

1. *Direct staff to include an additional \$950,000 in the 2023 budget and five-year financial plan as an additional financial contribution for the operation of the Recreation Centre by the YMCA under the current tripartite, operating and lease agreements;*
2. *Direct staff to request the following information and assurances of next steps from the YMCA:*
 - a. *Operating reports, as specified under the operating agreement, for the last five years;*
 - b. *Commitment to a comprehensive operational review of the YMCA governance and operating structure at the Recreation Centre;*
3. *Direct staff to assess and compare the governance and operating structure of the YMCA at the Recreation Centre to other comparable facilities in the region to determine the most suitable governance and operating structure that would provide the greatest level of service at the lowest cost for Langford residents going forward; and*
4. *Direct staff to enter into negotiations with Westhills for the potential purchase of the Recreation Centre;*

These recommendations are now being brought forward for Council's consideration.

COMMENTARY:

Should Council support the recommendation from Committee of the Whole, staff will take the necessary next steps and report back to Council, as necessary.

FINANCIAL IMPLICATIONS:

See attached report to Committee of the Whole.

LEGAL IMPLICATIONS:

See attached report to Committee of the Whole.

OPTIONS:**Option 1**

THAT Council:

1. Direct staff to include an additional \$950,000 in the 2023 budget and five-year financial plan as an additional financial contribution for the operation of the Recreation Centre by the YMCA under the current tripartite, operating and lease agreements;
2. Direct staff to request the following information and assurances of next steps from the YMCA:
 - a. Operating reports, as specified under the operating agreement, for the last five years;
 - b. Commitment to a comprehensive operational review of the YMCA governance and operating structure at the Recreation Centre;
3. Direct staff to assess and compare the governance and operating structure of the YMCA at the Recreation Centre to other comparable facilities in the region to determine the most suitable governance and operating structure that would provide the greatest level of service at the lowest cost for Langford residents going forward; and
4. Direct staff to enter into negotiations with Westhills for the potential purchase of the Recreation Centre;

OR

Option 2

THAT Council provides an alternative direction regarding the YMCA's funding challenges and next steps.

SUBMITTED BY: Braden Hutchins, Director of Corporate Services

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

ATTACHMENTS:

Attachment 1 – Report to Committee of the Whole Dated February 27, 2023 (with nine attachments):

- Attachment 1 – Letter from YMCA to Westhills Dated February 17, 2023
- Attachment 2 – Letter from Westhills to the City Dated February 14, 2023
- Attachment 3 – Letter from Westhills to the YMCA dated February 14, 2023
- Attachment 4 – Letter from the YMCA to Westhills Dated January 30, 2023
- Attachment 5 – Email from the YMCA to the City Dated January 30, 2023
- Attachment 6 – Letter from Westhills to the YMCA Dated Jan 25, 2023
- Attachment 7 – 2013 Staff Report to Council Regarding Agreements
- Attachment 8 – Tripartite Agreement
- Attachment 9 – Operating (Service) Agreement



Staff Report to Committee of the Whole

DATE: Monday, February 27, 2023

DEPARTMENT: Administration

SUBJECT: YMCA Financial Challenges and Next Steps

BACKGROUND:

Pre-2013, the City worked with the YMCA-YWCA of Greater Victoria (the YMCA) and Westhills Land Corporation (Westhills) to create a plan to provide an aquatic centre (the Recreation Centre) on Westhills Drive.

The plan called for Westhills to fund and build the Recreation Centre, which would be purpose built to meet the requirements of the YMCA and the City. The plan also called for the YMCA to lease the Recreation Centre from Westhills for 25 years, and for the City to purchase recreation services from the YMCA, also for a period of 25 years.

A Tripartite Agreement between the City, the YMCA and Westhills was also developed under which the City agreed to assume the Lease if the YMCA ceased to operate the Recreation Centre or defaulted under the Lease, including by failing to make the monthly rent payments to Westhills. The purpose of the tri-partite agreement was to provide certainty to Westhills that the lease payments for the Recreation Centre would continue to be paid for the full term contemplated.

In early 2013, Council approved the Tripartite Agreement and Operating (Services) Agreement, copies of which are attached to this report.

Since the opening of the Recreation Centre in 2016, the YMCA has indicated that it has lost more than \$10,000,000 operating the Recreation Centre. Further, since 2020, Westhills has provided a variety of rent deferrals to the YMCA. (See attached letters between the YMCA to Westhills, which the City was copied on.)

In late January, 2023, Derek Gent, the Chief Executive Officer advised the City that the YMCA Board had passed the following resolution:

BE IT RESOLVED THAT due to ongoing financial deficits in the operation of the Westhills YMCA/YWCA facility in Langford (hereinafter "WHY"), the Board directs staff to initiate actions toward a facility closure starting March 31, 2023 unless, prior to March 31, 2023, the City of Langford commits to a further annual contribution of \$950,000 which

contribution shall be in addition to that required under the Services Agreement dated for reference February 7, 2013.

Given the requirements within the existing agreements and the above resolution from the YMCA Board, the intent of this report is to provide a path forward for the City that meets the following objectives:

1. Ensure the continued operation of the Recreation Centre under the YMCA in the short-term;
2. Ensure the residents of Langford are getting the best possible services at a good value at the Recreation Centre; and
3. Ensure the City is taking all the steps necessary to minimize its long-term financial exposure.

COMMENTARY:

Objective 1: Ensure the continued operation of the Recreation Centre under the YMCA in the short-term

In the short term, staff believe that it is critical that the YMCA remain the operator at the Recreation Centre. This will ensure that the existing services levels at the Recreation Centre are maintained, without the City having to financially contribute anything greater than if the YMCA were to cease operations and the Recreation Centre to be without an Operator.

Under the terms of the Operating agreement, the City is obligated to provide \$950,000 to the YMCA as an annual subsidy. The YMCA has advised that, unless the City increases the annual contribution to \$1,900,000, as of March 31, 2023, they will begin to initiate a closure of the Recreation Centre (actual date not defined). If the YMCA were to initiate a closure of the Recreation Centre, they would be in breach of the Operating Agreement, allowing the City to terminate the Operating Agreement (and obligating Westhills to terminate the Lease Agreement). If this were to happen, the City would no longer be obligated to provide the annual subsidy, but would become responsible for the monthly rent due under the Lease Agreement until a new operator is found, which the City understands to be an amount equal to approximately double the City's annual contribution, until a new operator is found.

Therefore, in the short-term, by increasing its annual contribution to the Recreation Centre, the City will maintain existing services to the community at approximately the same cost as if the Recreation Centre did not have an operator.

Objective 2: Ensure the residents of Langford are getting the best possible services at a good value at the Recreation Centre

Staff believe that if the City agrees to double its annual contribute to the Recreation Centre, it should be conditional upon the City conducting a governance and operational review of the Recreation Centre to ensure the residents of Langford are getting the best possible services at a good value for money spent.

This review would have three parts:

First, section 4.8 of the Operating Agreement requires the YMCA, on a bi-annual basis, to provide the City with a report relating to the operation and management of the Recreation Centre. No reporting has been received by the City since the opening of the Recreation Centre in 2016. Therefore, staff recommend that the City requires detailed reporting of the operation and management of the Recreation Centre going back five years be provided to the City.

Second, and using these reports, once received, as a starting point, staff also recommend that the YMCA commits to a comprehensive governance and operational review of its operations at the Recreation Centre to determine what improvements can be made, if any.

Third, staff recommend that the governance and operating structure of the YMCA at the Recreation Centre be assessed and compared to other similar facilities in the region to help determine the most suitable governance and operating structure that best meets the needs of Langford residents going forward.

Objective 3: Ensure the City is taking all the necessary steps to minimize long-term financial exposure.

As noted above, the City is currently providing \$950,000 as an annual subsidy to the YMCA. If the City were to increase its contribution, the City would pay approximately \$34,000,000 over the remaining term of the Lease Agreement (approximately 18 years). However, at the end of the Lease Agreement, Westhills would continue to own the Recreation Centre and additional lease payments would be required at that time to continue to provide the Recreation Centre as a benefit to the community.

Through conversations with the YMCA and Westhills, staff understand that Westhills may be willing to sell the Recreation Centre. Therefore, staff recommend that the City enter into negotiations with Westhills for the potential purchase of the Recreation Centre, including entering into detailed discussions regarding purchase price and terms, and seeking relevant information from Westhills regarding the Recreation Centre (e.g. available depreciation reports, lease agreements with other tenants, etc.).

FINANCIAL IMPLICATIONS:

In the short term, in order to ensure the ongoing operation of the Recreation Centre, it is recommended that the City increase its annual contributions from \$950,000 to \$1,900,000. For the 2023 budget, this would have a tax implication of approximately 2.5%, if the additional contribution was provided from April to December).

In the long term, it is recommended that the City consider purchasing the Recreation Centre. The financial implication of this purchase would be determined through negotiations with Westhills.

LEGAL IMPLICATIONS:

Detailed legal implications regarding this matter will be provided to Council at an In-Camera Council meeting.

Council may wish to note that under the current operating agreement, the YMCA does not have the authority to initiate a facility closure, as indicated in the YMCA Board resolution in the January 27th email (attached). If the YMCA were to take this step, the City would be in a position to terminate the Operating Agreement with the YMCA (and cease the \$950,000 annual subsidy to the YMCA).

If this occurs, the City will become the month-to-month lessee of the Recreation Centre on the terms of the current Lease until the City and Westhills have entered into new agreements with a replacement operator. As noted above, the cost of this would be approximately double the City's annual contribution, until a new operator is found.

OPTIONS:

Option 1

THAT Committee of the Whole recommends that Council:

1. Direct staff to include an additional \$950,000 in the 2023 budget and five-year financial plan as an additional financial contribution for the operation of the Recreation Centre by the YMCA under the current tripartite, operating and lease agreements;
2. Direct staff to request the following information and assurances of next steps from the YMCA:
 - a. Operating reports, as specified under the operating agreement, for the last five years;
 - b. Commitment to a comprehensive operational review of the YMCA governance and operating structure at the Recreation Centre;
3. Direct staff to assess and compare the governance and operating structure of the YMCA at the Recreation Centre to other comparable facilities in the region to determine the most suitable governance and operating structure that would provide the greatest level of service at the lowest cost for Langford residents going forward; and
4. Direct staff to enter into negotiations with Westhills for the potential purchase of the Recreation Centre;

OR Option 2

THAT Committee of the Whole recommends to Council an alternative direction regarding the YMCA's funding challenges and next steps.

SUBMITTED BY: Braden Hutchins, Director of Corporate Services

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachments:

Attachment 1 – Letter from YMCA to Westhills Dated February 17, 2023

Attachment 2 - Letter from Westhills to the City Dated February 14, 2023

Attachment 3 – Letter from Westhills to the YMCA dated February 14, 2023

Attachment 4 – Letter from the YMCA to Westhills Dated January 30, 2023

Attachment 5 – Email from the YMCA to the City Dated January 30, 2023

Attachment 6 – Letter from Westhills to the YMCA Dated Jan 25, 2023

Attachment 7 – 2013 Staff Report to Council Regarding Agreements

Attachment 8 – Tripartite Agreement

Attachment 9 – Operating (Service) Agreement



Association Services
202-1314 Lakepoint Way
Langford, BC | V9B 0S2
Ph: 250-386-7511 ext 440

Ryan McKenzie, Westhills Land Corporation
957 Langford Parkway
Langford, BC V9B 0A5

CONFIDENTIAL

sent by e-mail to rmckenzie@westhillslandcorp.com

February 17, 2023

cc to Darren Kiedyk, City of Langford and Deb Moore, Breakwater Realty Inc.

Dear Ryan,

Thank you for the response dated February 14, 2022. Our Board is convening next week and will consider your comments and suggestions, including the opportunity to meet with representatives from WLC. We continue to work closely with the City of Langford to advocate for increased funding and support that could help us to reach a sustainable level of operations under the current lease. The process emerging there promises an opportunity to more clearly communicate the value of this facility to the community, clarify our capacity to deliver services in the current context and show a path forward together.

In terms of an update on our operations, January was a good month, relative to earlier periods, with the addition of approximately 500 new members at the Westhills Y (bringing our total here to almost 6200 individuals, with almost 10,000 between our branches) demonstrating to us that our efforts to increase membership are working. It is also noteworthy that our membership consists of 70% Langford residents. We have not yet reached the \$200K monthly membership level referenced in our earlier letter, but are inching closer and February growth has been strong. Despite growth, this branch of our operations continues to lose significant money each month; the fixed occupancy costs being one of our biggest expense items.

To the comment about operating hours, as part of our planning, we have extended both weekday and weekend opening and closing times as of February 21st, and we continue to work to add programming and capacity as we monitor activities and as we strive to find enough employees. While internal capacity is limited, our marketing efforts are ongoing, in terms of electronic, print and bus ads in circulation, we have expanded our social media presence and we have been offering promotional days, like the recent Free on the 5th days, encouraging guest pass usage and swim promotions. The recent Westhills sponsored contest for a free family membership promoted on social media was well received. Camp Thunderbird registrations recently opened and we have had a good response to this year's offerings so far. Our other programs, including the \$10 per day childcare at the Westhills Y are going as expected.

Further to your request, I also enclose a copy of our 2022 year end consolidated financial results, including income statement and balance sheet. These results are still unaudited, and subject to further likely additional year end adjustments, but should provide a bit more indication of our continued financial challenges here, especially with the loss of government pandemic supports. The Board continues to impose restrictions on our assets which will be more accurately reflected in the presentation and notes of our audited statements, as in previous years.

We remain committed to making progress toward a solution with the City of Langford in the near term and that we can work to address your concerns as we continue to serve the growing and evolving community here. Thank you for your continued engagement.

Best regards,

Derek Gent, Chief Executive Officer



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www.westhillsbc.com

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February 14, 2023

City of Langford
 877 Goldstream Avenue
 Victoria, BC V9B 2X8

Attention: Darren Kiedyk

Dear Darren:

Re: YMCA Rent and Arrears

Enclosed please find a copy of our letter to the YMCA of today's date. As you know, we are very willing to work with the YMCA and the City to make the YMCA the ongoing success it should be. We are concerned however, that the YMCA may not be taking this matter as seriously as it should be. This is evidenced by the fact that the YMCA appears to have had approximately \$8.4 million dollars in liquid assets as at the end of 2021, while allowing the arrears it owes Westhills to build up to over \$1.6 million dollars, while ignoring our offer to meet with the board to explore solutions. In addition, though we understand that the YMCA, like all businesses, is experiencing struggles with labour and other issues coming out of the pandemic, we feel that they may need some direction and support in getting back on track.

As noted in our letter to them, the YMCA fitness centre is only open until 7:45 Monday to Friday, and until 4:00 on weekends, as compared with the JDF fitness centre, which is open until 10:00 Monday to Friday, and 8:00 on weekends, a fact which concerns us. In addition, we would love to help the YMCA get word out to Westhills (and greater West Shore) residents – with whom we have several means of direct contact – about the YMCA and its offerings. We have made this offer to the YMCA several times, and with the exception of including a fairly basic flyer in one mailout last year, they have not taken us up on these offers. One thought we had, which we have not mentioned to the YMCA but which we wanted to raise with the City, was the possibility of the City leasing space from the YMCA to operate a youth centre. This was a focus for supporters of Mayor and Council during the election, and the YMCA facility contains a space originally designated to be a youth centre.



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The Westhills YMCA is an incredible one-of-a-kind facility. It is irreplaceable, in location and design, and it would be impossible for the YMCA to construct it now for anything close to the equivalent of its rental investment. None of the parties want to see this enterprise fail, and so we are asking that the City take all reasonable steps to ensure the YMCA's success. Please let us know what we can do to be helpful in this process.

Yours truly,

Westhills Land Corp.

Per:

Ryan McKenzie
Manager

Encl.



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February 14, 2023

YMCA-YWCA of Vancouver Island
 1319 Westhills Drive
 Langford, BC V9B 0S2

Attention: The Board of Directors of the YMCA-YWCA and Derek Gent

Dear Derek and Board Members:

Re: Westhills YMCA

Thank you for your letter dated January 30, 2023. While we understand that the YMCA is having some ongoing challenges, we were disappointed with your response to our letter. Westhills' accommodations to date have been entirely voluntary; we are not obligated to accept less than full rent from the YMCA, and we feel that we have been more than reasonable in doing so for an extended period of time through, and coming out of, the pandemic. We do appreciate that the YMCA increased its monthly rent payment to 85% of the amount owed in February however we have been clear in recent correspondence that we will not accept less than full rent at this time and that a plan must be made to address the over \$1.6 million in arrears currently owing. We were also disappointed that you did not take us up on our offer to meet with the YMCA Board to discuss these issues.

You have advised us that the YMCA's revenues have not returned to pre-pandemic levels, and we trust that you are doing everything possible to increase those revenues. We do have some concerns about the YMCA's current operating hours, particularly for the fitness centre. The YMCA fitness centre is currently only open until 7:45 Monday to Friday, and until 4:00 on weekends. With the fitness centre being in direct competition with the JDF fitness centre, which is open until 10:00 Monday to Friday, and 8:00 on weekends, it's not surprising that new members might choose the latter. We are also unsure about the intensity of the YMCA's public efforts to recapture the membership lost during the pandemic. Westhills has offered to use our resources such as social media, resident mailouts, etc. to assist the YMCA and we have seen very little uptake from the YMCA on these offers. Also, while service levels and programming are between the YMCA and the City pursuant to the Services Agreement between the two, we are certainly supportive of the City providing additional support to the YMCA, and we have no doubt that you are working with the City to achieve this.



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On a final note, we are aware from financial statements previously provided that the YMCA that as of the end of 2021, the YMCA had \$8.4 million in cash and other investments, and is therefore capable of paying full rent to Westhills. We do not feel it is reasonable of the YMCA to ask Westhills to allow further arrears to build up while it retains millions of dollars itself. On that note, we would appreciate being provided with the most recent copies of the YMCA's financial statements including the balance sheet.

We are, as always, happy to discuss these matters and to work with the YMCA to facilitate its future success, but we must reiterate our request that full rent be paid starting immediately, and that a plan be developed to address the arrears. We remain more than happy to meet with yourself and the Board.

Yours truly,

Westhills Land Corp.

Per:

Ryan McKenzie
Manager

cc: City of Langford – Attention: Darren Kiedyk
Breakwater Realty Inc. – Attention: Deb Moore



Association Services
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Ph: 250-386-7511 ext 440

Ryan McKenzie, Westhills Land Corporation
957 Langford Parkway
Langford, BC V9B 0A5

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sent by e-mail to rmckenzie@westhillslandcorp.com

January 30, 2023

cc to Darren Kiedyk, City of Langford and Deb Moore, Breakwater Realty Inc.

Dear Ryan,

Thank you for the correspondence addressed to our Board of Directors from January 25, 2023, and for your continued conversations and support regarding the situation at our Langford location.

Unfortunately, despite the abatement of many pandemic restrictions and conditions, we have not seen a return of the health and fitness memberships at our Westhills Y location to anywhere near the levels of 2019. Monthly membership revenues in December of 2022 were approximately \$175,000, compared against average monthly revenues of over \$330,000 in 2019. We are pleased to report that the Childcare Centre at this location was approved as a \$10 per day site starting this month, which has resulted in significantly lower fees to parents.

We have experienced operating losses at this location in excess of \$1.7MM in 2022, bringing our cumulative deficit since opening in 2016 to more than \$10MM here. You may recall that we had already reported losses in the pre-pandemic period which have been significantly exacerbated by the pandemic and changes in market conditions. While the government supported wage and rent subsidies that are now at an end have been helpful, and we continue to see growth in membership as we also seek more diversified and alternative revenue sources as an organization, the financial situation remains very challenging. In an effort to reduce expense, our health and fitness centre and childcare at Eagle Creek in View Royal have not re-opened since the pandemic closure in 2020, and we have subleased the facility at this location. We also sought and obtained an amendment to the lease at our Downtown facility that provides us additional financial relief and allows us to continue delivery of services at this site. Operations at *Camp Thunderbird*, *Pandora Youth Apartments*, *Y Young Moms* and through various programs such as *Y-Mind*, *Healthy Living*, and our *Leadership Development* trips are ongoing.

Efforts are underway to work with the City of Langford to increase the City's contribution as a means to help us continue operation of this location. We have requested that by March 31, 2023, the City provide to us their commitment to increase their financial contribution.

At this time, we request a continued partial deferral of our rent payments to Westhills Corporation, with a proposed increase to 85% of the regular rent payment for February (based on the \$175K membership target reached in December), and then up to 90% to be based on increasing membership revenues to over \$200K, with 95% at \$225K and then 100% at \$250K, or based on receiving additional funding from the City of Langford. Note that these membership targets do not represent breakeven operations in the absence of additional funding, but we hope that this proposal shows our willingness to continue seeking mutual solutions.

Our organization very much wants to operate this important facility serving thousands of people from the Westhills neighbourhood and Langford community (70% of current users live in this municipality), as well as other users from the region. We will continue our efforts to seek additional resources and develop a sustainable operating model for addressing the evolving needs of residents here.

We greatly appreciate your patience and candour, with all efforts to work collaboratively.

Best regards,

Derek Gent, Chief Executive Officer

From: Derek Gent <dgent@vancouverislandy.ca>
Sent: Friday, January 27, 2023 11:24 AM
To: Darren Kiedyk <dkiedyk@langford.ca>; Braden Hutchins <bhutchins@langford.ca>
Subject: RE: Follow up from our conversation

Hi Darren and Braden,

Our Board met yesterday on January 26th and unanimously passed the following resolution:

BE IT RESOLVED THAT due to ongoing financial deficits in the operation of the Westhills YMCA/YWCA facility in Langford (hereinafter "WHY"), the Board directs staff to initiate actions toward a facility closure starting March 31, 2023 unless, prior to March 31, 2023, the City of Langford commits to a further annual contribution of \$950,000 which contribution shall be in addition to that required under the Services Agreement dated for reference February 7, 2013.

We will be responding to the Westhills letter received on Wednesday with a request for continued rent deferral at this time, based on our proposal for a proportional amount to be paid based on achieving continued growth in membership revenues at this location. December revenue was approximately \$175,000, and we propose to pay 85% of the total base rent for February (up from 75% paid in January and earlier periods), with up to 90% paid at \$200K, 95% at \$225 and 100% at \$250K, or upon receipt of additional funding contributions requested from the City of Langford.

Again, we would like to request that this information remain confidential within the City to avoid undue concern or potential risk to our current operations.

Happy to chat further about where things are at in the process there or any ways we can further support your work.

Regards,
Derek

Derek Gent
Chief Executive Officer

YMCA-YWCA of Vancouver Island
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January 25, 2023

YMCA-YWCA of Vancouver Island
 1319 Westhills Drive
 Langford, BC V9B 0S2

Attention: The Board of Directors of the YMCA-YWCA and Derek Gent

Dear Derek and Board Members:

Re: Westhills YMCA

Further to our discussion prior to the holidays we write regarding the outstanding rent arrears owed by the YMCA-YWCA of Vancouver Island (the "YMCA") to Westhills Land Corp. ("Westhills").

As you are aware, Westhills worked proactively with the YMCA throughout the pandemic and the associated restrictions including the following measures:

- Agreeing to reduce rent by 50% (on a deferred basis) for 6 months (April – July, Sept. & Oct. 2020)
- Agreeing to reduce rent by 25% (on a deferred basis) for 22 months (Aug. 2020, Nov. 2020 – July 2022)
- Not implementing the rent adjustments that were due February 1, 2021 & 2022
- Providing assistance in marketing the YMCA to increase membership
- Exploring sale of the Westhills facility to the YMCA at a price less than fair market value
- Proactively approaching the City of Langford to discuss ways that they could assist with rental arrears and ongoing financial support

The agreement to allow the YMCA to pay partial rent for a period of time was on the basis that the parties would determine moving forward how the deferred rent would be paid to Westhills.

On July 7, 2022, Westhills advised the YMCA in writing that as of August 1, 2022, it would require that full rent once again start to be paid. Since receipt of that letter, you have advised us that the YMCA board has instructed you not to pay full rent, and instead have continued to submit payment of only 75% of the required amount for each month from August, 2022 through January, 2023.

While the pandemic caused incredible challenges for most organizations, we now seem to be well past the most difficult stage of it. We strongly encourage you to take all steps necessary to ensure that the YMCA's operating model is viable. We have provided financial assistance for almost three years and it is simply not sustainable for Westhills to continue to do so.



Westhills

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The YMCA is in default of the lease and Westhills cannot allow the rental arrears to accumulate any further. As of today's date, the rental arrears without interest are approaching \$1,600,000. Interest on these arrears is approximately \$150,000. We require that the full monthly rent payment be submitted in February 2023 and in all subsequent months. We also require that the YMCA develop a plan to pay down the arrears. We would be pleased to meet with you and the YMCA board to discuss your plan to address this situation.

The Westhills YMCA-YWCA facility could not have been created without the significant and innovative commitments made by the YMCA, the City of Langford and Westhills. When the project was initially discussed it was clear that none of the parties were interested in owning a recreation centre. Westhills, in particular, was reluctant to own the facility due to the significant capital infusion and borrowing that it would require, the construction risk, the potential tenancy issues, and the fact that unique facilities such as this are not typically owned by land development companies. At the end of the day, the significant commitments made by the YMCA and the City in the Lease, Tripartite Agreement and Services Agreement encouraged us to take on the commitment of constructing and owning the facility. We worked closely with the YMCA through the design and construction process to create a flagship facility based on significant input from the YMCA to ensure the design met your operational requirements, and as indicated above, we have continued to work with you since the YMCA opened to try to help ensure its success.

Most recently, when you approached us about potentially selling the facility to the YMCA, Westhills was willing to explore that option as well. With respect to those recent negotiations, we point out that given the market changes in land value and construction costs in the years since the YMCA was constructed it would be impossible today to create such a facility in a similar location at a cost anywhere close to the value at which Westhills was recently prepared to sell the building.

We have invested heavily in the recreation centre and believe that it can be a successful facility that will continue to offer tremendous benefits to the surrounding residents and wider community for many years to come, but it is imperative that we commence discussions as soon as possible to resolve some of the outstanding issues. We look forward to hearing from you at your earliest convenience.

Yours truly,

Westhills Land Corp.

Per:

Ryan McKenzie
 Manager

cc: City of Langford – Attention: Darren Kiedyk
 Breakwater Realty Inc. – Attention: Deb Moore



City of Langford
www.cityoflangford.ca

Staff Report to Council

Date: February 1st, 2013
Department: Administration
Subject: Agreements between YMCA and City to Establish New Service (Aquatic Centre)

Background

As Council is aware, staff have been working with the YMCA-YWCA of Greater Victoria (the Y) in a plan to provide an aquatic centre for Langford residents on Langford Parkway. The plan calls for Westhills Land Corporation (WLC) to build the aquatic centre on land near City Centre Park; for the Y to lease the centre from WLC for 25 years; and for the City to purchase service from the Y, also for a period of 25 years. A tripartite agreement between the City, the Y and WLC was developed under which the City agrees to assume the lease if the Y ceases to operate the facility. In addition, as part of the overall agreement for the facility, a separate lease agreement is being prepared which will see the City lease an additional 4,000 sq ft. in the building. The City is working with the Greater Victoria Public Library in hopes to use this space for a new Library, however, at this time it has not been confirmed that a Library will occupy the space.

Commentary

The 'Operator Agreement' between the City and the Y and the Tripartite Agreement between all three parties have been finalized and the agreements are attached to this report.

The Operator Agreement:

- Is effective from the date the Y begins to provide services to the public (expected to be in late 2015),
- Specifies services to be provided by the Y to Langford residents, including discounts to be given on proof of residency,
- Provides for annual payment by the City to the Y of \$750,000, indexed by population to a maximum of \$950,000.
- Requires the Y to indemnify the City from any liability arising out of the operation of the aquatic centre.

The Tri-Partite Agreement:

- Provides that in the event the Y ceases to operate the aquatic centre the City will rent the area from WLC. It would be the understanding that the City would operate the facility itself until it finds a new operator. Once a new operator is found, a new lease and operating agreement will be established with a new operator. The rents paid will be the same as the lease payments previously paid by the Y.

Additional Lease Space:

- Provides for the lease of an additional 4,000 sq ft of space in the main floor of the recreation facility.
- Staff are still working with WLC on establishing the terms and conditions of the lease.

Financial Implications

When the Operator Agreement comes in to force, there will be a budget impact of \$750,000 annually plus approximately \$100,000 for the additional 4,000 sq.ft. of leased space. About \$315,000 of this will be offset by elimination of debt servicing cost for the pool at Juan de Fuca Recreation and an additional \$110,000 through retirement of debt for trails leaving a net tax cost of about \$17 on the average home.

Legal Implications

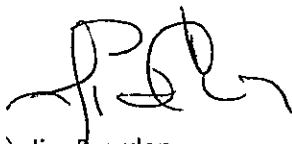
Council is authorized under section 8 of the *Community Charter* to provide municipal services by contract.

Options

That Council:

1. Approve the Operator Agreement and Tripartite Agreement as presented, and
2. Direct Staff to finalize the Lease Agreement with WLC for an additional 4,000 sq ft of space in the YMCA/YWCA Facility, or
3. Decline to establish the service of an aquatic centre under the terms presented.

Respectfully submitted,

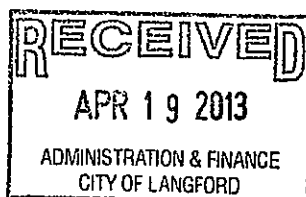


Jim Bowden
Administrator



Steve Ternent
Treasurer

SCANNED



957 Langford Parkway
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F: (250) 478-6671
www.westhillsbc.com

April 18, 2013

Hand Delivered

City of Langford
2nd Floor, 877 Goldstream Ave
Langford, BC V9B 2X8

Attention: Jim Bowden

Re: Westhills YMCA/YWCA – Tripartite Agreement

Dear Jim,

Enclosed for your records are two fully executed copies of the Tripartite Agreement.

Yours truly,

Westhills Land Corp.

Per:

A handwritten signature in cursive script, appearing to read "R McKenzie".

Ryan McKenzie
Manager

Encl.

TRIPARTITE AGREEMENT

THIS AGREEMENT dated effective the 7th day of February 2013

AMONG:

THE CITY OF LANGFORD
877 Goldstream Avenue, 2nd floor,
Victoria, BC V9B 2X8
(the "City")

OF THE FIRST PART

AND:

THE YMCA – YWCA OF GREATER VICTORIA
(Society No. S-0006088)
851 Broughton Street,
Victoria BC V8W 1E5
(the "Y")

OF THE SECOND PART

AND:

WESTHILLS LAND CORP.
(Inc. No. 0752971)
957 Langford Parkway
Victoria, B.C. V9B 0A5
(“WLC”)

OF THE THIRD PART

WHEREAS:

- A. Certain lands in the City of Langford have been identified as desirable for a community recreation centre to include an aquatic and fitness centre with a 25 metre pool; a warm pool with a movable floor; hot tubs and saunas and a wave pool, health & fitness areas, a gymnasium, a child minding area, and an outdoor play area for children, with offices (the "Recreation Centre");
- B. The aquatic and fitness centre will consist of a reception area and food service area, a 25 metre pool, warm pool with movable floor, hot tubs and saunas, lazy river, water slide, wave pool, health & fitness areas, a gymnasium, including change rooms, multi-purpose rooms, administration areas, and public areas for programs and services (referred to herein as the "Aquatic Facility");
- C. The land identified for the Recreation Centre is owned by WLC, being a portion of Part of Block I, Sections 86, 87, 88, 89 and 90, Esquimalt District, and Section 87 Metchosin District, Plan 1139, which will be subdivided for the construction of the Recreation Centre (the "Lands");
- D. The Y has agreed to lease the Recreation Centre, which includes the Aquatic Facility from WLC for a period of 25 years, pursuant to the terms of a lease dated the 7th day of February, 2013 (the "Lease");

- E. The City has agreed to purchase recreational services from the Y as operator of the Aquatic Facility, pursuant to the terms of an agreement dated the 7th day of February, 2013 (the "Services Agreement");
- F. The parties acknowledge and agree that the Lease and Services Agreement are separate and independent agreements wherein the City will have no privity of contract regarding the Lease and WLC will have no privity of contract regarding the Services Agreement;
- G. The parties acknowledge and agree that a tripartite agreement among the City, the Y and WLC for matters relating to both the Lease and the Services Agreement is in order;

NOW THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenants and agreements, and other good and valuable consideration (the receipt and sufficiency of which each party acknowledges), the parties agree as follows:

PART 1 – DEFINITIONS AND TERMS FROM OTHER AGREEMENTS

- 1.1 Certain defined words, terms and phrases contained in the Services Agreement and Lease are incorporated into this Agreement as Schedule "A".
- 1.2 The Parties have agreed that the name of the Building/Recreation Centre will be "Westhills YMCA/YWCA" and the Aquatic Facility will have the sub-name "Langford Aquatics."
- 1.3 The Term of this Agreement will be as set out in Schedule "A."

PART 2 – EARLY WARNING NOTIFICATION

- 2.1 The parties agree that it is critical to the success of the Aquatic Facility that all parties to this Agreement uphold their obligations under the Services Agreement, the Lease, and this Agreement. Accordingly, should any party become aware that any other party is in breach of an obligation under one of those agreements or is otherwise conducting itself in such a way as might jeopardize the success of the Aquatic Facility, the party becoming so aware will notify the other parties to this Agreement.

PART 3 - TERMINATION OF LEASE OR SERVICES AGREEMENT

- 3.1 The provisions of this Part 3 apply in the event the Lease or Service Agreement is being terminated for cause and the Y is no longer the operator of the Aquatic Facility.
- 3.2 Termination of Agreements

- a. In the event the City intends to terminate the **Services Agreement** as provided in the **Services Agreement** prior to the expiry of the Term, or WLC intends to terminate the **Lease** as provided in the **Lease** prior to the expiry of the Term, the terminating party will advise the other parties as soon as is reasonable practical to do so, and will advise of the date of the intended termination.
- b. Notwithstanding any other provision relating to termination or cancellation of either the **Services Agreement** or the **Lease**, in the event the City terminates or cancels the **Services Agreement**, WLC will terminate and cancel the **Lease** concurrently therewith; and in the event WLC terminates or cancels the **Lease** prior to expiry of the Term, the City will terminate and cancel the **Services Agreement**.
- c. Where the **Lease** and **Services Agreement** are terminated and cancelled, the follow provisions apply:
 - i. WLC will not remove from the **Aquatic Facility** any furniture, equipment or other chattels or fixtures it obtains ownership of through the course of termination of the **Lease**. Such chattels or fixtures will be left at the **Aquatic Facility** for use by the City or the new service provider for the term of the **New Services Agreement** and **New Lease**.
 - ii. The City will use its best efforts to locate a new service provider for the **Aquatic Facility** (the "New Service Provider") and to enter into a new agreement on the same terms and conditions as the **Services Agreement** with such service provider (the "New Services Agreement");
 - iii. In the interim, the City agrees to:
 1. Rent the **Aquatic Facility** from WLC on a month to month basis, it being agreed and understood that:
 - A. Neither the City nor WLC will have the right to cancel the month to month lease until such time as a New Service Provider is operating the **Aquatic Facility** and Rent is being paid by the new provider to WLC under a lease on the same terms and conditions as the **Lease** (the "New Lease") and the parties (being the City, WLC and the New Service Provider) have entered a new tri-partite Agreement on the same terms as this Agreement (the "New Tripartite Agreement"); and
 - B. The Rent payment for the month to month lease will be the same as the Rent paid by the Y to WLC; and

C. The City's obligation to rent the **Aquatic Facility** will terminate upon payment of Rent under the **New Lease** by the **New Service Provider**.

iv. Any portion of the Deposit being held by WLC at the time the City commences renting the Facility will be applied to Rent payable by the City at the times and using the process set out in the Lease. Should the City's obligation to rent the **Aquatic Facility** terminate under 3.2(c)(iii)(C), WLC will refund to the City a corresponding amount of the Deposit being held by it to the amount of any deposit paid to WLC by the **New Service Provider**. Any amount of the Deposit in excess of the deposit received from the **New Service Provider** will be retained by WLC until the termination or expiration of the **New Lease**.

- d. The **New Services Agreement**, **New Lease**, and **New Tripartite Agreement** will be identical to the **Services Agreement**, **Lease**, and this **Agreement** respectively, other than that the term of the **New Services Agreement** and **New Lease** will be the time that would have remained in the Term under the **Services Agreement** and **Lease** at the time the **New Services Agreement** and **New Lease** are entered into, and that any provisions in the **Lease** that by necessary implication can pertain only to the Y as the operator of the **Aquatic Facility** will be omitted;
- e. Once a **New Service Provider** has been found, the City will notify WLC in writing. WLC will have the right to approve the new operator, such approval not to be unreasonably withheld and given within thirty (30) days of such notice. The parties agree that WLC's financial institution's refusal to approve the **New Service Provider** will be considered a "reasonable" basis for WLC to disapprove the **New Service Provider**. Where WLC does not advise the City within the said thirty (30) days, WLC will be deemed to have approved the **New Service Provider**.
- f. Once the **New Service Provider** has been approved, the City and WLC agree that within 30 days following execution by the **New Service Provider** of the **New Service Agreement**, **New Lease**, and **New Tripartite Agreement** they will also execute the **New Service Agreement**, **New Lease** and **New Tripartite Agreement** as required.
- g. The City will continue to purchase services under the **New Services Agreement** immediately upon that agreement being effective. The effective date will be the day Rent is paid by the **New Service Provider** to WLC under the **New Lease**.

3.3 This Agreement will automatically terminate upon execution of the **New Tripartite Agreement** by all parties to that agreement.

PART 4– CITY AGREEMENT TO RENT ADDITIONAL SPACE

- 4.1 In addition to the **Services Agreement** between the Y and the City and the **Lease** between the Y and WLC, the City agrees to enter into a lease with WLC (hereinafter the “**City Lease**”) to rent approximately 4,000 sq. ft. of space (hereinafter the “**Demised Premises**”) in the **Recreation Centre** for one term of five (5) years commencing on the Opening Day of the **Aquatic Facility** and terminating on the 5th anniversary thereof.
- 4.2 The parties agree that the rent for the Demised Premises will be \$25.00 per sq. ft. for each year of the term.
- 4.3 The City will have the right to assign or sub-let any or all of the Demised Premises provided that assignment by the City will not relieve the City of its obligations under the **City Lease** if the assignee defaults in its obligations to WLC. WLC will have the right to approve any assignee or sub-tenant, such approval not to be unreasonably withheld and given within thirty (30) days of notice of assignment or sub-let. Where WLC does not advise the City within the said thirty (30) days, WLC will be deemed to have approved the assignment or sub-let.

PART 5 – USE AND RELEASE OF INFORMATION

- 5.1 The parties represent, warrant and covenant that they will comply with all laws, bylaws, ordinances, regulations, and the directive of any public authority having jurisdiction, including the requirements of the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996 c. 165 as amended.
- 5.2 Where information of a party deemed confidential by that party is shared with the other parties hereto, the other parties agree:
 - a. to use the confidential information of the other party solely for the purposes of this Agreement, the **Services Agreement** and the **Lease** and for no other purpose;
 - b. to protect the confidential information of the other party and not disclose the confidential information other than to persons who have a *bona fide* need to have access to such confidential information in order for the parties to carry out the purposes and objectives of this Agreement, the **Services Agreement** and the **Lease**;
 - c. No part of this section prevents disclosure by a party of any confidential information if, in the written opinion of the party’s legal counsel, the disclosure is legally required to be made in a judicial, administrative, or governmental proceeding or pursuant to the party’s obligations under any applicable legislation;

- d. Information will be not be considered confidential if it:
 - i. is in the public domain prior to its disclosure by a party;
 - ii. is in the receiving party's possession prior to its disclosure by the other party;
 - iii. lawfully enters the public domain through no violation of this confidentiality obligation after disclosure to another party; or
- e. The covenants in this section 5 shall survive the termination of this Agreement, the **Services Agreement** and the **Lease** for a period of one year from the date of termination.

PART 6 – ASSIGNMENT

- 6.1 In the event WLC assigns its right, title and interest in and to the Lease, WLC may also assign its right, title and interest in this Agreement without the consent of the other parties.

PART 7 - GENERAL PROVISIONS

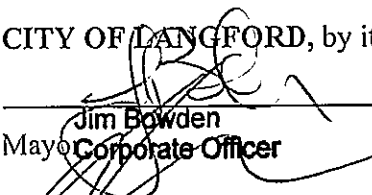
- 7.1 All notices required or permitted to be given under this Agreement must be in writing and may be delivered by hand, sent by facsimile or forwarded by registered mail to the addresses shown on the first page or any other address of which notice in writing is given.
- 7.2 Time is of the essence respecting this Agreement.
- 7.3 This Agreement is governed by and will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 7.4 This Agreement survives any termination of the **Services Agreement** or **Lease**, or any **New Services Agreement** or **New Lease** with any other service provider.
- 7.5 Other than provided for herein, none of the parties shall assign this agreement to any other party without the express written consent of the other parties.
- 7.6 No amendment to this Agreement shall be effective unless consented to in writing by all the parties.
- 7.7 The parties covenant and agree that in the event any provision of the **Services Agreement** or **Lease** are altered, modified, amended, deleted, or replaced, the parties to the Agreement being amended will forthwith notify the party not a party to that agreement.
- 7.8 No waiver by either Party of any default by the other in the performance of any of the provisions of this Agreement will operate or be construed as a waiver of any

other or future default or defaults hereunder, whether of a like or different character.

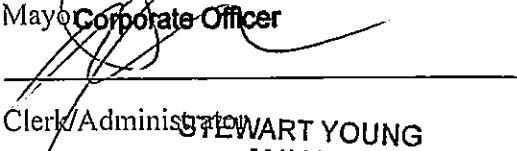
- 7.9 Each Party will execute and deliver all such further documents and do all such further things as may be reasonably requested by the other Party to give full effect to the intent and meaning of this Agreement.
- 7.10 Nothing in this Agreement will create a partnership, joint venture, or employment. The parties acknowledge each is an independent party in entering into this Agreement, the Services Agreement and the Lease.
- 7.11 This Agreement may be executed by the parties in one or more counterparts and may be delivered by facsimile or other means of electronic transmission, each of which when delivered shall be deemed to be an original and all of which shall together constitute one and the same Agreement.
- 7.12 This Agreement shall be binding upon and enure to the benefit of, the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above by their respective authorized representatives.

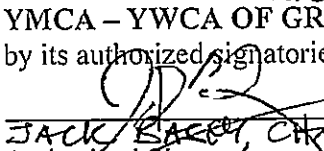
CITY OF LANGFORD, by its authorized signatories:

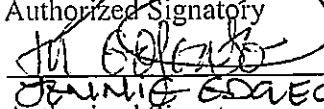


 Jim Bowden
 Mayor/Corporate Officer



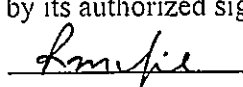
 Stewart Young
 Mayor
 YMCA – YWCA OF GREATER VICTORIA
 by its authorized signatories:



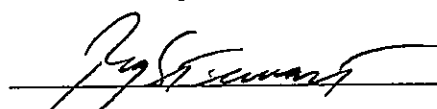
 JACK BARRY, CHAIR BOARD DIRECTORS
 Authorized Signatory


 JEANINE GOUGEON, CEO
 Authorized Signatory

WESTHILLS LAND CORP.
 by its authorized signatories:



 Laurie
 Authorized Signatory



 [illegible]
 Authorized Signatory

SCHEDULE "A"

DEFINITIONS

- (a) "Additional Rent" means all sums of money to be paid by the Tenant, whether to the Landlord or otherwise under the Lease, except for Annual Base Rent and GST/HST payable by the Tenant.
- (b) "Annual Base Rent" means the following:

Lease Years	\$ per square foot of Rentable Area per annum
1	\$20.00 per ft ²
2	\$21.50 per ft ²
3	\$23.00 per ft ²
4	\$24.50 per ft ²
5	\$26.00 per ft ²
6-10 11-15 16-20 and 21-25	For each 5 year period, then current Market Rent determined as provided for below

Market Rent: The Landlord will retain a qualified commercial real estate appraiser who will determine the then current market Annual Base Rent which may not:

- (i) for the first year of the five year periods representing years 6 through 10 and 11 through 15, be less than 100% nor more than 115% of the rate during the previous year; and
- (ii) for the first year of the five year periods representing years 16 through 20 and 21 through 25, be less than 95% nor more than 115% of the rate during the previous year.

The Annual Base Rent for the first year of each five year period commencing in year 6 will be the then current market rate determined by the appraiser, with an increase or decrease in each subsequent year of the five year period reflective of the increase or decrease in the Consumer Price Index for Victoria ("CPI") for the preceding twelve month period. Notwithstanding the foregoing:

- (1) if the increase in CPI is 4% or less for a given year of the Term to which the CPI provisions apply, the increase in Annual Base Rent for that year will be the amount of the CPI increase;
- (2) if the increase in CPI is more than 4% for a given year of the Term to which the CPI provisions apply, the increase in Annual Base Rent for

that year will be 4%; and

- (3) if CPI decreases for a given year of the Term to which the CPI provisions apply, the Annual Base Rent will decrease by the amount of the decrease in CPI, provided however that the Annual Base Rent in any given year of a five year period set out in the table above shall not be less than the Annual Base Rent of the first year of that five year period.

Should the Tenant disagree with the Landlord's appraiser's valuation of market rent, the Tenant may retain its own appraiser to calculate then current market rent, which appraisal shall only use the direct comparison approach if it can in fact identify a building or buildings that are directly comparable. If the parties cannot agree on market rent after reviewing the two appraisals, either party may elect, by giving notice in writing to the other party, to proceed to arbitration to have an arbitrator determine market rent, which the parties agree shall nonetheless be between 100 and 115% of the previous year's rent. The costs of such arbitration will be split equally between the Landlord and Tenant.

- (c) "Building" means that certain building and those certain areas and improvements to be constructed on the Lands and all additions and replacements to it;
- (d) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia;
- (e) "Completion Date" means the date on which the Landlord advises the Tenant it will complete construction of the building, or as extended under the Lease;
- (f) "Deposit" means the sum of \$250,000.00 which will be paid by the Tenant to the Landlord;
- (g) "Force Majeure" means any act of God, major storms, civil disturbance or any similar major event or occurrence not within the control of a party and which by the exercise of due diligence by such party could not have been prevented, but lack of funds on the part of such party shall not be deemed to be a Force Majeure;
- (h) "Landlord" means Westhills Land Corp., Inc. No. BC0752971;
- (i) "Lands" means those lands owned by WLC being a portion of Part of Block I, Sections 86, 87, 88, 89 and 90, Esquimalt District, and Section 87 Metchosin District, Plan 1139, which will be subdivided for the construction of the Recreation Centre;
- (j) "Lease" means the lease agreement between the Y and WLC for the Aquatic Facility dated effective February 7, 2013;

1

- (k) **"Lease Year"** means, in the case of the first Lease Year, the period beginning on the Completion Date and terminating 12 months from the last day of the calendar month in which the Completion Date occurs (except that if the Completion Date occurs on the first day of a calendar month, the first Lease Year will terminate on the day prior to the first anniversary of the Completion Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year;
- (l) **"Opening Day"** means the first day the Aquatic Facility is open to the public for use;
- (m) **"Purchase Commitment"** means the annual payment by the City to the Y in consideration of the Y operating and maintaining the Aquatic Facility and the programs offered therein, initially in the amount of \$750,000.00 per year, and which may increase every two years by a percentage amount equal to the percentage increase in the population of the City during that period, to a maximum of \$950,000.00 annually;
- (n) **"Rent"** means the Annual Base Rent, Additional Rent, and all other sums payable by the Tenant to the Landlord under the Lease except for goods and services tax payable by the Tenant.
- (o) **"Rentable Area"** means *approximately* 57,000 ft² on three floors, rental area to be confirmed using BOMA 2010 Office Standard measurement;
- (p) **"Report"** means the statistical summary prepared by the Y of the usage of the Aquatic Facility including programs, activities, events and services; membership numbers, and any notable accomplishments, challenges or trends during the year;
- (q) **"Services"** means all of the activities and services necessary and incidental to the performance of the Y in operating and managing the Aquatic Facility and offering programs to the public under this Agreement, including but not limited to, the obligations set forth herein and any other direction by or obligation to the City arising from this Agreement;
- (r) **"Services Agreement"** means the agreement whereby the City agrees to purchase services from the Y for its operation of the Aquatic Facility;
- (s) **"Substantial Breach"** means:
 - a. any event which will, as a result, have a material adverse effect upon the delivery of the Services or the performance of the Y under this

Agreement, including but not limited to:

- i. temporary or permanent closure of any part of the Aquatic Facility where the consent of the City has not been obtained in writing;
- ii. failure to maintain accurate books and records in the operation of the Aquatic Facility;
- iii. the petitioning into bankruptcy of the Y or the making of any assignment for the benefit of his creditors;
- iv. the institution of proceedings for the dissolution or winding-up of the Y.

b. termination of the **Lease**;

- (u) **"Tenant"** means YMCA/YWCA of Greater Victoria, Inc. No. S-0006088.
- (v) **"Term"** means 25 years, commencing on the day that is two months after the Completion Date and expiring on the 25th anniversary of that date unless this agreement is earlier terminated in accordance with the provisions of this agreement.



**WESTHILLS YMCA/YWCA
RECREATION CENTRE AT CITY CENTRE PARK**

THIS LEASE, dated February 1, 2013 is made by the Landlord and Tenant named below who, in consideration of the covenants in this Lease, agree as follows:

1. BASIC TERMS, SCHEDULES, AND DEFINITIONS

1.1 Basic Terms

- (a) Landlord: Westhills Land Corp., Inc. No. BC0752971
Address of Landlord: Suite 219 – 967 Langford Parkway,
Victoria, BC V9B 0A5
- (b) Tenant: YMCA/YWCA of Greater Victoria, Inc. No. S-0006088
Address of Tenant: 851 Broughton Street, Victoria, BC V8W 1E5
- (c) Leased Premises: Floors 1-3, approximately as shown on Schedule B
- (d) Rentable Area: approximately 57,000 ft² on three floors, to be confirmed using BOMA 2010 Office Standard measurement
- (e) Term: commences on the reference date above, and ends on the day that is 25 years after the Completion Date
Completion Date: will be as set out in section 3.2(4)

(f) Annual Base Rent:

Lease Years	\$ per square foot of Rentable Area per annum
1	\$20.00 per ft ²
2	\$21.50 per ft ²
3	\$23.00 per ft ²
4	\$24.50 per ft ²
5	\$26.00 per ft ²
6-10 11-15 16-20 and 21-25	For each 5 year period, then Current Market Rent determined as provided for below

Market Rent: The Landlord will retain a qualified commercial real estate appraiser who will determine the then current market Annual Base Rent which may not:

INITIALS	
Landlord	Tenant
	

- (i) for the first year of each of the five year periods representing years 6 through 10 and 11 through 15, be less than 100% nor more than 115% of the rate during the previous year; and
- (ii) for the first year of each of the five year periods representing years 16 through 20 and 21 through 25, be less than 95% nor more than 115% of the rate during the previous year.

The Annual Base Rent for the first year of each five year period commencing in year 6 will be the then current market rate determined by the appraiser, with an increase or decrease in each subsequent year of the five year period reflective of the increase or decrease in the Consumer Price Index for Victoria ("CPI") for the preceding twelve month period. Notwithstanding the foregoing:

- (1) if the increase in CPI is 4% or less for a given year of the Term to which the CPI provisions apply, the increase in Annual Base Rent for that year will be the amount of the CPI increase;
- (2) if the increase in CPI is more than 4% for a given year of the Term to which the CPI provisions apply, the increase in Annual Base Rent for that year will be 4%; and
- (3) if CPI decreases for a given year of the Term to which the CPI provisions apply, the Annual Base Rent will decrease by the amount of the decrease in CPI, provided however that the Annual Base Rent in any given year of a five year period set out in the table above shall not be less than the Annual Base Rent of the first year of that five year period.

Should the Tenant disagree with the Landlord's appraiser's valuation of market rent, the Tenant may retain its own appraiser to calculate then Current Market Rent, which appraisal shall only use the direct comparison approach if it can in fact identify a building or buildings that are directly comparable. If the parties cannot agree on market rent after reviewing the two appraisals, either party may elect, by giving notice in writing to the other party, to proceed to arbitration to have an arbitrator determine market rent, which the parties agree shall nonetheless be between 100 and 115% of the previous year's rent. The costs of such arbitration will be split equally between the Landlord and Tenant.

- (g) Permitted Use: for the purpose of a recreation centre, including an Aquatic Facility, a child minding area, and an outdoor play area for children ("Recreation Centre") for the management and operation by the Tenant.
- (h) Parking Entitlement: See section 17.2
- (i) Deposit \$ 250,000.00 which will be paid by the Tenant as follows:

INITIALS	
Landlord	Tenant
	

(a) \$125,000 upon being advised by the Landlord pursuant to subsection 3.2(2) that it is proceeding to the Construction Drawing Stage; and

(b) \$125,000 upon being advised by the Landlord pursuant to subsection 3.2(3) that it is proceeding to the Construction Stage (the "Second Payment").

The entire amount of the Deposit will become non-refundable once the Landlord advises the Tenant pursuant to section 3.2(3) that it is proceeding to the Construction Stage. At the end of the period that is five years after the Second Payment is made, provided that the Tenant has made all Rent payments on time during the preceding five year term, one-half of the Deposit will be applied to monthly Rent until that one-half of the Deposit is exhausted. At the end of the next five year term, provided that the Tenant has made all Rent payments on time during the preceding five years, the other half of the Deposit will be applied to monthly Rent until that second half of the Deposit is exhausted. If any Rent payments have not been made on time during one of the two five year terms mentioned in this subsection above, the same process will be followed for the next five year term, and, if necessary, five year terms after that one until either the Deposit is fully applied to monthly Rent or the Term of this Lease expires.

- (j) **Building Standard:** The Recreation Centre will be built in a manner that is consistent with those drawings referenced in Schedule C.

The Recreation Centre will be built with HVAC and water systems consistent with the concept plans developed by AME Group, dated February 3, 2012, and supported by the Mechanical Design Report, also prepared by AME Group, dated February 3, 2012. The Tenant and Landlord agree however to adopt a system of CO2 injection in maintaining the pool PH levels rather than the use of muriatic acid as proposed in the design report.

Other aspects of the Recreation Centre will be built to a standard similar to other facilities built and intended for use as aquatic and recreation centres. Should the Tenant wish to have systems or components installed that are more expensive than those designed by the Landlord, it may do so with the Landlord's approval and upon paying the excess cost of such systems or components.

- (k) **Project Management:** The Landlord intends to retain a construction manager (the "Construction Manager") who will be the adjudicator of the contract between the Landlord and the builder of the Recreation Centre and will also be the head of the project team that will plan and oversee the construction of the Recreation Centre (the "Project Team"). The Tenant may appoint an expert (the "Tenant's Expert") to be part of the Project Team and the Construction

INITIALS	
Landlord	Tenant

Manager will consult and work with the Tenant's Expert to ensure that the Leased Premises are constructed to the Building Standard.

The foregoing Basic Terms are approved by the parties. Each reference in this Lease to any of the Basic Terms will be construed to include the above provisions as well as all of the additional terms and conditions of the applicable sections of this Lease where the Basic Terms are more fully described.

1.2 Schedules

All Schedules to this Lease are incorporated into and form an integral part of this Lease and are as follows:

Schedule	Subject
A	Definitions
B	Floor Plan(s)
C	Conceptual Drawing References
D	Rules and Regulations
E	Tenant's Work
F	Maintenance Responsibilities
G	Lands

1.3 Definitions

In this Lease, the words, phrases and expressions set out in Schedule A are used with the meanings defined in Schedule A.

2. PREMISES

- (1) In consideration of the rents, covenants, and agreements reserved and contained on the part of the Tenant to be paid, observed, and performed, the Landlord demises and leases to the Tenant, and the Tenant leases from the Landlord the Leased Premises.
- (2) The name of the Building/Recreation Centre will be "Westhills YMCA/YWCA" and the Aquatic Facility will have the sub-name "Langford Aquatics."
- (3) The Landlord will consult with the Tenant regarding any future sponsorship for the Building or Leased Premises in order to avoid any potential conflict with the Y's charitable mission and operation of the Recreation Centre.
- (4) The Landlord agrees that the Tenant may seek sponsorships for various activities in the Leased Premises and may name, place plaques, and place sponsorship names on some areas of the Leased Premises, in consultation with the Landlord.

INITIALS	
Landlord	Tenant
<i>[Signature]</i>	<i>[Signature]</i>

(5) The Tenant may establish a strong profile at and within the Recreation Centre and may publicly associate itself with the Leased Premises in its advertising and media identification including the Tenant's news releases, interviews and related community involvement. The Tenant advertising and media identification must not conflict with the rights of any naming sponsor in any of the Landlord's naming or advertising agreements.

3. TERM

3.1 Term

The Term of this Lease is the period set out in subclause 1.1(e).

3.2 Construction Schedule

(1) The construction of the Leased Premises will take place in three stages:

- (a) The financing stage, during which the Landlord will determine whether it can obtain satisfactory financing from a qualified lender on rates and terms which make the project feasible (the "Financing Stage");
- (b) The construction drawing stage, during which the Landlord will arrange for the production of detailed construction drawings and will determine whether the Leased Premises, as contemplated by the construction drawings can be constructed within the time and budget contemplated by the parties (the "Construction Drawing Stage");
- (c) The construction stage, which will commence when ground is broken for construction of the Leased Premises and will end on the Completion Date (the "Construction Stage").

(2) The Landlord agrees that within 3 months of the execution of this agreement, the Landlord will advise the Tenant in writing that the Financing Stage is at an end, and will advise the Tenant if it intends to proceed to the Construction Drawing Stage. If the Landlord advises that it is not going to proceed to the Construction Drawing Stage, this agreement will terminate and neither party will be under any further obligation to the other.

(3) If the Landlord advises that it intends to proceed to the Construction Drawing Stage under subsection (2), then the Landlord will arrange to have the construction drawings commenced and completed as soon as reasonably possible. The Landlord anticipates that the Construction Drawing Stage will take approximately 6 months, and agrees to use commercially reasonable best efforts to conclude the Construction Drawing Stage within 6 months. Notwithstanding the foregoing, within 8 months of the Landlord giving notice that it is proceeding to the Construction Drawing Stage, the Landlord will advise the Tenant if it intends

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to proceed to the Construction Stage. If the Landlord advises that it is not going to proceed to the Construction Stage, this agreement will terminate, the Landlord will forthwith return any portion of the Deposit held by it to the Tenant, and neither party will be under any further obligation to the other.

(4) If the Landlord advises that it intends to proceed with the Construction Stage under subsection (3), it will also advise the Tenant of the date on which it will complete construction of the Building (the "Completion Date"), which it anticipates will be not more than eighteen to twenty-four months after such notice is given. The Completion Date shall not be more than three years after the date on which notice is given, and the Landlord agrees to use commercially reasonable best efforts to complete the Leased Premises by the initial Completion Date. Notwithstanding the foregoing, the Completion Date may subsequently be extended once or more than once by the Landlord to a date which is not later than three years after the date on which notice under subsection (3) is given, provided the Landlord provides notice to the Tenant not less than three months' prior to the original Completion Date or the Completion Date as previously extended.

(5) Notwithstanding subsection (4), if, at the end of the three year period the Landlord has commenced and is diligently pursuing construction of the Leased Premises, it will be granted a further twelve months in which to complete the Leased Premises and the Completion Date will be extended accordingly. If upon the Completion Date, including as extended under this section 3.2, the Leased Premises are not complete, the Tenant may terminate this Lease, in which case the Landlord will return any portion of the Deposit being held by it, and in such case the parties will have no further obligation to the other and neither party will be liable to the other for any further damages.

(6) Notwithstanding anything else in this section, if the Landlord's ability to complete the Leased Premises is affected by strikes, lockouts, fire, lightning, tempest, riot, war, or unusual delay by common carriers, unavoidable casualties or by any other cause of any nature whatsoever beyond the control of the Landlord, the Landlord will be permitted a reasonable extension to the Completion Date.

(7) During the two month period starting on the Completion Date, the Tenant may assemble and install furniture and equipment for the fitness, administration and child care areas and prepare and test the Aquatic Facility. The Leased Premises are not to be open to the public during this two month period.

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4. RENT

4.1 Rent

Payment of Rent under the table in 1.1(f) shall commence on the date that is two months after the Completion Date and shall continue for a period of 25 years. The Tenant will pay the Landlord for the Leased Premises, at the office of the Landlord's building manager, or as the Landlord may direct in writing, during the Term in lawful money of Canada without any set-off, abatement, compensation, or deduction whatsoever on the days and at the times specified in this Lease, Rent that will include the aggregate of the sums specified in subclauses (a) and (b):

(a) Annual Base Rent

Annual Base Rent in the amount per annum set out in subclause 1.1(f) for each respective Lease Year, subject to the adjustment provisions of subclause 4.2(c); and

(b) Additional Rent

The aggregate of the following:

- (i) the Tenant's Share of Tax Cost;
- (ii) the Tenant's Share of Operating Costs; and
- (iii) the other amounts, charges, costs, and expenses as are required to be paid by the Tenant to the Landlord under this Lease in addition to Annual Base Rent.

4.2 Payment of Rent

The Rent will be paid by the Tenant as follows:

(a) Annual Base Rent

The Annual Base Rent will be paid in equal consecutive monthly instalments in advance on the first day of each month during the Term starting on the date that is two months after the Completion Date. Where the Completion Date is the first day of a month the instalment will be in respect of that month; where the Completion Date is not the first day of a calendar month, the Annual Base Rent for the period from the date that is two months after the Completion Date to the first day of the next ensuing calendar month will be pro-rated on a per diem basis and paid on the date that is two months after the Completion Date and the first regular instalment will be paid on the first day of the next full calendar month. Thereafter, subsequent monthly instalments will be paid in advance on the first day of each ensuing calendar month during the Term.

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(b) Additional Rent

The amount of any or all of the items of Additional Rent under subclause 4.1(b) that the Tenant is to pay may be estimated by the Landlord for the calendar year or portion of it as the Landlord may determine. The Tenant agrees to pay to the Landlord the amount of the estimate in monthly instalments in advance in amounts and during the period specified by the Landlord on the dates and at the times for payment of the Annual Base Rent. The Landlord may make its estimates so that the Tenant's share of Additional Rent will be payable to the Landlord prior to the time the Landlord is obliged to pay the costs in respect of which the Additional Rent is payable. The Landlord may submit to the Tenant at any time during a period a re-estimate of the amount of Additional Rent payable by the Tenant under subclause 4.1(b) and a revised monthly instalment amount. As soon as reasonably possible, but in any case not more than 120 days after the end of the calendar year for which the estimated payments have been made, the Landlord will make a final determination of Tax Cost, Operating Costs, and other amounts under 4.1(b)(iii) for the calendar year and notify the Tenant of the actual amount required to be paid as Additional Rent. If necessary an adjustment will be made between the parties and any money owing by or to one party will be paid or credited within 30 days of the notice. The Tenant will be entitled to audit the amount of Additional Rent calculated by the Landlord. Should the Tenant exercise this right to audit, the Landlord will provide such information and documentation as is reasonably required for this purpose. If, after conducting an audit, the Tenant disagrees with the Landlord's determination, the matter will be resolved by the Landlord's accountant whose decision is final.

(c) Basis of Determining Rent

The Tenant acknowledges that the Annual Base Rent is calculated on the basis of the Rentable Area of the Leased Premises, being as set out in subclause 1.1(d) and at the rate set out in subclause 1.1(f) for each square foot of Rentable Area. The Tenant agrees that the Landlord may adjust the Annual Base Rent and the Additional Rent if the Rentable Area of the Leased Premises is found to be different from the Rentable Area stated above, provided however that the proposed rentable area (the "Proposed Rentable Area") will be agreed to by the parties by signing off on the completed construction drawings, and that the final Rentable Area shall not be more than 3% greater nor less than the Proposed Rentable Area unless agreed to in writing by the parties.

(d) Post-dated Cheques/Electronic payment

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If requested by the Landlord from time to time, the Tenant will provide to the Landlord without prejudice to any other right or remedy of the Landlord a series of cheques, post-dated to the respective due dates of payments, for the amounts of the Rent and estimates on account of it that are periodically payable under this Lease. If requested by the Landlord, the Tenant will arrange payment electronically through its financial institution.

4.3 Rent for Irregular Periods

All Rent reserved in this Lease will be deemed to accrue from day to day, and if for any reason it becomes necessary to calculate Rent for irregular periods of less than one year an appropriate pro-rata adjustment will be made on a daily basis in order to compute Rent for the irregular period.

4.4 Waiver of Set-offs

The Tenant waives and renounces any and all existing and future claims, set-offs, and compensation against any Rent and agrees to pay the Rent regardless of any claim, set-off, or compensation that may be asserted by the Tenant or on its behalf.

4.5 Application of Payments

All payments by the Tenant to the Landlord under this Lease will be applied toward any amounts then outstanding under this Lease as the Landlord determines and the Landlord may subsequently alter the application of any payment.

4.6 Net Lease

The Tenant acknowledges and agrees that this Lease will be a completely net lease for the Landlord except as otherwise expressly provided in this Lease, and that the Landlord is not responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Premises. Except as otherwise provided in the specific provisions in this Lease, the Tenant will pay all charges, impositions, and costs of every nature and kind relating to the Leased Premises whether or not referred to in this Lease and whether or not within the contemplation of the Landlord or the Tenant, and the Tenant covenants with the Landlord accordingly.

5. TENANT'S COVENANTS

5.1 Tenant's Covenants

The Tenant covenants with the Landlord as follows:

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5.2 Rent

To pay the Rent on the days and in the manner provided in this Lease and to pay all other amounts, charges, costs, and expenses as are required to be paid by the Tenant to the Landlord or to others under this Lease.

5.3 Occupancy and Permitted Use

To take possession of and occupy the Leased Premises and commence to carry on operations in all or substantially all of the Leased Premises no later than 90 days after the Completion Date, to use the Leased Premises only for the purpose specified in subclause 1.1(g) and not to use or permit the Leased Premises to be used for any other purpose. To not exceed applicable Building Code limits for occupancy and to avoid occupancy levels which would excessively impact the Landlord's HVAC system and other utility systems.

5.4 Waste and Nuisance

Not to commit or permit any waste or injury to the Building or the Leased Premises including the Leasehold Improvements and the fixtures in them; any overloading of the floors; any conduct that impedes or, in the opinion of the Landlord acting reasonably, could impede the business of any other occupant of the Building or that constitutes or, in the opinion of the Landlord acting reasonably, could constitute a nuisance to the Landlord, any other occupant of the Building, or anyone else; or any other use or manner of use that annoys or interferes with the operations of any other occupant of the Building or, in the opinion of the Landlord acting reasonably, may have an adverse impact on the reputation of the Building.

5.5 Insurance Risks

Not to do, omit to do, or permit to be done or omitted to be done upon the Leased Premises anything that would cause the Landlord's cost of insurance to be increased (and, without waiving the foregoing prohibition, the Landlord may demand, and the Tenant will pay to the Landlord upon demand, the amount of any increase or cost caused by anything so done or omitted to be done) or that will cause any policy of insurance to be subject to cancellation.

5.6 Cleanliness

Not to permit the Leased Premises to become untidy, unsightly, or hazardous, jeopardise public health and safety or permit unreasonable quantities of waste or refuse to accumulate in them, and at the end of each day to leave the Leased Premises in a condition so as to reasonably facilitate the performance of the Landlord's janitorial and cleaning services referred to in clause 6.

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<i>[Signature]</i>	<i>[Signature]</i>

5.7 Compliance with Laws

To comply at its own expense with all municipal, provincial, and federal sanitary, fire, and safety laws, bylaws, regulations, and requirements pertaining to the operation and use of the Leased Premises, the condition of the Leasehold Improvements, fixtures, furniture, and equipment installed in them, and the making by the Tenant of any repairs, changes or improvements in them.

5.8 Installations

To permit the Landlord during the Term, at the Tenant's cost, to install any equipment in or make alterations to the Leased Premises necessary to comply with the requirements of any statute, law, bylaw, ordinance, order, or regulation referred to in clause 5.7 and imposed after completion of the Landlord's original construction of the Building, provided that any such work will be done in such a manner as to minimize the disruption to the Tenant's operation of the Facility and at a cost comparable to the cost in the market for the completion of the same work. To permit ingress and egress to and from the Leased Premises by the Landlord or by other tenants of the Landlord or by their respective employees, servants, workers, and invitees, by use of fire exit doors in case of fire or emergency.

5.9 Rules and Regulations

To observe, and to cause its employees, invitees, and others over whom the Tenant can reasonably be expected to exercise control to observe the Rules and Regulations attached as Schedule D, and the further and other reasonable rules and regulations and amendments and changes to them as may hereafter be made by the Landlord, which changes will be made in consultation with the Tenant and to the mutual satisfaction of the Landlord and Tenant; and all the rules and regulations will be deemed to be incorporated into and form part of this Lease.

5.10 Overholding

That if the Tenant continues to occupy the Leased Premises after the expiration of this Lease without any further written agreement and without objection by the Landlord, the Tenant will be a monthly tenant at a monthly base rent equal to 125% of the monthly instalment of Annual Base Rent payable by the Tenant as provided in Article 4 during the last month of the Term and (except as to length of tenancy) subject to the provisions and conditions of this Lease.

5.11 Signs

Subject to clause 2(4), not to paint, display, inscribe, place, or affix any sign, symbol, notice, or lettering of any kind anywhere outside the Leased Premises (whether on the outside or inside

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of the Building) or within the Leased Premises so as to be visible from the outside of the Leased Premises, without the prior written approval of the Landlord. The Landlord may install the sign, as an Additional Service at the cost of the Tenant.

5.12 Inspection and Access

To permit the Landlord from time to time to enter and to have its authorized agents, employees, and contractors enter the Leased Premises for the purpose of inspection, window cleaning, maintenance, providing janitorial service, or making repairs, alterations, or improvements to the Leased Premises or the Building, or to have access to utilities and services or to determine the electric light and power consumption by the Tenant in the Leased Premises during normal building operations. The Tenant will provide free and unimpeded access for the purpose, and is not entitled to compensation for any inconvenience, nuisance, or discomfort, but the Landlord in exercising its rights will endeavour to minimize interference with the Tenant's use and enjoyment of the Leased Premises.

5.13 Showing Leased Premises

To permit the Landlord and its authorized agents and employees to show the Leased Premises to prospective tenants during the Normal Operating Hours of the last nine months of the Term.

5.14 At its risk, the Tenant will perform the Tenant's Work described in Schedule E. The Tenant's Work must comply with the applicable requirements of federal, provincial and municipal laws and regulations.

5.15 The Tenant will perform the maintenance responsibilities contained in Schedule F.

6. LANDLORD'S COVENANTS

6.1 Landlord's Covenants

The Landlord covenants with the Tenant as follows:

6.2 Leasehold Improvements

To construct the Leasehold Improvements in the Leased Premises, in substantial accordance with the plans referenced in Schedule C, in compliance with the applicable requirements of federal, provincial and municipal laws and regulations.

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6.3 Quiet Enjoyment

Provided the Tenant pays the Rent and performs its other covenants in this Lease, the Tenant will and may peaceably possess and enjoy the Leased Premises for the Term hereby granted, without any interruption or disturbance from the Landlord or its assigns, or any other person or persons lawfully claiming by, from, through, or under the Landlord.

6.4 Interior Climate Control

To provide to the Leased Premises during Normal Operating Hours, and as an Additional Service outside of Normal Operating Hours, by means of one or more separate systems for heating, cooling, filtering, and circulating air and processed air in the quantities, at the temperatures as will maintain in the Leased Premises conditions of reasonable temperature and comfort in accordance with good standards of interior climate control generally pertaining at the date of this Lease applicable to similar buildings based on the permitted occupancy of the premises. The Landlord will have no responsibility for any inadequacy of performance of the system unless the Landlord is negligent in maintaining or operating the system. The Tenant acknowledges that the initial balancing of the systems may take up to one year after the Completion Date. The Tenant acknowledges that the comfort of the Tenant will be reduced if the Leased Premises include installed partitions or other installations in locations that interfere with the proper operation of the said systems or if window coverings on exterior windows are not fully closed while the windows are exposed to direct sunlight. The Tenant agrees that the Landlord will have no responsibility to provide for the removal of smoke, dust, or odours originating from within the Leased Premises.

6.5 Elevators

Subject to the supervision of the Landlord, to furnish for use by the Tenant and its employees, invitees, customers and clients, in common with others so entitled passenger elevator service to the Leased Premises, and to furnish for the use of the Tenant in common with others so entitled at reasonable intervals and during the Normal Operating Hours, and as an Additional Service outside of the Normal Operating Hours, elevator service to the Leased Premises for the carriage of furniture, equipment, deliveries, and supplies, provided that if the elevators become inoperative or damaged or destroyed the Landlord will have a reasonable time within which to repair the damage or replace the elevator. The Landlord will repair or replace it as soon as reasonably possible, but is not liable for indirect or consequential damages or other damages for personal discomfort or illness during the period of repair or replacement.

6.6 Entrances, Lobbies, and Other Common Areas

To permit the Tenant and its employees and invitees, in common with others so entitled, to have the use during Normal Operating Hours of the common entrances, lobbies, stairways, and corridors of the Building giving access to the Leased Premises (subject to the Rules and

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Regulations in Schedule D and the other reasonable limitations as the Landlord may from time to time impose).

6.7 Washrooms

To permit the Tenant and its employees and invitees in common with others so entitled to use the washrooms in the Building on the floor and floors on which the Leased Premises are situate, in addition to those provided specifically for the Leased Premises.

6.8 Janitorial Service of Common Area

To cause when reasonably necessary from time to time the floors of the Common Area of the Building to be swept and cleaned, the windows on the exterior of the Leased Premises to be cleaned, and the other janitorial services to be provided as are commonly provided in comparable buildings, but with the exception of the obligation to cause the work to be done, the Landlord will not be responsible for any act of omission or commission on the part of the persons employed to perform the work. The janitorial work will be done at the Landlord's direction without interference by the Tenant, its agents, or employees.

6.9 Maintenance of Common Areas

To cause the elevators, common entrances, lobbies, stairways, corridors, washrooms, and other parts of the Building from time to time provided for common use and enjoyment to be swept, cleaned, and otherwise properly maintained.

6.10 Building Directory

The Landlord will maintain a directory in the main entrance lobby of the Building and will list on the directory the name of the Tenant and the suite or floor number(s) of the Leased Premises.

6.11 The Landlord will perform the maintenance responsibilities set out in Schedule F.

6.12 Except those explicitly excluded in Schedule E, all improvements, alterations, additions and permanent fixtures made to or installed on or in the Recreation Centre, whether before or during the Term, including where made or installed by or on behalf of the Tenant, will become the property of the Landlord as they are made or installed and remain with the Recreation Centre during the Term and upon the expiry or earlier termination of this Agreement.

7. REPAIR, DAMAGE, AND DESTRUCTION

7.1 Landlord's Repairs

(1) The Landlord covenants with the Tenant:

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- (a) subject to subclause 7.3(b), to keep in a good and reasonable state of repair, and consistent with the general standards of recreation centres of similar age and character
 - (i) the Building (other than the Leased Premises and premises of other tenants) including the foundation, roof, exterior walls including glass or window portions, the systems for interior climate control, the elevators, entrances, stairways, corridors, lobbies, and washrooms from time to time provided for use in common by the Tenant and other tenants of the Building and the systems provided for bringing utilities to the Leased Premises; and
 - (ii) the structural members or elements of the Leased Premises; and
- (b) to repair defects in construction performed or installations made by the Landlord in the Leased Premises and Insured Damage.

7.2 Tenant's Repairs

(1) The Tenant covenants with the Landlord

- (a) subject to subclause 7.3(b), to keep in a good and reasonable state of repair and consistent with the general standards of recreation centres of similar age and location, the Leased Premises including all Leasehold Improvements and all trade fixtures and all glass in them other than glass portions of exterior walls, but with the exception of structural members or elements of the Leased Premises, defects in construction performed or installations made by the Landlord and Insured Damage;
- (b) that the Landlord may enter and view the state of repair, that the Tenant will repair according to notice in writing, and that the Tenant will leave the Leased Premises in a good and reasonable state of repair, subject always to the exceptions referred to in subclause (a); and
- (c) that if any part of the Building, including the systems for interior climate control and for the provision of utilities, is in disrepair, damaged, or destroyed through the negligence or misuse of the Tenant or its employees, invitees, or others over which the Tenant can reasonably be expected to exercise control, the Tenant will reimburse the Landlord for the expense of repairs or replacements, promptly upon demand.

(2) The Recreation Centre includes public swimming pools and hot tubs and pool chemicals will be used and stored at the Recreation Centre. The Tenant's environmental responsibilities are limited to the performance of the Tenant's duties and obligations in the

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operation of the Recreation Centre, and those that occur as a result of the Tenant's actions in the performance of those duties and obligations. The Tenant is not responsible for any environmental impacts occurring as a result of the construction of the Leased Premises, nor any actions of others, including the Landlord in its performance of its duties and obligations in this Lease and the Landlord agrees to indemnify the Tenant for any claims which may result.

7.3 Abatement and Termination

If the Leased Premises or the Building are damaged and

- (a) if the damage is such that the Leased Premises or any substantial part of them are rendered not reasonably capable of use and occupancy by the Tenant for the purposes of its occupation for any period in excess of 10 days,
 - (i) unless the damage was caused by the fault or negligence of the Tenant or its employees, invitees, or others under its control, from and after the date of occurrence of the damage and until the Leased Premises are again reasonably capable of use and occupancy as specified, Rent will abate from time to time in proportion to the part or parts of the Leased Premises not reasonably capable of use and occupancy, and
 - (ii) unless this Lease is terminated as provided, the Landlord or the Tenant, as the case may be (according to the nature of the damage and their respective obligations to repair as provided in clauses 7.1 and 7.2) will repair the damage with all reasonable diligence, but to the extent that any part of the Leased Premises is not reasonably capable of use and occupancy by reason of damage that the Tenant is obligated to repair under this Lease, any abatement of Rent to which the Tenant is otherwise entitled under this Lease will not extend later than the time by which, in the reasonable opinion of the Landlord, repairs by the Tenant ought to have been completed with reasonable diligence; and
- (b) if either:
 - (i) the Leased Premises; or
 - (ii) premises, whether of the Tenant or other tenants of the Building, comprising in the aggregate 25% or more of the Rentable Area of the Building

are substantially damaged or destroyed by any cause to the extent that in the reasonable opinion of the Landlord they cannot be repaired or rebuilt (based on standard hours of construction work) within 240 days after the occurrence of the damage or destruction, the Landlord, at its option, exercisable by written notice to the Tenant given within 60 days after the occurrence of the damage

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or destruction, may terminate this Lease, and neither the Landlord nor the Tenant will be bound to repair as provided in clauses 7.1 and 7.2. The Tenant will instead deliver up possession of the Leased Premises to the Landlord with reasonable expedition and within 60 days after delivery of the notice of termination. The Rent will be apportioned and paid to the date upon which possession is delivered up (but subject to any abatement to which the Tenant may be entitled under subclause 7.3(a) by reason of the Leased Premises having been rendered in whole or in part not reasonably capable of use and occupancy), but otherwise the Landlord or the Tenant as the case may be (according to the nature of the damage and their respective obligations to repair as provided in clauses 7.1 and 7.2) will repair the damage with reasonable diligence.

7.4 Service Interruptions

The Tenant acknowledges to the Landlord that the operation of systems and the availability of facilities may be interrupted from time to time in cases of accident and emergency, in order to carry out maintenance, repairs, alterations, replacements, and upgrading, or for any other reasonable reason required by the Landlord. During periods of the interruption, any obligation of the Landlord to provide access to the systems and facilities or common areas of the Building will be suspended and clause 14.1 will apply.

8. TAXES AND OPERATING COSTS

8.1 Landlord's Tax Obligations

The Landlord covenants with the Tenant, subject to clause 8.2, to pay to the taxing authority or authorities having jurisdiction, all Taxes.

8.2 Tenant's Tax Obligations

The Tenant covenants with the Landlord:

- (a) to pay when due, all taxes, business taxes, business licence fees, and other taxes, rates, duties or charges levied, imposed, or assessed by lawful authority in respect of the use and occupancy of the Leased Premises by the Tenant, or the equipment, machinery, or fixtures brought in them by or belonging to the Tenant, or to anyone occupying the Leased Premises with the Tenant's consent, or from time to time levied, imposed, or assessed in the future in addition or in lieu of, and to pay to the Landlord upon demand the portion of any tax, rate, duty, or charge levied or assessed upon the Lands and Building that is attributable to any equipment, machinery, or fixtures on the Leased

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Premises that are not the property of the Landlord or that may be removed by the Tenant;

- (b) to pay promptly to the Landlord when demanded or otherwise due hereunder all Taxes in respect of all Leasehold Improvements in the Leased Premises; and
- (c) to pay to the Landlord in the manner specified in subclause 4.2(b) the Tenant's Share of the Tax Cost.

8.3 Goods and Services Tax/Harmonized Sales Tax (GST/HST)

The Tenant will pay to the Landlord GST/HST in accordance with the applicable legislation at the same time as the amounts to which GST/HST apply are payable to the Landlord under the terms of this Lease or upon demand at other time or times as the Landlord may determine. The Landlord will provide the Tenant with its GST/HST registration number. Notwithstanding any other provision of this Lease, the amount payable by the Tenant under this clause will be deemed not to be Rent, but the Landlord will have the same remedies for and rights of recovery of the amount as it has for recovery of Rent under this Lease.

8.4 Tenant's Tax Cost

(1) After the commencement of the Term of this Lease and prior to the commencement of each fiscal period determined by the Landlord that commences during the Term, the Landlord may estimate the Tax Cost and the Tenant's Share, or any instalment on account of the Tax Cost, to become due on any date during the ensuing fiscal period or (if applicable) portion of it, the amount of it that will be payable by the Tenant, and notify the Tenant in writing of the estimate.

(2) If the Tenant has overpaid the Tenant's Share of the Tax Cost, the Landlord will refund any excess paid, but if any balance remains unpaid, the Landlord will fix monthly instalments for the then remaining balance of the fiscal period or portion of it so that, after giving credit for instalments paid by the Tenant in respect of the calendar year, the entire Tenant's Share of Tax Cost will be fully payable prior to the time the Landlord is obliged to pay the Taxes in respect of which the Tenant's Share of Tax Cost is payable.

(3) If for any reason the Tax Cost is not finally determined within a fiscal period or portion of it, the parties will make the appropriate readjustment when the Tax Cost becomes finally determined.

(4) The Landlord and the Tenant acknowledge that Taxes in respect of the Building may be payable during the course of a year as prepayment for the Taxes accruing due in respect of the year, and if the Term ends during a year, the appropriate adjustment will be made under clause 4.3.

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(5) Any report of the Landlord's accountant as to the Tax Cost will be conclusive as to the amount for any period to which the report relates.

8.5 Postponement of Payment of Taxes

The Landlord may postpone payment of any Taxes payable by it under clause 8.1 to the extent permitted by law if prosecuting in good faith any appeal against the assessment of the Lands and Building for Taxes or the imposition of Taxes.

8.6 Receipts for Payment

Whenever requested by the Landlord, the Tenant will deliver to it receipts for payment of all taxes, rates, duties, levies, and assessments payable by the Tenant under subclauses 8.2(a) and (b) and furnish any other related information reasonably required by the Landlord.

8.7 Operating Costs

During the Term, the Tenant will pay to the Landlord in the manner specified in clauses 4.1 and 4.2 the Tenant's Share of Operating Costs. Any report of the Landlord's accountant as to the Operating Costs will be conclusive as to the amount for any period to which the report relates.

8.8 Allocation to Particular Tenant

Notwithstanding any of the foregoing, whenever in the Landlord's reasonable opinion any Operating Costs or item of Operating Costs properly relates to a particular tenant or tenants within the Building, the Landlord may allocate the Operating Costs or item of Operating Costs to the tenant or tenants. Any amount allocated by the Landlord to the Tenant under this clause will be payable by the Tenant promptly upon demand and, provided that the amount incurred by the Landlord has been included in the total Operating Costs, will be credited against the total Operating Costs of the Building.

9. UTILITIES AND ADDITIONAL SERVICES

9.1 Utilities

The Landlord will furnish ducts for bringing telephone and other telecommunication services to the Leased Premises and will provide water to washrooms available for the Tenant's use in common with others so entitled and the washrooms and showers in the Leased Premises.

9.2 Additional Services

Except the movement of equipment in the usual course of its delivery of services, if the Tenant wishes to move furniture or equipment or make repairs or alterations within the

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Leased Premises, or requires other service in the Leased Premises, the Landlord, at its option, by way of Additional Services, may provide or have its designated agents or contractors provide the service at then prevailing market commercial rates. The cost of Additional Services provided will be paid to the Landlord by the Tenant from time to time promptly upon receipt of invoices for them from the Landlord. The Cost of Additional Services charged directly to the Tenant and other tenants will be credited in computing Operating Costs to the extent that it would otherwise have been included.

9.3 Additional Utilities

Upon request by the Tenant, the Landlord may agree from time to time to supply additional heating, ventilating, and air-conditioning, electricity, or other services to the Leased Premises above those normally provided to tenants of the Building or outside Normal Operating Hours. The Tenant will pay to the Landlord in the manner in which Operating Costs is paid any additional costs of the Landlord that may arise in respect of the use by the Tenant of the Leased Premises for hours that do not coincide with Normal Operating Hours for the Leased Premises generally or that may arise in respect of additional heating, ventilating, and air-conditioning, electricity, and other services that are arranged to be provided to the Tenant over and above those normally provided to tenants of the Building or outside of Normal Operating Hours, together with the Landlord's reasonable administrative costs in respect of managing, administering, and billing for the services. The Landlord reserves the right to install at the Tenant's expense meters to check the Tenant's consumption of electricity, water, or other utilities.

9.4 Energy Conservation

The Tenant covenants with the Landlord that

- (a) the Tenant will cooperate with the Landlord in the conservation of all forms of energy in the Building, including without limitation the Leased Premises;
- (b) the Tenant will comply with all laws, bylaws, regulations, and orders relating to the conservation of energy and affecting the Leased Premises or the Building;
- (c) at its own cost and expense, the Tenant will comply with all reasonable requests and demands of the Landlord made with a view to energy conservation; and
- (d) any and all costs and expenses paid or incurred by the Landlord in complying with the laws, bylaws, regulations, and orders, so far as the same apply to or are reasonably apportioned to the Building by the Landlord will be included in Operating Costs and the Tenant will pay these costs as part of the Operating Costs.

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Landlord <i>[Signature]</i>	Tenant <i>[Signature]</i>

The Landlord is not liable to the Tenant in any way for any loss, costs, damages, or expenses, whether direct or consequential, paid, permitted, or incurred by the Tenant as a result of any reduction in the services provided by the Landlord to the Tenant or to the Building as a result of the Landlord's compliance with the laws, bylaws, regulations, or orders for energy conservation.

10. LICENCES, ASSIGNMENTS, AND SUBLETTINGS

10.1 Licences, Franchises, and Concessions

The Tenant will not permit any part of the Leased Premises to be used or occupied by any persons other than the Tenant, any subtenants permitted under clause 10.2, and the employees of the Tenant, or permit any part of the Leased Premises to be used or occupied by any licensee, franchisee, or concessionaire, or permit any persons to be upon the Leased Premises other than the Tenant, the permitted subtenants, and their respective employees, customers, members, clients and others lawfully on the Leased Premises. The Landlord acknowledges that the Tenant may contract with an operator to provide services in the café/concession in the Leased Premises and in the gymnasium area. The Tenant must give notice to the Landlord of the name of any operator and confirms that the Tenant is responsible for all actions, omissions and operations of the operator. The provisions of section 10.3 apply to the Tenant and its operator.

10.2 Assignment and Subletting

- (1) The Tenant will not assign this Lease or sublet the whole or any part of the Leased Premises, unless it has
 - (a) received or procured a valid written offer to take an assignment or sublease that is not inconsistent with, and the acceptance of which would not breach any provision of this Lease if this clause is complied with, and that the Tenant has determined to accept subject to this clause being complied with, and
 - (b) first requested and obtained the consent in writing of the Landlord.
- (2) Any request for the Landlord's consent will be in writing and accompanied by a true copy of the offer.
- (3) The Tenant will furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing, and experience of the proposed assignee or subtenant.
- (4) The Landlord will obtain the written approval of the City of Langford prior to approving any request to sublet or assign any portion of the Leased Premises, other than as provided in section 10.1.

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(5) Within 30 days after the receipt by the Landlord of the Tenant's request for consent and of all information the Landlord has requested under this clause (and if no information has been requested, within 30 days after receipt of the request for consent) the Landlord shall advise the Tenant in writing whether the Tenant's request is approved. The Landlord may refuse any request to sublet or assign other than as provided in section 10.1 in its absolute discretion.

(6) If the Landlord consents to any proposed assignment or subletting, the Tenant will assign or sublet, as the case may be, only upon the terms set out in the offer submitted to the Landlord as specified and not otherwise.

(7) As a condition of the Landlord's consent, the assignee or subtenant, as the case may be, will agree (and will be deemed to have agreed) with the Landlord to observe the obligations of the Tenant under this Lease as they relate to the space assigned or sublet (except, in the case of a sublease, the Tenant's covenant to pay Rent) by entering into an assumption agreement with the Landlord and the Tenant, in the Landlord's then standard form, and will pay the Landlord's then current processing charge and solicitor's fees and disbursements for preparing the agreement.

(8) The Tenant further agrees that if the Landlord consents to any assignment or subletting, the Tenant will be responsible for and will hold the Landlord harmless from any and all capital costs for Leasehold Improvements and all other expenses, costs, and charges with respect to or arising out of any the assignment or subletting.

(9) Notwithstanding any consent being given by the Landlord and the assignment or subletting being effected, the Tenant will remain bound to the Landlord for the fulfilment of all the terms, covenants, conditions, and agreements in this Lease.

(10) Any consent by the Landlord to any assignment or subletting will not constitute a waiver of the requirement for consent by the Landlord to any subsequent assignment or subletting by either the Tenant or any assignee or subtenant.

10.3 Terms of Consent

(1) If the Landlord consents in writing to an assignment or sublease as contemplated in this Article, the Tenant may complete the assignment or sublease subject to the following covenants and conditions:

- (a) no assignment or sublease will be valid and no assignee or subtenant will take possession of the Leased Premises or any part of them until an executed duplicate original of the assignment or sublease has been delivered to the Landlord; and
- (b) all Excess Rent, as defined, derived from the assignment or sublease will be payable to the Landlord. The Excess Rent will be deemed to be and will be paid

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by the Tenant to the Landlord as Rent. The Tenant will pay the Excess Rent to the Landlord immediately as and when the Excess Rent is receivable by the Tenant.

(2) As used in this Article, Excess Rent means the amount by which the total money and other economic consideration to be paid by the assignee or subtenant as a result of an assignment or sublease, whether denominated as rent or otherwise, exceeds, in the aggregate, the total amount of Annual Base Rent and Additional Rent that the Tenant is obligated to pay to the Landlord under this Lease, pro-rated for the portion of the Leased Premises being assigned or sublet, less the reasonable costs paid by the Tenant for additional improvements installed in the portion of the Leased Premises subject to the assignment or sublease by the Tenant at the Tenant's sole cost and expense for the specific assignee or subtenant in question, reasonable leasing costs (such as brokers' commissions and the fees payable to the Landlord under clause 10.2) paid by the Tenant in connection with the assignment or sublease, and the amount of Annual Base Rent and Additional Rent the Tenant is obligated to pay the Landlord under this Lease, pro-rated for the portion of the Leased Premises being assigned or sublet that is not occupied or used by the Tenant, until the date of the assignment or sublease.

(3) In determining the amounts to be deducted from Excess Rent in each monthly payment period in respect of the Tenant's costs of assigning or subleasing, the costs will be amortized without interest over the Term (in the case of an assignment) or term of the sublease (in the case of a sublease) on a straight line basis.

10.4 Change in Control of Tenant

- (a) If the Tenant is a corporation but none of its shares are traded on any public stock exchange or in any public stock market, and if by operation of law or by the sale, bequest, or other disposition of its shares or securities the control or the beneficial ownership of the corporation is changed at any time during the Term of this Lease, the change will be deemed to be an assignment of this Lease within the meaning of clause 10.2. If the control or beneficial ownership is changed without the prior written consent of the Landlord, the Landlord, at its option, may cancel this Lease upon giving 60 days' notice to the Tenant of its intention to cancel, and this Lease and the Term will be cancelled.
- (b) Upon request of the Landlord from time to time, a Tenant that is a corporation will make available to the Landlord for inspection or copying or both, all books and records of the Tenant that, alone or with other data, will identify the ownership, from the commencement of the Term or the date of earlier execution of this Lease up to the date the books and records are made available to the Landlord.

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11. FIXTURES AND IMPROVEMENTS

11.1 Installation of Fixtures and Improvements

- (1) Except as permitted by the provisions of Schedule E, the Tenant will not make, erect, install, or alter any Leasehold Improvements or trade fixtures in the Leased Premises, any safe or special lock in the Leased Premises, or any apparatus for illumination, air-conditioning, cooling, heating, refrigerating, or ventilating the Leased Premises, without having requested and obtained the Landlord's prior written approval, which the Landlord will not unreasonably withhold.
- (2) In making, erecting, installing, or altering any Leasehold Improvements or trade fixtures, the Tenant will comply with the tenant construction guidelines as established by the Landlord from time to time, will obtain all required building and occupancy permits, will not alter or interfere with any installations that have been made by the Landlord without the prior written approval of the Landlord, and will not alter or interfere with window coverings installed by the Landlord on exterior windows.
- (3) The Tenant's request for any approval under this clause will be in writing and accompanied by a reasonably detailed description of the contemplated work and, where appropriate, plans, working drawings, and specifications of the work.
- (4) Any out-of-pocket expense incurred by the Landlord in connection with any approval will be deemed incurred by way of Additional Services.
- (5) All work to be performed in the Leased Premises will be performed by competent contractors and subcontractors of whom the Landlord will have approved (the approval not to be unreasonably withheld, but provided that the Landlord may require that the Landlord's contractors and subcontractors be engaged for any mechanical or electrical work) and by workers whose labour union affiliations are compatible with those of workers employed by the Landlord and its contractors and subcontractors.
- (6) All work will be subject to inspection by and the reasonable supervision of the Landlord as an Additional Service and will be performed in accordance with any reasonable conditions or regulations imposed by the Landlord and completed in good and workmanlike manner in accordance with the description of the work approved by the Landlord.

11.2 Liens and Encumbrances on Fixtures and Improvements

- (1) In connection with the making, erection, installation, or alteration of Leasehold Improvements and trade fixtures, and all other work or installations made by or for the Tenant in the Leased Premises, the Tenant will

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(a) comply with all of the provisions of the *Builders Lien Act*, S.B.C. 1997, c. 45, as amended or substituted from time to time (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks),

(b) permit the Landlord to take all steps to enable the Landlord to obtain the benefit of the provisions of the *Builders Lien Act*, and, except as to any lawful holdback, will promptly pay all accounts relating to those provisions.

(2) Except for equipment over which the Tenant had prior to the Completion Date granted a security interest, and any equipment over which a security interest is granted due to the equipment being financed, the Tenant will not create any mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended or substituted from time to time, or other encumbrance in respect of its Leasehold Improvements or trade fixtures, or permit any mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance to attach to the Leased Premises.

(3) If and when any builders' or other lien for work, labour, services, or materials supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable or claims for such a lien arise or are filed or any such mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance attaches, the Tenant will within 20 days after receipt of notice of it procure the discharge of it, including any certificate of action registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law, and failing which the Landlord may in addition to all other remedies under this Lease avail itself of its remedy under clause 15.1. The Landlord may make any payments required to procure the discharge of any the liens or encumbrances, and will be entitled to be reimbursed by the Tenant as provided in clause 15.1, and its right to reimbursement will not be affected or impaired if the Tenant then or subsequently establishes or claims that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement, set-off, or defence.

(4) The Tenant acknowledges that the Lands may be subject to registered charges and encumbrances and that the Landlord may register other charges and encumbrances. The Landlord will give the Tenant notice of any charges or encumbrances and any terms of which the Tenant must comply. The Tenant must comply with the Landlord's obligations under any charges and encumbrances.

11.3 Removal of Fixtures and Improvements

(1) All Leasehold Improvements in or upon the Leased Premises will immediately upon affixation be and become the Landlord's property without compensation to the Tenant. Except as otherwise expressly agreed by the Landlord in writing, no Leasehold Improvements, trade fixtures, furniture, or equipment will be removed by the Tenant from the Leased Premises either during or at the expiration of the Term, except that:

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- (a) the Tenant may at the end of the Term remove its trade fixtures;
 - (b) the Tenant will at the end of the Term remove the Leasehold Improvements and trade fixtures which the Landlord requires to be removed; and
 - (c) the Tenant will remove its furniture and equipment at the end of the Term, and also during the Term where furniture or equipment has become excess for the Tenant's purposes or the Tenant is substituting new furniture and equipment.
- (2) Notwithstanding anything else in this clause 11.3, where the Landlord gives the Tenant notice of early termination of this Agreement, the Tenant may not remove any trade fixtures, furniture or equipment without the Landlord's consent
- (3) The Tenant will, in the case of every removal during or at the end of the Term, or upon early termination by the Landlord, immediately make good any damage caused to the Leased Premises by the removal.

11.4 Alterations by Landlord

The Landlord reserves the right from time to time to:

- (a) make any deletions, changes, and additions to the equipment, appliances, pipes, plumbing, wiring conduits, ducts, shafts, structures, and facilities of every kind throughout the Building, including the Leased Premises;
- (b) alter the location and nature of common areas of the Building, including Service Areas, make reductions to it, erect additions to it, and extend any part of it; and
- (c) make alterations and additions to the Building;

and in exercising any of the rights, the Landlord will take reasonable steps to minimize any interference caused to the Tenant's operations in the Leased Premises, but by exercising its rights, the Landlord will not be deemed to have constructively evicted the Tenant or otherwise to be in breach of this Lease, nor will the Tenant be entitled to any abatement of rent or other compensation from the Landlord.

12. INSURANCE AND INDEMNITY

12.1 Landlord's Insurance

The Landlord will take out and keep in force, all risks, property insurance on the building, and such other forms of insurance as the Landlord reasonably considers necessary. In spite of any contribution by the Tenant to the Landlord's insurance through the Operating Costs, the Tenant is not relieved of any liability arising from its acts, fault, negligence, or omissions, and no insurable interest is conferred on the Tenant under the Landlord's policies, nor does the Tenant have the right to receive any proceeds under the policies.

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12.2 Tenant's Insurance

The Tenant, at its expense, will provide and maintain in force, during the Term, the following insurance:

- (a) Commercial General Liability insurance concerning the Leased Premises and the Tenant's business, of not less than \$10,000,000, or in such other amount as may be reasonably required by the Landlord; the insurance will include, without limitation, liability for personal injury or death, contractual liability, property damage, and contingent employer's liability, and will name the Landlord as additional insured's;
- (b) All Risks (including flood, sewer back-up, water damage, earthquake, and sprinkler leakage) property insurance on insurable property including merchandise, furniture, fixtures, equipment, and leasehold improvements, to full replacement value, with a deductible approved by the Landlord;
- (c) Insurance for all glass and plate glass on the Leased Premises, whether installed by the Landlord, or the Tenant;
- (d) Broad comprehensive boiler and machinery insurance on all objects owned or operated by the Tenant, or others on behalf of the Tenant, on the Leased Premises with deductibles not exceeding \$1,000;
- (e) All Risks Tenant's legal liability insurance for the actual cash value of the Leased Premises;
- (f) Business Interruption insurance providing coverage for 24 months loss of insurable gross earnings, or profit; and
- (g) Any other form of insurance, and with whatever higher limits that the Landlord may reasonably require.

12.3 Insurance Terms

Any policy of insurance under clause 12.2, will name the Landlord as additional insured, contain a waiver of subrogation against the Landlord, and contain a clause requiring the insurer not to cancel, or change the insurance, without first giving the Landlord 30 days prior written notice, and further, to provide the Landlord with copies of the insurance policies required by this Lease.

12.4 Tenant's Contractor's Insurance

The Tenant will require any contractor performing work on the Leased Premises, to carry and maintain, at no expense to the Landlord, Commercial General Liability insurance and other insurance in amounts, and on terms reasonably determined by the Landlord, and to provide the Landlord with satisfactory proof of that insurance from time to time.

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12.5 Landlord's Right to Insure

If the Tenant does not provide, or maintain in force, the insurance required under this Lease, or provide proof of the insurance when requested by the Landlord, the Landlord may take out the necessary insurance, and pay the premiums, and the Tenant will pay to the Landlord, as Additional Rent, the amount of such premium on the next succeeding Rent payment date.

12.6 Acts Conflicting with Insurance

The Tenant will not do, or permit to be done, any act or thing that may render void, or conflict with any policy of insurance, including any applicable regulations of fire insurance underwriters, by which the Leased Premises or the Building are insured.

12.7 Indemnity by Tenant

The Tenant will indemnify the Landlord, and save it harmless from and against all claims, actions, damages, liabilities, costs, and expenses, in connection with loss of life, personal injury, or damage to property arising from any occurrence on the Leased Premises, or occupancy, or use of the premises, or occasioned wholly, or in part, by an act or omission of the Tenant, its officers, employees, agents, customers, contractors, or other invitees. The provisions of this clause will survive the expiry or sooner termination of this Lease.

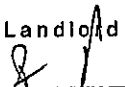
12.8 Indemnity by Landlord

The Landlord will indemnify the Tenant, and save it harmless from and against all claims, actions, damages, liabilities, costs, and expenses, in connection with loss of life, personal injury, or damage to property arising from any occurrence on the Leased Premises, or occupancy, or use of the premises, or occasioned wholly, or in part, by a grossly negligent act or omission of the Landlord, its officers, employees, agents, customers, contractors, or other invitees. The provisions of this clause will survive the expiry or sooner termination of this Lease.

13. SUBORDINATION, ATTORNMENT, REGISTRATION, AND CERTIFICATES**13.1 Tenant's Covenants**

The Tenant agrees with the Landlord that:

13.2 Sale or Financing of Building

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The rights of the Landlord under this Lease may be mortgaged, charged, transferred, or assigned to a purchaser or purchasers, or to a mortgagee or trustee for bond holders, and in the event of a sale or of default by the Landlord under any mortgage, trust deed, or trust indenture and the purchaser, mortgagee, or trustee, as the case may be, duly entering into possession of the Building or the Leased Premises, the Tenant agrees to attorn to and become the tenant of the purchaser, mortgagee, or trustee under the terms of this Lease.

13.3 Subordination and Attornment

(1) If required by any mortgagee or the holder of any trust deed or trust indenture, this Lease and all rights of the Tenant under this Lease will be subject and subordinate to all mortgages, trust deeds, or trust indentures now or hereafter existing that may now or hereafter affect the Building and to all renewals, modifications, consolidations, replacements, and extensions of them.

(2) The Tenant, whenever required by any mortgagee (including any trustee under a trust deed or trust indenture), will attorn to the mortgagee as the tenant upon all of the terms of this Lease. The Tenant agrees to execute and deliver promptly whenever requested by the Landlord or by the mortgagee an instrument of subordination or attornment, as the case may be, as may be required of it, and if the Tenant fails to do so within seven days after receiving the instrument, the Tenant irrevocably and conclusively authorizes the Landlord to complete, execute, and deliver the instrument on behalf of, in the name of, and as agent of, the Tenant.

(3) Upon request the Landlord will provide the Tenant with a non-disturbance agreement from any current or subsequent mortgagee, in a form acceptable to the parties.

13.4 Registration

Upon request, the Landlord will be obliged to deliver this Lease to the Tenant in a short form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250.

13.5 Certificates

(1) The Tenant agrees with the Landlord that the Tenant will promptly whenever requested by the Landlord execute and deliver to the Landlord and, if required by the Landlord, to any mortgagee (including any trustee under a trust deed or trust indenture) or prospective purchaser (as designated by the Landlord) a certificate in writing as to the status of this Lease at that time, including as to whether it is in full force and effect, is modified or unmodified, confirming the Rent payable under this Lease and the state of the accounts between the Landlord and Tenant, the existence or non-existence of defaults, and any other matters pertaining to this Lease as to which the Landlord requests a certificate.

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(2) If the Tenant fails to do so within fifteen days after the Tenant receives the form of certificate, the Tenant irrevocably and conclusively authorizes the Landlord to complete, execute, and deliver the certificate on behalf of, in the name of, and as agent of, the Tenant.

13.6 Assignment by Landlord

If the Landlord sells the Building or a portion of it containing the Leased Premises or the Landlord assigns this Lease or any interest of the Landlord under this Lease, and to the extent that the purchaser or assignee has assumed the covenants and obligations of the Landlord under this Lease, the Landlord, without further written agreement, will be freed and relieved of liability upon the covenants and obligations.

14. OCCURRENCE OF DEFAULT

14.1 Unavoidable Delay

Except as expressly provided in this Lease, if and whenever and to the extent that either the Landlord or the Tenant is prevented, delayed, or restricted in the fulfilment of any obligations under this Lease in respect of the supply or provision of any service or utility, the making of any repair, the doing of any work or any other thing (other than the payment of Rent) by reason of civil commotion, war-like operation, invasion, rebellion, hostilities, sabotage, strike, or work stoppage, or being unable to obtain any material, service, utility, or labour required to fulfil the obligation or by reason of any statute, law, or regulation of or inability to obtain any permission from any governmental authority having lawful jurisdiction preventing, delaying, or restricting the fulfilment, or by reason of other unavoidable occurrence other than lack of funds, the time for fulfilment of the obligation will be extended during the period in which the circumstance operates to prevent, delay, or restrict the fulfilment of it, and the other party to this Lease is not entitled to compensation for any inconvenience, nuisance, or discomfort thereby occasioned, nor will Rent abate; but nevertheless the Landlord will use reasonable efforts to maintain services essential to the use and enjoyment of the Leased Premises.

14.2 No Admission

The acceptance of any Rent from or the performance of any obligation under this Lease by a person other than the Tenant will not be construed as an admission by the Landlord of any right, title, or interest of the person as a subtenant, assignee, transferee, or otherwise in the place and stead of the Tenant.

14.3 Part Payment

The acceptance by the Landlord of a part payment of any sums required to be paid under this Lease will not constitute waiver or release of the right of the Landlord to payment in full of the sums.

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15. TENANT'S DEFAULT, REMEDIES OF LANDLORD, AND SURRENDER

15.1 Remedying by Landlord, Non-payment, and Interest

In addition to all the rights and remedies of the Landlord available to it for the Tenant's default under this Lease, either by any other provision of this Lease or by statute or the general law, the Landlord:

- (a) may remedy or attempt to remedy any default of the Tenant, and in so doing may make any payments due or alleged to be due by the Tenant to third parties and may enter upon the Leased Premises to do any work or other things in them, and all expenses of the Landlord in remedying or attempting to remedy the default together with an administrative charge equal to 15% of the total of the expenses will be payable by the Tenant to the Landlord promptly upon demand;
- (b) has the same rights and remedies in the event of any non-payment by the Tenant of any amounts payable by the Tenant under any provision of this Lease as in the case of non-payment of Rent;
- (c) if the Tenant fails to pay any Rent promptly when due, is entitled, if it demands it, to interest at a rate of 3% per annum in excess of the Prime Rate; and
- (d) is entitled to be reimbursed by the Tenant, and the Tenant will promptly pay the Landlord, the amount of all costs and expenses (including, without limitation, legal costs on a solicitor-and-own-client basis) incurred by the Landlord in connection with the default or in efforts to enforce any of the rights, or to seek any of the remedies to which the Landlord is or may be entitled under this Lease.

15.2 Remedies Cumulative

The Landlord may resort to any or all of the rights and remedies available to it in the event of any default under this Lease by the Tenant, either by any provision of this Lease or by statute or the general law, all of which rights and remedies are intended to be cumulative and not alternative, as the express provisions under this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or the general law.

15.3 Right of Re-entry on Default

If and whenever

- (a) the Rent or other moneys payable by the Tenant or any part of it, whether lawfully demanded or not, are unpaid and the Tenant has failed to pay the Rent or

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other moneys within five days after the Landlord has given to the Tenant notice requiring the payment; or

(b) the Tenant breaches or fails to observe and perform any of the covenants, agreements, provisos, conditions, rules, or regulations and other obligations on the part of the Tenant to be kept, observed, or performed under this Lease and the breach or failure continues for 10 days after the Landlord has given the Tenant notice of it; or

(c) without the written consent of the Landlord the Leased Premises are used by any persons other than the Tenant, its invitees, members, licensees, or its permitted assigns or subtenants or for any purpose other than that for which the Leased Premises were leased, or occupied by any persons whose occupancy is prohibited by this Lease; or

(d) the Leased Premises are vacated or abandoned or remain unoccupied for 15 days or more while capable of being occupied; or

(e) any of the goods and chattels of the Tenant are at any time seized in execution or attachment; or

(f) a receiver or receiver-manager is appointed for the operation or property of the Tenant; or

(g) the Tenant makes any assignment for the benefit of creditors or any bulk sale, becomes bankrupt or insolvent or takes the benefit of any statute now or hereafter in force for bankrupt or insolvent debtors or (if a corporation) takes any steps or permits any order to be made for its winding-up or other termination of its corporate existence; or

(h) any policy of insurance upon the Building from time to time effected by the Landlord is cancelled or about to be cancelled by the insurer by reason of the use or occupation of the Leased Premises by the Tenant or any assignee, subtenant, or licensee of the Tenant or anyone permitted by the Tenant to be upon the Leased Premises and the Tenant after receipt of notice in writing from the Landlord fails to take the immediate steps in respect of the use or occupation as enables the Landlord to reinstate or avoid cancellation of (as the case may be) the policy of insurance; or

(i) the Landlord becomes entitled to terminate this Lease or to re-enter the Leased Premises under any provision of it; or

(j) the Services Agreement dated Feb. 7, 2013 between the Tenant and the City is terminated

in every case the Landlord may enter into and upon the Leased Premises or any part of them in the name of the whole and the same to have again, repossess, and enjoy as of its former estate, anything in this Lease to the contrary notwithstanding. The Landlord may use the force as it may deem necessary for the purpose of gaining admittance to and re-taking possession

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of the Leased Premises and the Tenant releases the Landlord from all actions, proceedings, claims, and demands whatsoever for and in respect of any forcible entry or any loss or damage in connection with it.

15.4 Time to Cure

Notwithstanding anything in this section, in the event that the Landlord becomes entitled to re-enter the Leased Premises under subsections 15.3(b), (c) or (d) and the Tenant has commenced and is diligently pursuing remedying the situation that led to the right to re-enter, the Landlord's right to re-enter and associated rights will be suspended for a period of 30 days, and if such remedy is achieved, the Landlord will have no further rights under this section.

15.5 Termination and Re-entry

If and whenever the Landlord becomes entitled to re-enter upon the Leased Premises under any provision of this Lease, the Landlord, in addition to all other rights and remedies, may terminate this Lease by giving to the Tenant or by leaving on the Leased Premises notice in writing of termination. Thereupon, this Lease and the Term will terminate, and the Tenant will immediately deliver up possession of the Leased Premises to the Landlord.

15.6 Certain Consequences of Termination and Re-entry

If the Landlord re-enters the Leased Premises or if this Lease is terminated by reason of any event set out in clause 15.3, without prejudice to the Landlord's other rights and remedies:

- (a) the provisions of this Lease that relate to the consequences of termination, and the provisions of this Lease as they apply with respect to acts, events, and omissions that occurred prior to the termination, will all survive termination;
- (b) in addition to the payment by the Tenant of Rent and other payments for which the Tenant is liable under this Lease, Rent for the current month and the next ensuing three months will immediately become due and be paid by the Tenant or the person then controlling the Tenant's affairs; and
- (c) the Tenant or person then controlling the affairs of the Tenant will pay to the Landlord on demand the reasonable expenses the Landlord has incurred, and a reasonable estimate by the Landlord of expenses the Landlord expects to incur, in connection with the re-entering, terminating, re-letting, collecting sums due or payable by the Tenant, and storing and realizing upon assets seized, including without limitation brokerage fees, legal fees, and disbursements, the expenses of cleaning and making and keeping the Leased Premises in good

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order, and the expenses of repairing the Leased Premises and preparing them for re-letting.

15.7 Waiver of Distress and Bankruptcy

(1) The Tenant waives the benefit of any present or future statute taking away or limiting the Landlord's right of distress and covenants and agrees that despite any statute none of the goods and chattels of the Tenant on the Leased Premises at any time during the Term will be exempt from levy by distress for rent in arrears.

(2) The Tenant will not sell, dispose of, or remove any of the fixtures, goods, or chattels of the Tenant from or out of the Leased Premises during the Term without the consent of the Landlord, unless the Tenant is substituting new fixtures, goods, or chattels of equal value or is disposing of individual items that have become excess for the Tenant's purposes; and the Tenant will be the owner of its fixtures, goods, and chattels and will not permit them to become subject to any lien, mortgage, charge, or encumbrance, except to the extent already granted and permitted under 11.2(2).

(3) Without the Landlord's consent the Tenant will not resiliate or disclaim, or attempt to resiliate or disclaim, or seek any order to permit it to resiliate or disclaim this Lease in any bankruptcy, insolvency, reorganization, or other proceeding or court application, and, if required by the Landlord, waives in favour of the Landlord the benefit of s. 65.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and any provision of similar import.

15.8 Surrender on Termination

(1) Immediately upon the termination of this Lease, whether by effluxion of time or otherwise, the Tenant will vacate and deliver up possession of the Leased Premises in a neat and tidy state and in good and substantial repair in accordance with the Tenant's obligation under this Lease to repair the Leased Premises, but subject to the Tenant's rights and obligations in respect of removal in accordance with clause 11.3.

(2) At the same time the Tenant will surrender to the Landlord at the place then fixed for the payment of Rent all keys and other devices that provide access to the Leased Premises, the Building, or any part of them and will inform the Landlord of all combinations to locks, safes, and vaults, if any, in the Leased Premises.

16. MISCELLANEOUS

16.1 Notices

(1) Any notice required or contemplated by any provision of this Lease will be given in writing, and

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(a) if to the Landlord, either delivered to an officer of the Landlord or delivered or mailed (by prepaid registered mail) to the Landlord at the address set out in subclause 1.1(a), or if the Landlord has given the Tenant notice of another address in Canada to which notices to the Landlord under this Lease are to be given, then to the last address of which the Tenant has been given notice; or electronically to the e-mail address given by the Landlord; and

(b) if to the Tenant, either delivered to the Tenant personally (or to an officer of the Tenant), delivered or mailed (by prepaid registered mail) to the Tenant at the Leased Premises or electronically to the e-mail address given by the Tenant.

(2) Every notice will be deemed to have been given when delivered or, if mailed as provided, on the third business day after the day of mailing in Canada. If there is a mail strike, slowdown, or other labour dispute that might affect delivery of the notice between the time of mailing and the actual receipt of notice, the notice will only be effective if actually delivered.

16.2 Extraneous Agreements

(1) The Tenant acknowledges that there are no covenants, representations, warranties, agreements, or conditions expressed or implied relating to this Lease or the Leased Premises except as expressly set out in this Lease and in any agreement to lease in writing between the Landlord and the Tenant pursuant to which this Lease has been executed. If there is a conflict between the terms of this Lease and the agreement to lease, the terms of this Lease will prevail.

(2) This Lease is the entire agreement between the parties and may not be modified except by an agreement in writing executed by the Landlord and the Tenant.

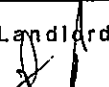
(3) Notwithstanding the foregoing, the parties acknowledge that the following two documents also deal with the operation of the Leased Premises:

(a) Services Agreement between the Y and the City of Langford for the operation of the Recreation Centre dated FEBRUARY 7/13 (the "Services Agreement"); and

(b) Tri-partite agreement between the Landlord, the Tenant, and the City of Langford dated FEBRUARY 7/13 relating to the transition of services for the Recreation Centre in the event the Lease is terminated prior to the expiry of the Term or extension thereof (the "Tri-partite Agreement").

16.3 Time of Essence

Time is of the essence of this Lease.

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16.4 Area Determination

Subject only to subsection 4.2(c), the Rentable Area of any premises (including the Leased Premises) or the Building will be determined by the Landlord's subject matter expert from time to time appointed for the purpose. The determination will be conclusive.

16.5 Successors and Assigns

- (1) This Lease and everything in it will enure to the benefit of and be binding upon the successors and assigns of the Landlord and its heirs, executors, and administrators and the permitted successors and permitted assigns of the Tenant.
- (2) References to the Tenant will be read with the changes in gender as may be appropriate, depending upon whether the Tenant is a male or female person or a firm or corporation.
- (3) If the Tenant is comprised of more than one person or entity, then each person and entity is jointly and severally bound by the representations, warranties, agreements, and covenants of the Tenant and any notice given or deemed to have been given at any time to any person or entity will be deemed to have been given at the same time to each other person and entity.

16.6 Frustration

Despite the occurrence or existence of any event or circumstance or the non-occurrence of any event or circumstance, and so often and for so long as the same may occur or continue that, but for this clause, would frustrate or void this Lease, and notwithstanding any statutory provision to the contrary, the obligations and liabilities of the Tenant will continue in full force and effect as if the event or circumstance had not occurred or existed.

16.7 Waiver

- (1) No condoning, excusing, or overlooking by the Landlord or Tenant of any default, breach, or non-observance by the Tenant or the Landlord at any time or times in respect of any covenant, proviso, or condition in this Lease will operate as a waiver of the Landlord's or the Tenant's rights under this Lease in respect of any continuing or subsequent default, breach, or non-observance or so as to defeat or affect in any way the rights of the Landlord or the Tenant in this Lease in respect of any continuing or subsequent default or breach.
- (2) No acceptance of rent by the Landlord subsequent to a default by the Tenant (whether or not the Landlord knows of the default) will operate as a waiver by the Landlord, and no waiver will be inferred from or implied by anything done or omitted by the Landlord or the Tenant except an express waiver in writing.

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16.8 Governing Law and Severability

(1) This Lease will be governed by and construed in accordance with the laws in force in British Columbia. The venue of any proceedings taken in respect of or under this Lease will be Victoria, BC as long as the venue is permitted by law. The Tenant will consent to any application by the Landlord to change the venue to Victoria, BC of any proceedings taken elsewhere.

(2) The Landlord and the Tenant agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing the covenants and agreements were used in each separate clause of it. If any provision or provisions of this Lease are found to be illegal or not enforceable, it or they will be considered separate and severable from the Lease and its remaining provisions will remain binding upon the parties as though the illegal or unenforceable provision or provisions had never been included.

16.9 Captions

The captions in this Lease have been inserted as a matter of convenience and for reference only and do not define, limit, or enlarge the scope or meaning of this Lease or of any provision of it.

16.10 Acceptance

The Tenant accepts this Lease of the Leased Premises, to be held by it as tenant, and subject to the conditions, restrictions, and covenants specified in this Lease. The acceptance of possession of the Leased Premises will be conclusive evidence as against the Tenant that at the Completion Date the Landlord had duly completed all work required to be completed by the Landlord prior to the Completion Date of the Term and the Leased Premises were in good order and satisfactory condition for the commencement of the work and operation of the Tenant. Upon request by the Tenant, the Landlord agrees to provide to the Tenant's Expert immediately prior to the Tenant taking possession of the Leased Premises, a list of all outstanding deficiencies.

16.12 Expropriation

(1) If at any time during the Term, the interest of the Tenant under this Lease or the whole or any part of either the Leased Premises or any other part of the Building is taken by any lawful power or authority by the right of expropriation, the Landlord, at its option, may give notice to the Tenant terminating this Lease on the date when the Tenant or Landlord is required to yield up possession to the expropriating authority.

(2) Upon the termination, or upon termination by operation of law, as the case may be, the Tenant will immediately surrender the Leased Premises and all its interest in them, Rent will abate and be apportioned to the date of termination, the Tenant will promptly pay to the

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Landlord the apportioned Rent and all other amounts that may be due to the Landlord up to the date of termination, and clause 15.8 will apply.

(3) The Tenant will have no claim upon the Landlord for the value of its property or the unexpired Term of this Lease, but the parties may separately advance their claims for compensation for the loss of their respective interests in the Leased Premises. The parties will each be entitled to receive and retain the compensation as may be awarded to each respectively.

(4) If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account for it to the Tenant.

(5) In this clause the expropriation includes a sale by the Landlord to an authority with powers of expropriation, in lieu of or under threat of expropriation.

17. SPECIAL PROVISIONS

17.1 Option to Extend

(1) The Landlord covenants with the Tenant that if

- (a) the Tenant gives notice to the Landlord that the Tenant wishes to obtain an extension of this Lease, the notice to be given not later than 12 months prior to the expiry of the initial Term;
- (b) at the time of giving the notice the Tenant is not in breach of any covenant or condition contained in this Lease or if in breach is remedying the breach in a timely manner if permitted time to remedy under section 15.3; and
- (c) the Tenant has duly and regularly throughout the initial term observed and performed the covenants and conditions in this Lease;

the Landlord will grant to the Tenant at the Tenant's expense an extension lease of the Leased Premises for a further term to be agreed to by the parties upon the same terms and conditions in this Lease, except this covenant to extend and except the Annual Base Rent that will be the greater of the Current Market Rent for the Leased Premises with its Leasehold Improvements (having regard to the duration of the extension term) and the sum of the Annual Base Rent payable for the last year of the initial term, and except any rent-free periods, tenant allowances, or other inducements.

(2) If the Landlord and the Tenant are unable to agree upon the Current Market Rent, at least three months before the expiry of the initial term, the determination of the Current Market Rent will be referred to a single arbitrator if the parties agree upon one. If the parties are unable to agree, the determination will be referred to a board of three arbitrators, one to

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be appointed by each of the Landlord and the Tenant and a third arbitrator to be appointed in writing by the first two-named arbitrators.

(3) If the Landlord or the Tenant refuses or neglects to appoint an arbitrator within seven clear days after the other has served a written notice upon the party so refusing or neglecting to make the appointment, the arbitrator first appointed, at the request of the party appointing the arbitrator, will proceed to determine the rent as if he or she were a single arbitrator appointed by both the Landlord and Tenant for the purpose.

(4) If two arbitrators are appointed within the time prescribed and they do not agree upon the appointment of the third arbitrator within a period of seven days from the date of appointment of the second arbitrator, upon the application of either the Landlord or the Tenant, the third arbitrator will be appointed by a Judge of the Supreme Court in accordance with the procedure set out in the *Commercial Arbitration Act*, R.S.B.C. 1996, c. 55 as amended from time to time, or a similar statute then in force in BC. The third arbitrator will chair the arbitration.

(5) The determination made by the arbitrators or the majority of them, or by the single arbitrator, as the case may be, will be final and binding upon the Landlord and the Tenant and their respective successors and assigns.

(6) The Landlord and Tenant will share equally the costs of the arbitration and the arbitrator(s). The provisions of this clause will be deemed to be a submission to arbitration within the provisions of the *Commercial Arbitration Act* but any limitation on the remuneration of the arbitrators imposed by the legislation will not be applicable.

17.2 Parking

(1) The Tenant shall lease from the Landlord underground parking stalls, the number of and cost of which are to be determined by the parties prior to the end of the Financing Stage.

(2) The parties acknowledge that a train station and associated park and ride (the "Train Facilities") may be constructed in the vicinity of the Building. Prior to the Train Facilities being constructed and in use, the Tenant shall be entitled to the use of a minimum of 200 above-ground parking stalls, which may or may not be paved but which will be comprised of an appropriate surface for parking, close to the Building (the "Above-ground Parking Stalls") which can be used free of charge by the Tenant's employees, customers and invitees in common with other users of the Above-ground Parking Stalls under such rules and regulations as may be posted or otherwise communicated by the Landlord to the Tenant. Should the Train Facilities be constructed and used on lands near the Building, the Tenant acknowledges that there may be a charge to its employees, customers and invitees for use of the Above-ground Parking Stalls. Should the Train Facilities be constructed and used, the Landlord agrees to explore with the Tenant whether a pass system can be put in place to allow the Tenant's employees, customers and invitees to park in the Above-ground Parking Stalls at

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certain times of day to the exclusion of others. In addition, if the Train Facilities are constructed and used, the Landlord agrees to reserve, for the exclusive use of the Tenant, 50 above-ground parking stalls within 500 metres of the Building (the "Reserved Stalls"). The Reserved Stalls will be licensed to the Tenant at a cost that is the market rate at the time the parking stalls are being licensed, and the parties agree that the Landlord will license the Reserved Stalls to the Tenant and the Tenant will license them from the Landlord for the remainder of the Term, with increases in the license fee as required to stay current with market rate. Should the Landlord so require, the Tenant will enter a license agreement with respect to the Reserved Stalls, on terms and conditions acceptable to the Landlord, acting reasonably, provided that the terms and conditions shall not require the Tenant to pay a rate for the Reserved Stalls that is more than market rate, as indicated above.

(3) The Landlord will use its reasonable efforts to encourage the City of Langford to provide on-street passenger drop off and loading areas in roadways adjacent to the Building.

17.4 Potential lease area

(1) The Tenant is aware that the Landlord has an agreement with the City of Langford to lease to it an area of approximately 4000 square feet (the "City Lease Area") for a period of 5 years from the Completion Date.

(2) The Tenant wishes to have the first right to rent the City Lease Area when the City's lease terminates and the Landlord agrees to offer it for rent to the Tenant prior to offering it to any other potential tenant.

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17.5 Non-competition clause

The Landlord agrees that it shall not, during the time this agreement and any renewals hereto are in force, lease space in the Building to any tenant that is in the business of providing the following: gym workout facilities, group fitness classes and personal training. The Tenant acknowledges that the Landlord is not, by virtue of this section, precluded from leasing space to other tenants involved in other aspects of health and wellness, including medical, dental, alternative medicine, massage, physiotherapy, counselling and nutrition.

IN WITNESS WHEREOF the parties have executed this Lease.

YMCA - YWCA OF GREATER VICTORIA by its authorized signatories:

Authorized Signatory

JOHN BISHOP, CHAIR BOARD OF DIRECTORS

Authorized Signatory

JENNIE EDACORSE, CEO

WESTHILLS LAND CORP.

by its authorized signatories:

Authorized Signatory

Authorized Signatory

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<i>[Signature]</i>	<i>[Signature]</i>

SCHEDULE A

To Lease of Premises at Victoria, British Columbia

DEFINITIONS

In this Lease:

Additional Rent means all sums of money to be paid by the Tenant, whether to the Landlord or otherwise under this Lease, except for Annual Base Rent and GST/HST payable by the Tenant.

Additional Services means the services and supervision supplied by the Landlord and referred to in clause 9.2 or in any other provision of this Lease as Additional Services; any other services that from time to time the Landlord supplies to the Tenant and that are additional to other services that the Landlord has agreed to supply under this Lease and to like provisions of other leases of the Building, or that the Landlord may elect to supply as included within the standard level of services available to tenants generally and in addition to those normally supplied; the provision of labour and supervision in connection with the moving of any furniture or equipment of the Tenant; the making of any repairs or alterations for the Tenant; and the provision to the Tenant or the Leased Premises of maintenance or other services not normally furnished to tenants or other leasable premises generally; and "Additional Service" means any such service.

Annual Base Rent means the annual rent specified in subclause 1.1(f) and payable by the Tenant as specified in subclause 4.1(a).

Aquatic Facility means that area of the Recreation Centre comprising a reception area and food service area, a 25 metre pool, warm pool with movable floor, hot tubs and saunas, lazy river, water slide, wave pool, health & fitness areas, a gymnasium, including change rooms, multi-purpose rooms, administration areas, and public areas for programs and services.

Basic Terms means those terms set out in clause 1.1, some of which are more particularly defined in this Schedule.

Building means that certain building and those certain areas and improvements to be constructed on the Lands and all additions and replacements to it.

Common Area: means the areas approximately shown on Schedule B and labelled as common area.

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Cost of Additional Services means in the case of Additional Services provided by the Landlord a reasonable charge made for them by the Landlord that will not exceed the cost of obtaining the services from independent contractors, and in the case of Additional Services provided by independent contractors the Landlord's total cost of providing Additional Services to the Tenant including the cost of all labour (including salaries, wages, and fringe benefits) and materials and other direct expenses incurred, the cost of supervision and other indirect expenses capable of being allocated to them (the allocation to be made upon a reasonable basis) and all other out-of-pocket expenses made in connection with them including amounts paid to independent contractors, plus an administration fee equal to 15% of each component thereof.

Current Market Rent means that rent that would be paid for improved recreation and office space in buildings of similar age and location in Langford, BC as between persons dealing in good faith and at arm's length, without reduction for any cash payment, leasehold improvement allowance, rent-free period or other inducement.

Goods and Services or Harmonized Tax means and includes any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Landlord or the Tenant from time to time in respect of the Rent payable by the Tenant to the Landlord under this Lease or the rental of the Leased Premises or the provision of any goods, services, or utilities whatsoever by the Landlord to the Tenant under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax, or otherwise.

Insured Damage means that part of any damage occurring to any portion of the Leased Premises for which the Landlord is responsible, of which the entire cost of repair is actually recoverable by the Landlord under a policy of insurance in respect of fire and other perils from time to time effected by the Landlord, or, if and to the extent that the Landlord has not insured and is deemed to be a co-insurer or self-insurer under clause 12.1, would have been recoverable had the Landlord effected insurance in respect of perils, to amounts and on terms for which it is deemed to be insured.

Lands means that parcel of land, in Langford, BC approximately as shown on Schedule G.

Landlord means the corporation executing this Lease and includes its successors and assigns. In the definition of Operating Costs, references to "Landlord" include the owner of the Lands and Building as registered in the applicable land title office and any and all beneficial owners of the Lands and Building.

Lease Year means, in the case of the first Lease Year, the period beginning on the Completion Date and terminating 12 months from the last day of the calendar month in which the

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Completion Date occurs (except that if the Completion Date occurs on the first day of a calendar month, the first Lease Year will terminate on the day prior to the first anniversary of the Completion Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year.

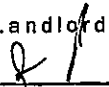
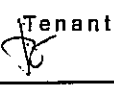
Leased Premises means that portion of the Building located on those floor(s) set out in subclause 1.1(c), containing the aggregate number of square feet, more or less, of Rentable Area that is set out in subclause 1.1(d), plus the outdoor area which is not included in the calculation of Rentable Area, and having the appropriate location and configuration shown on the plan(s) attached as Schedule B. The exterior face of the Building and any space in the Leased Premises used for stairways or passageways to other premises, stacks, shafts, pipes, conduits, ducts, or other Building facilities, heating, electrical, plumbing, air conditioning, and other Building systems supplied by the Landlord for use in common with other tenants are expressly excluded from the Leased Premises.

Leasehold Improvements mean all fixtures, improvements, installations, alterations, and additions now or from time to time made, erected, or installed, whether by the Tenant, the Landlord or anyone else, in the Leased Premises or in other premises in the Building with the exception of trade fixtures and furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including movable partitions) and includes all wall-to-wall carpeting with the exception of carpeting laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage.

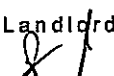
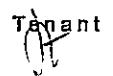
Normal Operating Hours means 24 hours per day, seven days per week.

Operating Costs mean, subject to the exclusions and deductions set out below, the total, without duplication, of the costs, expenses, fees, rentals, disbursements, and outlays (in this definition referred to collectively as "costs") of every kind paid, payable, or incurred by or on behalf of the Landlord on an accrual basis consistent with generally accepted accounting principles and fully chargeable in the year in which they were incurred (except as expressly set out below) in accordance with generally accepted accounting principles in the maintenance, repair, operation, administration, and management of the Lands and Building. Without limiting the generality of the foregoing, Operating Costs will include:

- (1) all salaries, wages, fringe benefits, paid to or for all personnel, including supervisory personnel and managers,, to the extent that they are employed by the Landlord (or a person with whom it does not deal at arm's length) in connection with the maintenance, repair, operation, administration, or management of the Lands and Building or any part of them, and amounts paid to professionals and independent contractors, including any management companies, for any services provided in connection with the maintenance, repair, operation, administration, or management of the Lands and Building or any part of them;

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- (2) costs of providing security, supervision, traffic control, janitorial, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of the Lands and Building or any rentals of them;
- (3) costs of providing electric light and power, fuel, water, telephone, steam, gas, sewage disposal, and other utilities, and costs of replacing Building-standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls;
- (4) costs of all insurance that the Landlord is obligated or permitted to obtain under this Lease;
- (5) sales, goods and services, and excise or other taxes on goods and services provided by or on behalf of the Landlord in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Landlord receives and uses them);
- (6) taxes levied against the Lands and Building to the extent not charged to the Tenant under subclauses 4.1(b) and 8.2(b) and to other tenants of the Building under lease provisions similar to subclauses 4.1(b) and 8.2(b); and costs (including legal and other professional fees and interest and penalties on deferred payments) incurred by the Landlord in contesting, resisting, or appealing any Taxes;
- (7) capital tax, if applicable, being the applicable amount (as hereinafter defined) of any tax or taxes imposed on the Landlord by any governmental authority based upon or computed by reference to the paid-up capital or place of business of the Landlord as determined for the purposes of the tax or taxes; and for the purpose of this paragraph the phrase "applicable amount" of the tax or taxes means the amount of tax that would be payable if the Lands and Building were the only property of the Landlord, and the portion as the Landlord allocates, acting reasonably, to the Lands and Building of any large corporations tax, minimum corporate tax, or other tax imposed on the Landlord by any governmental authority to the extent the tax is not actually credited against any income tax payable by the Landlord;
- (8) a reasonable amount, as determined by the Landlord from time to time, of costs incurred by or on behalf of tenants in the Building with whom the Landlord may have agreements whereby in respect of their premises those tenants perform any cleaning, maintenance, or other work or services that, if directly incurred by the Landlord, would have been included in Operating Costs;
- (9) costs of repairs, alterations, and replacements to the Building (including those required to comply with applicable laws or the requirements of the Landlord's insurers that become effective or are imposed after substantial completion of the original construction of the relevant structure) except as excluded herein, to the extent

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reasonably allocated by the Landlord to any fiscal period; and amortization of the cost of any repairs, alterations, or replacements except to the extent charged in accordance with the foregoing provisions of this paragraph, in the case of each item of repair, alteration, or replacement to be calculated on a straight line basis over the period the Landlord determines is reasonable having regard to the nature of the repair, alteration, or replacement, or 15 years, whichever is less;

- (10) depreciation (excluding depreciation on the costs of original components of the electrical, mechanical, and other systems installed as part of the original construction of the Building) of the costs of machinery, equipment, facilities, furniture, furnishings, systems, and property (in this paragraph called "machinery") installed in or used in connection with the Building (except to the extent that the costs are charged fully in the fiscal period in which they are incurred):
- (a) if a principal purpose of the machinery is to conserve energy, reduce the cost of other items included in Operating Costs, or comply with applicable laws or requirements of the Landlord's insurers that become effective or are imposed after substantial completion of the Building, or the machinery is used for normal maintenance of the Building; or
 - (b) if, as in the case of the electrical, mechanical, and other systems, the machinery by its nature requires periodic or substantial replacement;

in the case of each item of machinery to be calculated on a straight line basis over its useful life or 15 years, whichever is less;

- (11) interest on the unamortized or undepreciated portion of the costs referred to in paragraphs (9) and (10) of this definition, calculated monthly, from the date on which the relevant costs were incurred, at an annual rate of interest that is 0.5% above the Prime Rate in effect on the first day of the fiscal period in which the relevant costs were incurred (the applicable rate of interest to be adjusted by the Landlord on the first day of each fiscal period to the annual rate of interest that is 0.5% above the Prime Rate then in effect);
- (12) the fair market rental value (having regard to rent being charged for similar rentable space including additional rent for operating costs and property taxes) of space not already included in Rentable Area used by the Landlord, acting reasonably, in connection with the maintenance, repair and operation of the Lands and Building; and
- (13) management fees or management agent fees and administrative charges of a management company, if any, for the Lands and Building or any part of it or, if the Landlord chooses to manage the Lands and Building or any part of it through itself or through a company or other person with whom it does not deal at arm's length, a management fee to the Landlord in an amount comparable to that which would be

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charged by a first-class real estate management company for management of similar buildings but in any event no greater than 5% of gross rent;

excluding therefrom the following (except as specifically included above):

- (14) depreciation;
- (15) capital costs of constructing the Building, of replacements of parts of the Building, and of additions to the Building to comply with all bylaws, regulations, and orders made by any governmental authority with respect to the Building and the operating systems of the Building;
- (16) debt service costs;
- (17) any taxes on the income or profits of the Landlord to the extent they are not imposed in lieu of Taxes;
- (18) costs incurred by the Landlord in leasing the Building, including commissions, advertising costs, and tenant inducement payments;
- (19) costs of correcting defects in or inadequacy of the initial design or construction of the building, cost of repairs covered by warranty and costs of repairs necessitated by structural defects;
- (20) costs to benefit or as a result of specific tenant(s), including but not limited to costs of repairs, alterations or improvements of the premises of other tenant(s);
- (21) depreciation, interest and principal payments on capital costs, mortgages, ground rent and other debt costs, if any;
- (22) legal fees, space planner's fees, real estate broker's leasing commission, lease take-over costs, advertising and marketing expenses, costs of improving, renovating or inducing tenants into the Building and all other leasing expenses;
- (23) unrecovered expenses directly resulting from the negligence of the Landlord, its agents, servants or employees or any bad debt loss, rent loss or reserves for bad debts or rent loss;
- (24) repairs to the footings, foundations, structural columns and beams, structural subfloors, bearing walls, exterior walls and windows, and roofs of the Building made within the first two years after substantial completion of the Building to remedy construction or design defects identified by the Landlord's architect;
- (25) costs associated with the operation of the business of the entity which constitutes the Landlord as the same are distinguished from the costs of operation of the building including accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be an issue), costs of selling, syndicating, financing mortgaging or hypothecating any of the Landlord's interest in

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Landlord X	Tenant C

the building, costs of any disputes between Landlord and its employees (if any), disputes of Landlord with building management, or fees or costs paid in connection with disputes with other tenants;

- (26) the salaries and benefits of any officers above the level of building managers of the Landlord, if any;
- (27) attorney's and lawyer's fees, accounting fees and expenditures incurred with negotiations, disputes and claims of other tenants or occupants of the building or with other third parties;
- (28) fines, penalties and interest thereon except if the fines, penalties and/or interest are the direct result of the Tenant;
- (29) taxes, tax assessments or fees incurred in connection with the development of the building. In addition, income taxes and wealth taxes shall be excluded from operating costs;
- (30) any damage or loss resulting from any casualty which the Landlord covenanted to insure against or necessitated by the negligence or wilful misconduct of the Landlord including but not limited to any repair, rebuilding or other work necessitated by condemnation, fire, windstorm or other insured casualty or hazard;
- (31) the amount of any sales tax, goods and services tax, value added tax or any similar tax ("Sales Tax") paid or payable by the Landlord on the purchase of goods and services included in operating costs which are available to and claimed by the Landlord as a credit in determining the Landlord's net tax liability or refund on account of Sales Tax but only to the extent the Sales Tax is included in the operating costs;
- (32) cost of acquiring sculptures, paintings and other objects of art;

and deducting therefrom the following:

- (33) net recoveries by the Landlord from the tenants of the Building in respect of and to the extent (but only to the extent) of costs that have been charged as Operating Cost, other than recoveries from the Tenant under paragraph 4.1(b)(ii) and from other tenants under lease provisions similar to paragraph 4.1(b)(ii);
- (34) net insurance proceeds received by the Landlord to the extent (but only to the extent) that the proceeds reimburse the Landlord for costs that have been charged as Operating Costs;
- (35) net recoveries by the Landlord in respect of warranties or guarantees relating to the construction of the Building to the extent (but only to the extent) that the repair costs

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Landlord	Tenant

in respect of the work covered by the warranties or guarantees have been charged as Operating Costs; and

- (36) amounts paid by the operator, if any, of the parking garage forming part of the Building to the extent (but only to the extent) of costs that have been charged as Operating Costs, or, if there is no operator, the costs that the Landlord determines, acting reasonably, would normally be paid by an operator, such as the costs of sweeping and providing attendants and the operator's standard equipment;

and in computing Operating Costs, if less than 100% of the Rentable Area of the Building is completed or occupied during any period for which a computation must be made, the amount of Operating Costs will be increased by the amount of the additional costs determined by the Landlord, acting reasonably, that would have been incurred had 100% of the Rentable Area of the Building been completed or occupied during that period.

Prime Rate means that rate of interest declared from time to time by the main branch in Victoria, British Columbia, of the *Royal Bank of Canada* to the Landlord as the annual rate of interest used by the bank as its reference rate in setting interest rates for commercial loans of Canadian dollars in Canada and commonly referred to by the bank as its "prime rate" and, if and during any period when no rate is declared by the bank, means 18% per annum.

Rent includes the Annual Base Rent, Additional Rent, and all other sums payable by the Tenant to the Landlord under this Lease except for goods and services tax payable by the Tenant.

Rentable Area, whether in the case of a whole floor of the Building or in the case of premises comprising part of a floor of the Building, will be determined by the Landlord's architect or land surveyor according to the American National Standard Method for Measuring Floor Areas in Office Buildings ANSI/ BOMA Z65.1-2010 Office Standard as published by the *Building Owners and Managers Association International* and in effect at the Completion Date.

Service Areas mean the area of corridors, elevator lobbies, service elevator lobbies, refuse areas, washrooms, air-cooling rooms, fan rooms, janitor's closets, telephone, meter, mechanical, and electrical closets, and other closets on the floor serving the Leased Premises and other premises on the floor if the floor is a multiple-tenancy floor.

Taxes mean all taxes, rates, duties, levies, and assessments whatsoever, whether municipal, parliamentary, or otherwise, that are levied, imposed, or assessed against or in respect of the Building, the Lands, or upon the Landlord in respect of them, or that are from time to time levied, imposed, or assessed in the future in addition or in lieu thereof, including those levied, imposed, or assessed for education, schools, and local improvements, and includes all costs and expenses (including legal and other professional fees and interest and penalties on

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deferred payments) incurred by the Landlord in contesting, resisting, or appealing any taxes, rates, duties, levies, or assessments, but excludes taxes and licence fees in respect of any business carried on by tenants and occupants of the Building and taxes upon the income of the Landlord to the extent the taxes are not levied in lieu of taxes, rates, duties, levies, and assessments against the Building or the Lands or upon the Landlord in respect of them.

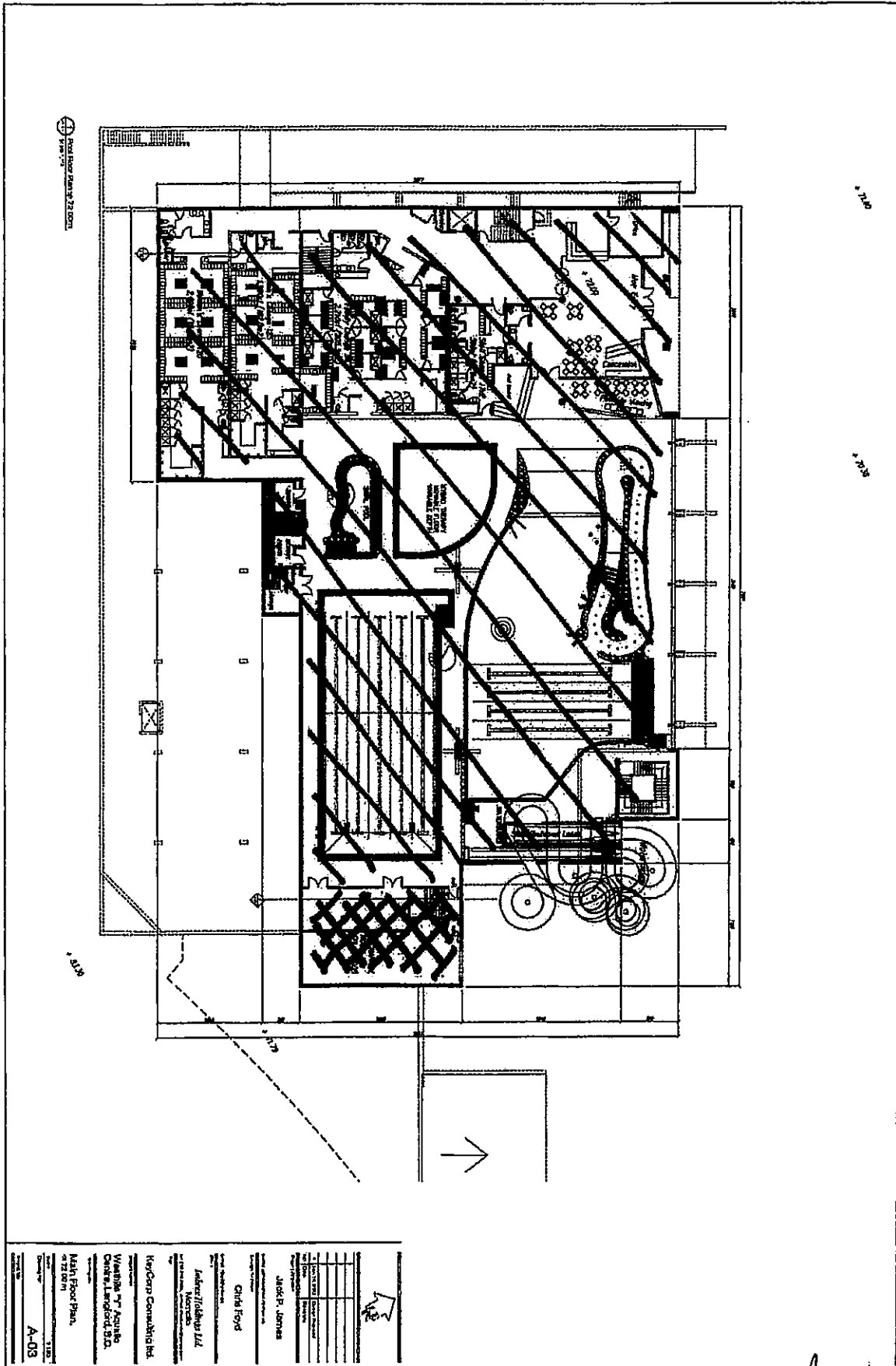
Tax Cost for any calendar year means an amount equal to the aggregate, without duplication, of all Taxes in respect of the calendar year.

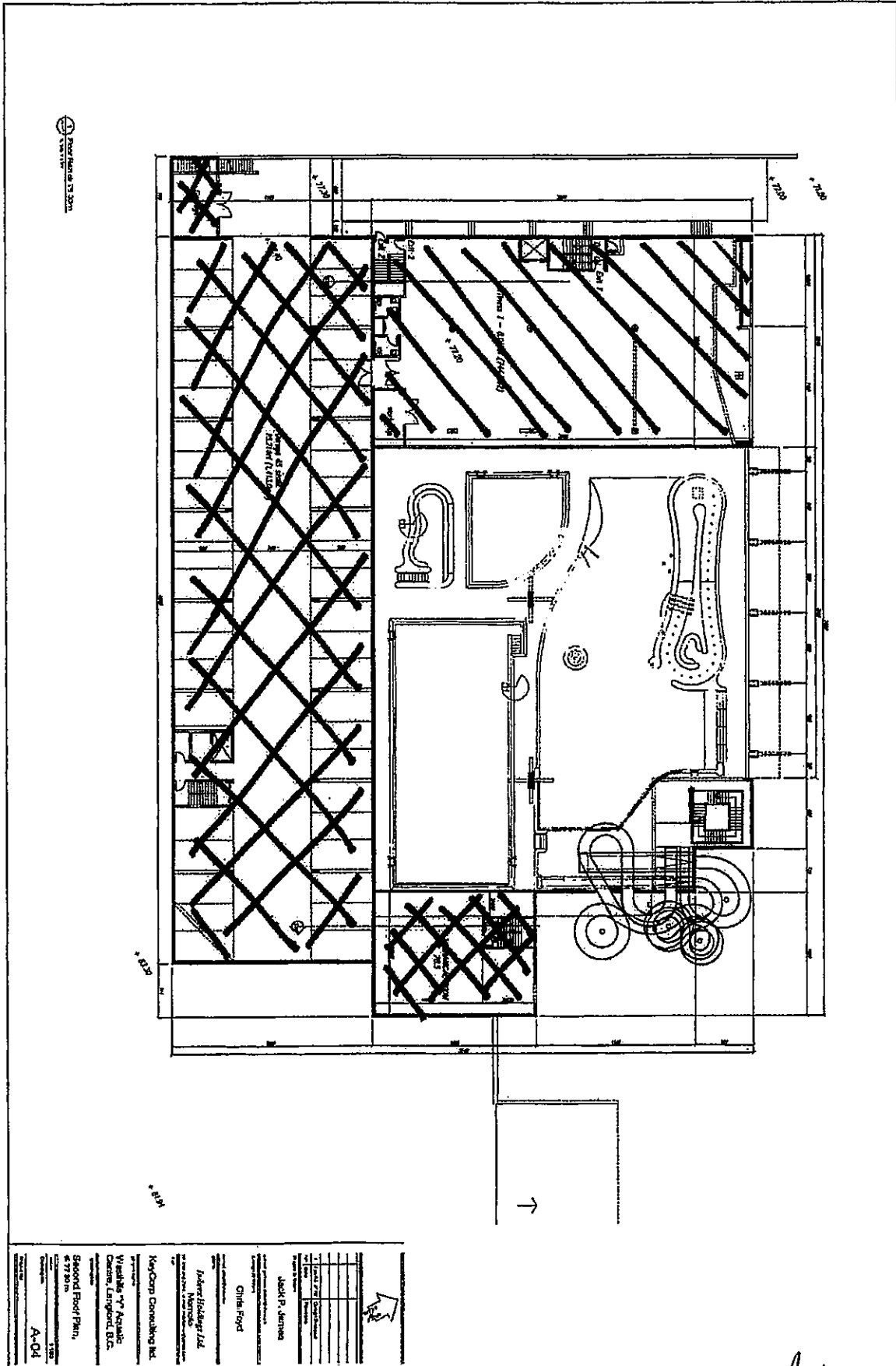
Tenant's Share means the fraction, the numerator of which is the Rentable Area of the Leased Premises and the denominator of which is the Total Rentable Area.

Term means the term of this Lease specified in subclause 1.1(e) and any renewal or extension of it and any period of permitted overholding.

Total Rentable Area means the total Rentable Area of the Building, whether rented or not, calculated as nearly as possible as if the Building were entirely occupied by tenants renting whole floors. The Common Area in the Building will be excluded from the foregoing calculation. The calculation of the Total Rentable Area, whether rented or not, will be adjusted from time to time to give effect to any structural change in the Building.

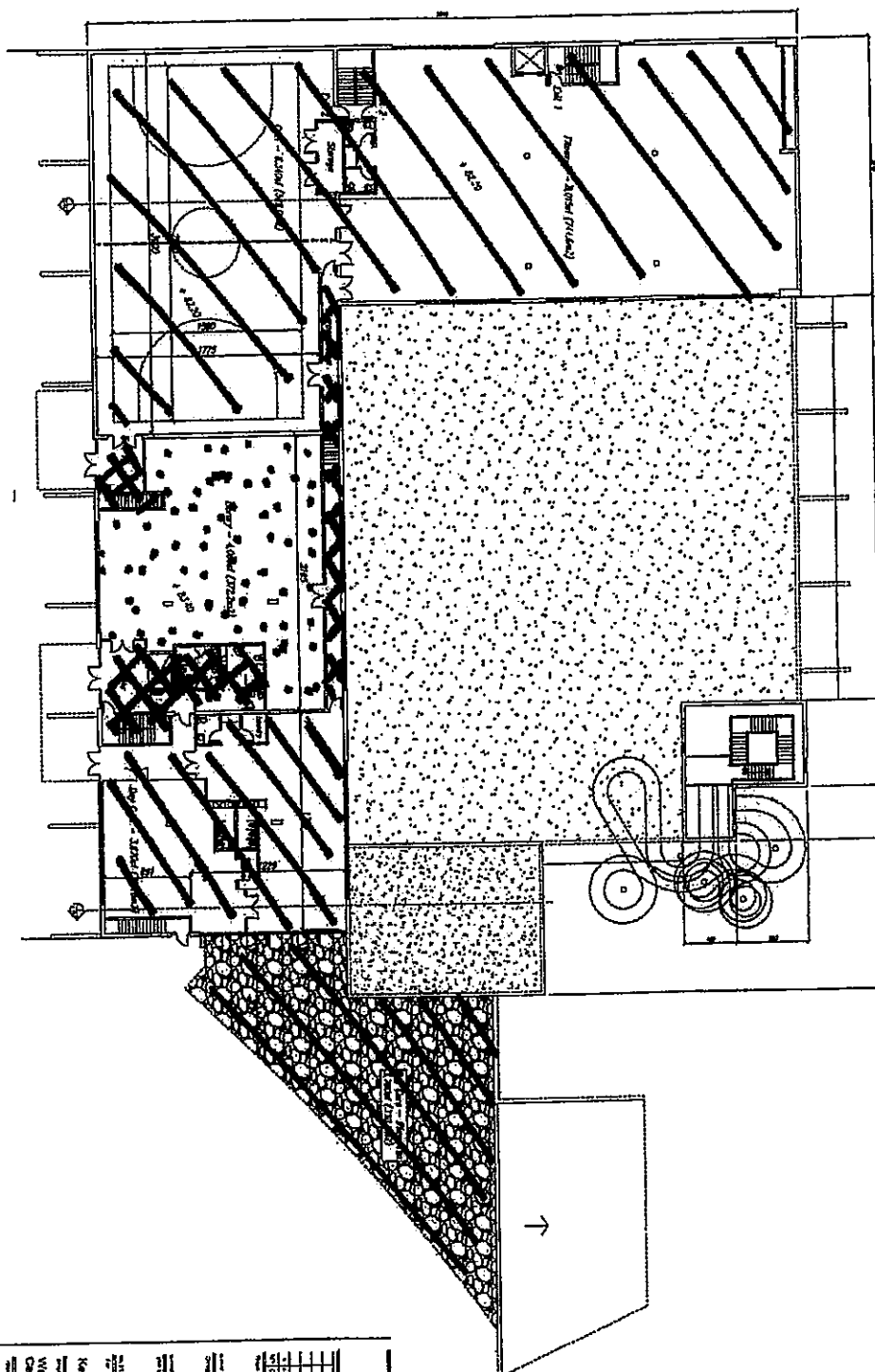
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Landlord	Tenant





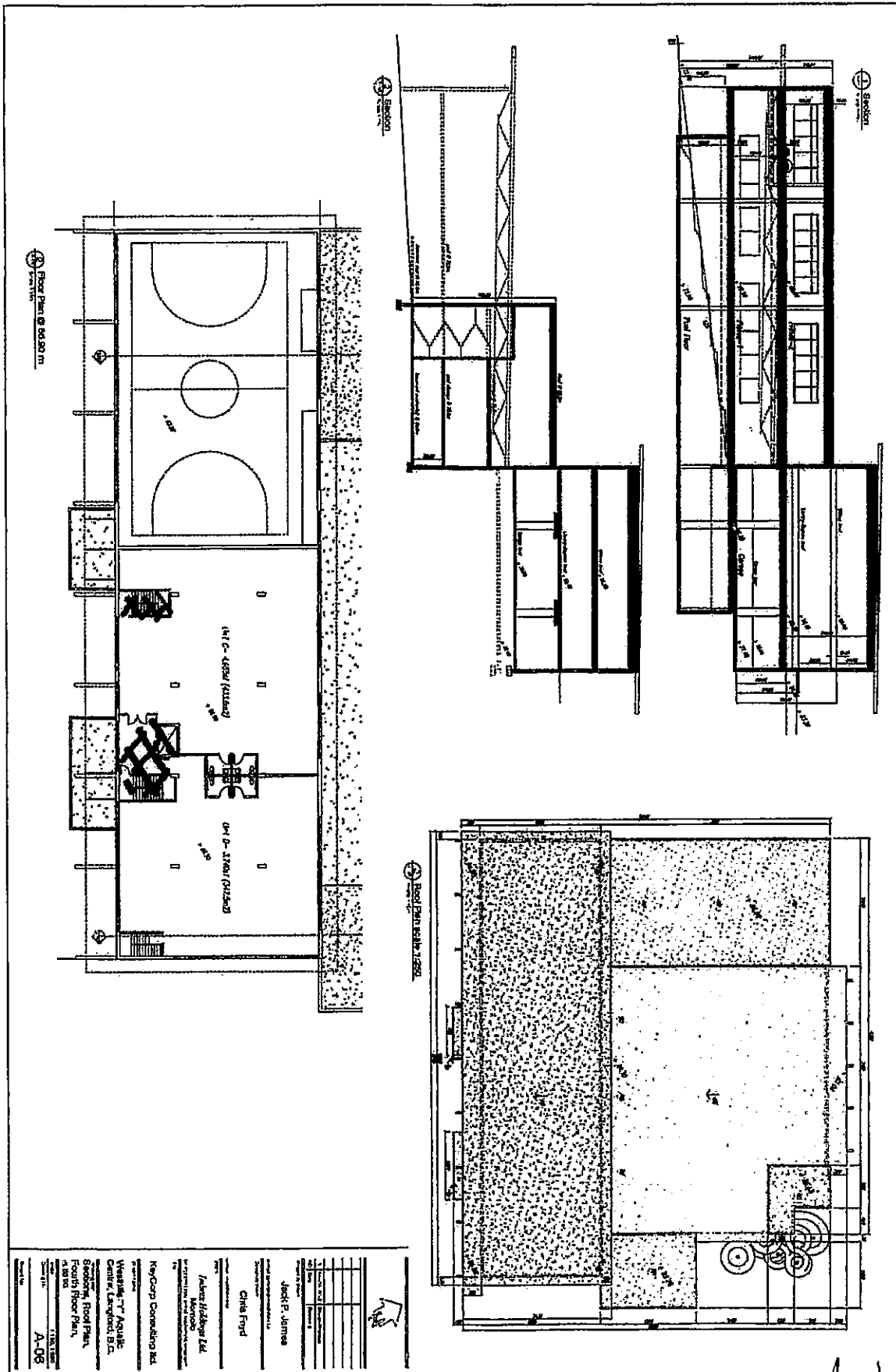
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SCHEDULE C

DISCIPLINE	CONSULTANT	DRAWINGS	DATE
Civil	Westhills	001-65-C01 to C03	3 February 2012
Architectural	Jack P James	A-01 to A -07	3 February 2012
Architectural - Aquatics	VDA	P1 to P3	3 February 2012
Structural	RJC	S1.01 to S1.02 S2.01 to S2.06 S3.01 to S3.02	3 February 2012
Mechanical	AME	M2.1 to M2.4 M3.1 to M3.4 M5.1 to M5.2 M6.1 to M6.4	3 February 2012
Electrical	AES	E100 E200 to E205 E300 to E306	3 February 2012

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SCHEDULE D**RULES AND REGULATIONS**

The Tenant will observe the following Rules and Regulations (as amended, modified, or supplemented from time to time by the Landlord as provided in the Lease):

- (1) The Tenant will not use or permit the use of the Leased Premises in such manner as to create any objectionable noises, odours, or other nuisance or hazard, or breach any applicable provisions of municipal bylaw or other lawful requirements applicable to them or any requirements of the Landlord's insurers, will not permit the Leased Premises to be used for cooking (except with the Landlord's prior written consent) or for sleeping, will keep the Leased Premises tidy and free from rubbish, will deposit rubbish in receptacles that are either designated or clearly intended for waste, and will leave the Leased Premises at the end of each day of operation in a condition so as to facilitate the performance of the Landlord's janitorial services in the Leased Premises.
- (2) The Tenant will not abuse, misuse, or damage the Leased Premises or any of the improvements or facilities in them, and in particular will not deposit rubbish in any plumbing apparatus or use it for other than purposes for which it is intended, and will not deface or mark any walls or other parts of the Leased Premises.
- (3) Except for fund-raising activities, the Tenant will not perform, patronize, or (to the extent under its control) permit any canvassing, soliciting, or peddling in the Building, may install in the Leased Premises vending machines dispensing refreshments or merchandise, and, except in its café/concession will not permit food or beverages to be brought to the Leased Premises except by the means, at the times, and by the persons as authorized by the Landlord.
- (4) The entrances, lobbies, elevators, staircases, and other facilities of the Building are for use only for access to the Leased Premises and other parts of the Building and the Tenant will not obstruct or misuse the facilities or permit them to be obstructed or misused by its agents, employees, invitees, or others under its control.
- (5) Except the movement of the Tenant's program equipment in the usual course of its delivery of services, due to loading limits in the Building and within the Leased Premises, no heavy equipment or safe will be moved into or about the Building by or for the Tenant unless the consent of the Landlord is first obtained and unless all due care is taken. The equipment will be moved on or in the appropriate steel-bearing plates, skids, or platforms and subject to the Landlord's direction, and at the times, by the means, and by the persons as the Landlord has approved. No furniture, freight, or bulky matter of any description will be moved in or out of the Leased Premises or carried in the elevators except during the hours the Landlord has approved. Hand-trucks and similar appliances will be equipped with rubber tires and other safeguards

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approved by the Landlord, and will be used only by prior arrangement with the Landlord.

- (6) The Tenant will permit and facilitate the entry of the Landlord, or those designated by it, into the Leased Premises for the purpose of inspection, repair, window cleaning, and the performance of other janitorial services, and will not permit access to main header ducts, janitorial and electrical closets, and other necessary means of access to mechanical, electrical, and other facilities to be obstructed by the placement of furniture or otherwise. The Tenant will not place any additional locks or other security devices upon the doors of the Leased Premises without the prior written approval of the Landlord and subject to any conditions imposed by the Landlord for the maintenance of necessary access.
- (7) The Landlord may require that all or any persons entering and leaving the Building at any time other than the Normal Operating Hours satisfactorily identify themselves and register in books kept for the purpose, and may prevent any person from entering the Leased Premises unless provided with a key to them and a pass or other authorization from the Tenant in a form satisfactory to the Landlord, and may prevent any person removing any goods from them without written authorization.
- (8) The Tenant will refer to the Building only by the name from time to time designated by the Landlord for it and will use the name only for the address of the Leased Premises and not for any promotion or other purpose, except after consultation with the Landlord.
- (9) The Tenant will not interfere with window coverings, if any, installed upon exterior windows, and will close or (if the window coverings are remotely controlled) permit to be closed the window coverings during the hours from dusk to dawn as the Landlord may require, and will not install or operate any interior drapes installed by the Tenant so as to interfere with the exterior appearance of the Building.

The foregoing Rules and Regulations, as from time to time amended, are not necessarily of uniform application, but may be waived in whole or in part in respect of other tenants without affecting their enforceability with respect to the Tenant and the Leased Premises, and may be waived in whole or in part with respect to the Leased Premises without waiving them as to future application to the Leased Premises, and the imposition of Rules and Regulations will not create or imply an obligation of the Landlord to enforce them or create any liability of the Landlord for their non-enforcement.

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SCHEDULE E
Tenant's Works

1. The Tenant's Works include any and all improvements, installations and works required by the Tenant to properly operate the Recreation Centre and not the responsibility of the Landlord under Schedule A.
2. Without limitation, the Tenant's Works include
 - (a) Program Related Equipment
 - Gym and fitness related equipment
 - Playground equipment and any specialised surfacing
 - Pool related equipment
 - (b) Interior and exterior YMCA signs
 - (c) Concession area
 - fit-out and associated permanent seating
 - Temporary seating
3. The Tenant's Works listed in section 2 of this Schedule remain the property of the Tenant and are Trade Fixtures of the Tenant.

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SCHEDULE F

Maintenance Responsibilities

1. The Landlord and the Tenant have responsibility for maintaining the Recreation Centre. To facilitate this process, the Landlord and the Tenant will meet monthly commencing at the first month of the Term, or at a frequency as mutually agreed to by the parties, to tour the Recreation Centre, discuss general building conditions, and jointly plan for maintenance/repair/replacement and refurbishment requirements.

Landlord Responsibilities

2. In addition to any responsibilities set out in this Lease, the Landlord must repair or replace when necessary any major structural components of the Recreation Centre, including the roof, the elevators, and all exterior walls.

3. The Landlord must maintain, repair and replace when necessary components of the HVAC system (heating, ventilation and air conditioning).

4. The Landlord must maintain, repair and replace when necessary electrical and plumbing components of the Recreation Centre.

Tenant Responsibilities

5. In addition to any responsibilities set out in this Lease, the Tenant must repair or replace when necessary the major components of the swimming pool including the pump, and the surface only of any walls, the bottom of the pool and any water slides.

6. The Tenant must regularly maintain all mechanical systems and plumbing components of the swimming pools, regularly testing the pools and providing appropriate reporting.

7. The Tenant must provide annual cleaning of the major components in the pool areas, the fitness areas and change rooms.

8. The Tenant must employ an adequate number of staff to meet its maintenance obligations and must ensure that staff assigned to the Recreation Centre meet the following minimum staffing qualifications:

a) Building Services Manager Qualifications

- Post-secondary Education in a related discipline
- Minimum 6 years' experience in skilled trades and / or building maintenance, in one or more of the following areas:
 - Electrical/plumbing
 - Operating Engineering/Pneumatics
 - Mechanical HVAC
 - Pool Filtration/Water Chemistry
- Minimum 3 years supervisory experience
- Familiarity with computerised Facility Management applications

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- Knowledge and experience in ensuring compliance with related legislation
- BCRPA Pool Operators Certificate Level 1 and 2
- WHMIS and Transportation Dangerous Goods certification
- Current CPR AND First Aid, CRC

b) Building Services Worker Qualifications

- Minimum 2 years building maintenance experience or related trades experience
- BCRPA Pool Operators Certificate Level 1 and 2
- WHMIS and Transportation Dangerous Goods certification
- Current CPR AND First Aid, CRC

c) Janitorial staff – Desirable qualifications include formal cleaning education with 2 years' experience in relative field of scope, WHMIS, CPR and 1st aid, and Transportation of Dangerous Goods (TDG).

9. The Tenant must create maintenance and procedure manuals specific to the Recreation Centre, to ensure appropriate standards for safe operations are maintained. At a minimum, this maintenance manual could include the following categories:

- A. Water systems
- B. Fitness & Conditioning Equipment
- C. General
- D. Log, registering any incidents that occur from business operations.

10. The Tenant must supply full janitorial services within the Leased Premises, including all consumable materials, supplies and equipment and labour to maintain the Recreation Centre in good clean condition to a standard to comply with the B.C. *Health Act* and as would a prudent occupier of a customer service oriented Recreation Centre.

11. The Tenant is responsible for full operations of the swimming pool water circulations systems, safe operating procedures, inspections, water testing procedures, equipment and supplies, to meet requirements under the B.C. *Health Act* and the *Safety Standards Act* and the *Elevating Devices Safety regulation* to ensure optimal performance is continually achieved. The swimming pool water systems include

- a) the 25 metre pool, whirl pools, water slides, wave pool, spray pool, and any water spray features;
- b) all water chemical treatment equipment, including gas chlorine systems, ultra violet light fixtures and apparatus, water chemistry control sensors, injectors, pumps, hoppers, pipes, valves, thermometers, controllers;
- c) all water circulation systems, water balancing and surge tanks, filtration systems, boilers and heat exchangers.

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12. The Tenant is responsible for full operations of all the pool natatorium building equipment to meet requirements under the B.C. *Health Act* and *Safety Standards Act*, and all regulations thereunder, and to ensure optimal performance.

13. The Tenant must maintain, repair and replace all office furnishings and equipment, exercise equipment, lockers and all aquatic furnishing and equipment in the Recreation Centre.

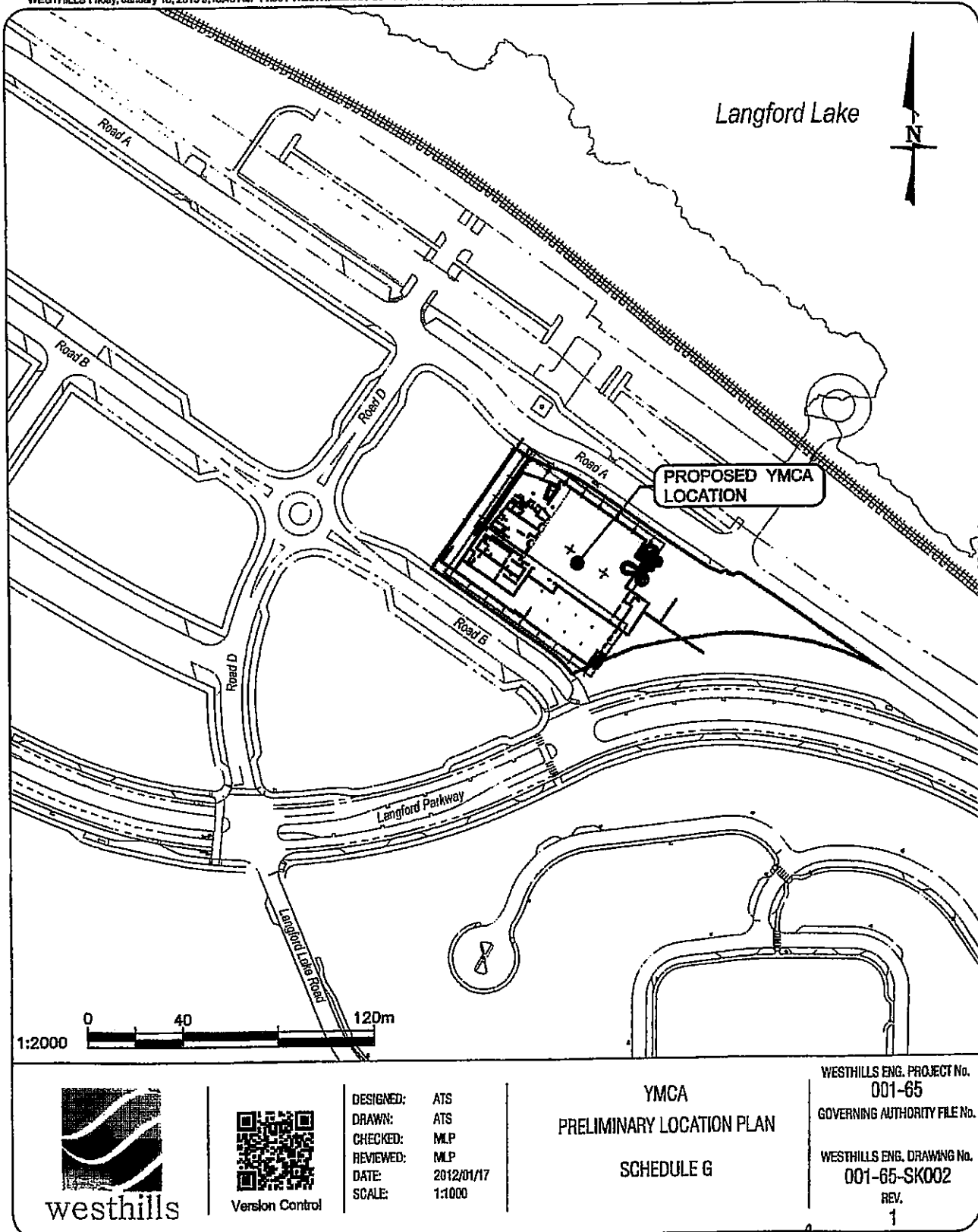
14. The Tenant is responsible for all aspects of security at the Recreation Centre and must take reasonable steps to ensure the Recreation Centre is secure at all times and to ensure that the Tenant's staff, the public and others at the Recreation Centre are safe, including maintaining and repairing security alarm systems, surveillance camera (indoor and outdoor) system, door access control devices and for providing door key management to secure the Recreation Centre.

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Schedule G

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SERVICES AGREEMENT

THIS AGREEMENT dated for reference February 7th, 2013

BETWEEN:

THE CITY OF LANGFORD
877 Goldstream Avenue, 2nd floor,
Victoria, BC V9B 2X8
(the "City")

OF THE FIRST PART

AND:

THE YMCA – YWCA OF GREATER VICTORIA
(Inc. No. S-0006088)
851 Broughton Street,
Victoria BC V8W 1E5
(the "Y")

OF THE SECOND PART

WHEREAS:

- A. Certain lands in the City of Langford have been identified as desirable for a community recreation centre to include an aquatic and fitness centre with a 25 metre pool; a warm pool with a movable floor; hot tubs and saunas and a wave pool, health & fitness areas, a gymnasium, a child minding area, and an outdoor play area for children, with offices (the "Recreation Centre");
- B. The aquatic and fitness centre will consist of a reception area and food service area, a 25 metre pool, warm pool with movable floor, hot tubs and saunas, lazy river, water slide, wave pool, health & fitness areas, a gymnasium, including change rooms, multi-purpose rooms, administration areas, and public areas for programs and services (the "Aquatic Facility");
- C. The land identified by the City for the Recreation Centre is owned by Westhills Land Corp. ("WLC"), the lands being a portion of Part of Block I, Sections 86, 87, 88, 89 and 90, Esquimalt District, and Section 87 Metchosin District, Plan 1139, which will be subdivided for the construction of the Recreation Centre (the "Lands");
- D. Upon completion of the Aquatic Facility, and subject to the conditions herein contained, the Y agrees to lease the Aquatic Facility from WLC and further agrees to manage and operate the Aquatic Facility and provide services to the City in accordance with the terms of this Agreement;
- E. In consideration of the Y entering into this agreement to operate and manage the Aquatic Facility and to provide services to the City utilizing its expertise and experience in operating community facilities of a similar nature, the City agrees to purchase the services with an annual payment set forth in this Agreement (the "Purchase Commitment");
- F. This Agreement sets out the terms and conditions for the purchase of services from the Y in its operation of the Aquatic Facility;

NOW THEREFORE WITNESSETH that in consideration of the premises and mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which each party acknowledges), the City and the Y agree as follows:

PART 1 – GUIDING PRINCIPLES

- 1.1 The parties agree to the guiding principles in the performance of this Agreement, as set forth in Schedule “A” attached hereto and forming part of this Agreement.

PART 2 - DEFINITIONS

- 2.1 For purposes of this Agreement, the following words and phrases shall have the following meanings unless the context otherwise requires:
- (a) “**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in British Columbia;
 - (b) “**Force Majeure**” means any act of God, major storms, civil disturbance or any similar major event or occurrence not within the control of a party and which by the exercise of due diligence by such party could not have been prevented, but lack of funds on the part of such party shall not be deemed to be a Force Majeure;
 - (c) “**Lease**” means the lease agreement between the Y and WLC for the **Aquatic Facility** dated effective _____;
 - (d) “**Opening Day**” means the first day the **Aquatic Facility** is open to the public for use;
 - (e) “**Report**” means the statistical summary prepared by the Y of the usage of the **Aquatic Facility** including programs, activities, events and services; membership numbers, and any notable accomplishments, challenges or trends during the year;
 - (f) “**Services**” means all of the activities and services necessary and incidental to the performance of the Y in operating and managing the **Aquatic Facility** and offering programs to the public under this Agreement, including but not limited to, the obligations set forth herein and any other direction by or obligation to the City arising from this Agreement;
 - (g) “**Services Agreement**” means the within Agreement whereby the City agrees to purchase services from the Y for its operation of the **Aquatic Facility**;
 - (h) “**Substantial Breach**” means:
 - a. any event which will, as a result, have a material adverse effect upon the delivery of the **Services** or the performance of the Y under this Agreement, including but not limited to:

- i. temporary or permanent closure of any part of the Aquatic Facility where the consent of the City has not been obtained in writing;
- ii. failure to maintain accurate books and records in the operation of the Aquatic Facility;
- iii. the petitioning into bankruptcy of the Y or the making of any assignment for the benefit of his creditors;
- iv. the institution of proceedings for the dissolution or winding-up of the Y.

b. termination of the Lease.

PART 3 –TERM OF AGREEMENT

- 3.1 The term of this Agreement is 25 years, commencing on the day that is two months after the Completion Date and expiring on the 25th anniversary of that date unless the Agreement is earlier terminated in accordance with the provisions of this Agreement.
- 3.2 The parties may at any time prior to the expiry of the initial 25-year term agree to renew this Agreement for an additional agreed upon term of not less than 1 year.
- 3.3 The Y must perform all of its obligations under this Agreement at its own cost, subject to the City's **Purchase Commitment**.

PART 4 – OBLIGATIONS OF THE Y

- 4.1 The Y agrees that it will ensure due diligence and good stewardship in managing and operating the **Aquatic Facility**.
- 4.2 The Y will develop, implement, advertise, promote and operate all programming in the **Aquatic Facility** that meet the shared mission and vision of the Y and the City of Langford.
- 4.3 The Y will provide the arrangements for Langford residents as set forth in Schedule "B".
- 4.4 The Y will provide adequate staff, equipment and supplies to operate the **Aquatic Facility** and programming.
- 4.5 The Y will provide and supervise all Human Resource functions as they relate to the **Aquatic Facility** and employ all personnel working at the **Aquatic Facility**.
- 4.6 The Y will maintain all records pertaining to the **Aquatic Facility**.
- 4.7 The Y will maintain liability insurance as set forth in Part 5 hereunder.
- 4.8 The Y will, on a bi-annual basis, provide the City with the Report relating to the operation and management of the **Aquatic Facility**. The Reports shall be for the period January 1 –

June 30 of each year and July 1 - December 31 of each year. The Report shall be given to the City within thirty days of the end of the Report period. The City and the Y will jointly own all Reports. The Y may assign its interest in the Reports to the City without compensation therefore.

- 4.9 The Y shall at its own expense comply with all laws, bylaws, ordinances, regulations and the directive of any public authority having jurisdiction affecting the operation of the **Aquatic Facility** or its use by the Y.
- 4.10 The Y shall immediately notify the City of any occurrence of a Substantial Breach, or any event which could reasonably be expected to expose the City to material liability of any kind, whether under this Agreement or otherwise.

PART 5 – OBLIGATIONS OF THE CITY

- 5.1 The City's **Purchase Commitment** is \$750,000.00 annually. The **Purchase Commitment** may increase every two years by a percentage amount equal to the percentage increase in the population of the City during that period, to a maximum **Purchase Commitment** of \$950,000.00 annually.
- 5.2 The annual **Purchase Commitment** will be paid in equal monthly instalments to the Y during each year of the Term. The City and the Y may, at any time, mutually agree to alter the payment schedule as may be appropriate in the circumstances.
- 5.3 The City may, in its sole discretion, increase its **Purchase Commitment** at any time to not more than the maximum amount.
- 5.4 The City agrees that it shall provide to the **Lands and Recreation Centre** an annual property tax exemption for all taxes, including school and provincial levies that may be assessed against the **Lands and Recreation Centre** for the term of this Agreement. In the event the City is unable or unwilling to grant such exemption, the City agrees that it will increase the **Purchase Commitment** to include the cost of the Y's tax obligation to WLC for the **Aquatic Facility** under the Lease, in which case the amount of the maximum **Purchase Commitment** shall be increased by the amount of the Y's tax obligation.
- 5.5 The City agrees to work with the Y in considering further recreational and social needs of the community based on population growth and trends within the City.
- 5.6 The City agrees to promote and advertise the **Recreation Centre** and **Aquatic Facility** through displays, advertisements in any City recreation program guides and on its web site, and to create web links from the City's website to any specific website for the **Recreation Centre** and **Aquatic Facility** during the Term.
- 5.7 The City agrees to refer to the **Recreation Centre** and **Aquatic Facility** in any of its programs or advertising by the name given to it by consensus among the Y, the City and WLC under the Tri-partite Agreement.

PART 6 – INSURANCE

- 6.1 The Y shall, without restricting the generality of Section 6.1 hereof, throughout the Term at its sole cost and expense, take out and keep in full force and effect the following insurance pursuant to this Agreement:
- a. comprehensive general liability insurance with inclusive limits of not less than Ten Million (\$10,000,000.00) Dollars per occurrence;
 - b. automobile liability insurance on all vehicles owned or operated by the Y with limits of not less than Two Million (\$2,000,000.00) Dollars inclusive per occurrence for bodily injury, death and damage to property; and
 - c. any other form of insurance as the Y or the City may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent operator of a similar **Aquatic Facility** under similar circumstances and risks would insure.
- 6.2 The Y shall cause each insurance policy referred in to subsection 6.1 to name the City as an additional named insured with respect to the operations and activities of the Y in providing the Services and such policies will contain:
- a. a waiver of any subrogation rights which the Y's insurers may have against the City;
 - b. a severability of interests clause or a cross liability clause;
 - c. a clause stating that the Y's insurance policy will be considered as the primary insurance and shall not call into contribution any other insurance that may be available to the City; and
 - d. an undertaking by the insurers to notify the City in writing of any material change, cancellation or termination of any provision of any policy, not less than thirty (30) days prior to the material change, cancellation or termination thereof.
- 6.3 The Y shall cause all policies to be taken out with insurers registered in the Province of British Columbia and in such form and content as acceptable to the City acting reasonably.
- 6.4 Certified copies of each such insurance policy, will be delivered to the City on demand.
- 6.5 The acquisition and maintenance by the Y of the insurance policies required pursuant to this Agreement shall not, in any manner whatsoever, limit or restrict the liability of the Y to the City under this Agreement or the ability of the City to enforce their rights as against the Y under this Agreement.

PART 7 – LIABILITY AND INDEMNITY

7.1 Indemnity by the Y

The Y shall at all times and without limitation, indemnify and save harmless the City and its councillors, directors, officers, employees, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which the City or their respective councillors, directors, officers, employees, agents and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:

- a. the misconduct, negligent action or negligent failure to act, as the case may be, of the Y and/or any persons for whom the Y is responsible at law (including, without limitation, any of its employees or subcontractors); or
- b. any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of the Y to be fulfilled, kept, observed or performed, as the case may be; or
- c. any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or failure to act of the Y and/or any persons for whom the Y is responsible at law (including, without limitation, any of its employees or subcontractors).

The City shall give to the Y written notice of any liability, loss, costs, damage, legal fees, disbursements, fines, penalties, expenses, actions, claims, demands and proceedings for which the Y may be liable under this Section 7.1 within a reasonable period of time after the City becomes actually aware of same. The Y shall be entitled, at its expense and acting reasonably (as determined by the City) to participate in any negotiations, to assume the defense of any action or proceeding and to settle for monetary damages any claim in respect of which indemnification is sought under this Section 7.1. The Y shall not settle or compromise any such claim without the prior written consent of the City. The provisions of this Article 7 are in addition to and shall not prejudice any other rights of the City and their respective councillors, directors, officers, employees, agents and representatives at law or in equity.

7.2 Indemnity by the City

The City shall at all times and without limitation, indemnify and save harmless the Y and its directors, officers, employees, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which the Y or its directors,

officers, employees, agents and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:

- a. the misconduct, negligent action or negligent failure to act, as the case may be, of the City and/or any persons for whom the City is responsible at law (including, without limitation, any of its employees or subcontractors); or
- b. any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of the City to be fulfilled, kept, observed or performed, as the case may be; or
- c. any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or failure to act of the City and/or any persons for whom the City is responsible at law (including, without limitation, any of its employees or subcontractors).

The Y shall give to the City written notice of any liability, loss, costs, damage, legal fees, disbursements, fines, penalties, expenses, actions, claims, demands and proceedings for which the City may be liable under this Section 7.2 within a reasonable period of time after the Y becomes actually aware of same. The City shall be entitled, at its expense and acting reasonably (as determined by the Y) to participate in any negotiations, to assume the defense of any action or proceeding and to settle for monetary damages any claim in respect of which indemnification is sought under this Section 7.2. The City shall not settle or compromise any such claim without the prior written consent of the Y. The provisions of this Article 7 are in addition to and shall not prejudice any other rights of the Y and their respective directors, officers, employees, agents and representatives at law or in equity.

7.3 The indemnities given in this Part 7 shall survive termination or expiry of this Agreement.

PART 8 – DEFAULT AND TERMINATION

- 8.1 The City may, in its sole discretion, terminate this Agreement in the event of a Substantial Breach by the Y that has not been cured within the time required in this Agreement.
- 8.2 The Y may, in its sole discretion, terminate this Agreement in the event the City fails to pay the **Purchase Commitment** for a period of three consecutive months.
- 8.3 The City or the Y will give the owner of the **Aquatic Facility** written notice of its intention to terminate this Agreement for failure to cure and the reasons therefore.
- 8.4 In the event of termination of this Agreement for any reason:
 - a. The Y is released from any obligations or liabilities under this Agreement save and except for any breach of the Agreement that occurred prior to the date of

termination;

- b. The City may, at its sole discretion and without any obligation to do so, purchase any or all of the equipment and furnishings used by the Y in operating and managing the **Aquatic Facility** as of the date of termination, other than equipment or furnishings acquired through sponsors donations, and provided that equipment and furnishings being purchased are free and clear of all encumbrances.

PART 9 – REPRESENTATIONS AND WARRANTIES OF THE PARTIES

9.1 Each of the parties represents and warrants as follows:

- a. Each of the parties has the full legal right, power and authority to enter into and perform its obligations under this Agreement;
- b. This Agreement has been duly authorized, executed and delivered by all necessary actions of each of the parties and constitutes a legal, valid and binding obligation of the City and the Y in accordance with its terms;
- c. The execution and delivery of this Agreement by the parties and the performance of the obligations by the City and the Y does not conflict with or violate or result in a material breach of law, regulation or by-law or conflict with, violate or result in a material breach of any term or condition of any order, judgement, decree, agreement or other instrument to which either is a party;
- d. Neither the City nor the Y has received written notice of any action, law suit or proceeding before any court or government agency that is pending or threatened, in which an unfavourable decision could reasonably be expected to have a material adverse effect on the ability of either party to carry out its obligations under this Agreement; and
- e. The Y will abide by its Constitution, Bylaws and other *Society Act* requirements and will remain in good standing as a society in British Columbia.

PART 10 – FORCE MAJEURE

- 10.1 Neither party shall be liable to the other for default or delay in performance of any of its obligations under this Agreement (except an obligation to make payment when due) in the event of a Force Majeure. Such party shall be excused from performance only during the period and to the extent that the affected party, acting with all due diligence and dispatch, is prevented from performing by Force Majeure.

PART 11 - DISPUTE RESOLUTION

- 11.1 In keeping with the Guiding Principles set forth in Schedule “A”, the parties agree to use their best efforts in resolving any dispute promptly and in an amiable manner through discussion. In the event a dispute cannot be resolved, the dispute resolution process will be as follows:

- a. The parties will continue to perform their obligations during any dispute resolution unless this Agreement is lawfully terminated or expires;
- b. If a dispute cannot be resolved by mutual agreement within a time period satisfactory to the party raising the dispute, that party may submit the dispute for mediation. Where a matter is referred to mediation, the parties shall agree upon a mediator within a reasonable period of time, which shall be a member of the mediators and arbitrators society of British Columbia;
- c. During a mediation process, no action will be taken by either party to commence arbitration;
- d. No proposal or concession made by a party during mediation may be used by either party in any subsequent proceedings. The mediator may not be called as a witness in any subsequent proceedings by either party;
- e. The parties will equally share the cost of the mediator;
- f. Should mediation fail to result in a resolution of the dispute within fifteen (15) days after the first meeting with the mediator, either party may submit the dispute for arbitration;
- g. Arbitration shall be conducted in accordance with the following terms:
 - i. the party initiating arbitration shall nominate one (1) arbitrator and shall notify the other party in writing. The notice shall include a description of the matter submitted for arbitration;
 - ii. The receiving party may accept the arbitrator as a single arbitrator or nominate a second arbitrator. The two (2) arbitrators shall then select a chairman to act jointly with them;
 - iii. If the receiving party fails to nominate an arbitrator within ten (10) days after receiving notice of arbitration, that party will be deemed to have accepted the single arbitrator;
 - iv. The parties will act in good faith in selecting arbitrators who are objective and suitably qualified to deal with the arbitration matters;
 - v. If two (2) arbitrators are selected and are unable to agree on a chairman, either arbitrator may apply to the court of competent jurisdiction to have the chairman appointed;
 - vi. The arbitration shall take place in the City of Langford;
 - vii. The decision of the arbitrator or arbitration panel, as the case may be, shall be a final determination of the issues and be binding upon the parties. Any

written award or decision of the arbitrators shall not repeat or recite any evidence which is proprietary or confidential to either party;

- viii. the cost of the arbitration shall be borne by the parties as may be specified in the arbitrator's decision, or if no apportionment is specified, then the parties shall share in the cost of the arbitration equally;
- ix. except as modified herein, the provisions of the *Commercial Arbitration Act* applicable to the arbitration shall govern the arbitration process.

PART 12 – NOTICE

- 12.1 All notices required or permitted to be given under this Agreement must be in writing and may be delivered by hand, sent by facsimile or forwarded by registered mail to the addresses shown on the first page or any other address of which notice in writing is given. The City may provide notice using any of the foregoing methods or by providing such notice to the Y administrative office within the **Aquatic Facility**.
- 12.2 If the Y gives notice to the City, the notice must be marked to the attention of the City Administrator or as directed in writing by the City.
- 12.3 Any notice delivered or sent by hand or by facsimile is deemed to be given and received at the time of sending. Any notice mailed is deemed to have been given and received on the expiration of 3 days after it is posted, provided that if there is a mail strike, slow down or other labour dispute between the time of mailing and the actual receipt of the notice, the notice will be effective only when it has been delivered.

PART 13 – GENERAL PROVISIONS

- 13.1 The parties have entered into this agreement at arm's length for the provision of services as set out in this Agreement, and the Y acknowledges it is an independent contractor and not an employee of the City. Further, nothing in this Agreement makes the City and the Y joint venturers.
- 13.2 The parties agree that the execution and delivery of the **Services Agreement** is conditional upon the parties entering into a tripartite agreement (the "**Tripartite Agreement**") among the Y, the City and WLC establishing additional terms and conditions agreed to by all of those parties for the lease and operation of the **Aquatic Facility**.
- 13.3 Nothing in this Agreement gives the Y any authority, as agent or otherwise, to enter into on behalf of the City, or bind the City in any way to, any contracts or other legal obligations and no contracts or other legal obligations entered into by the Y will affect or bind the City unless the City has signified its intention to be bound by an instrument in writing signed by the authorized signatory signatories of the City.
- 13.4 The Y shall not indicate, represent or otherwise suggest in its dealings with any person, contractually or otherwise, that the Y is acting as agent of the City or has any authority to bind the City in any way.

- 13.5 During the Term, each party will appoint a representative for the purpose of coordinating all matters and obligations of the parties as required by this Agreement. Each party will advise the other party in writing of the name, telephone number and facsimile number of its representative and each party may change its representative by notice in writing to the other.
- 13.6 Neither this Agreement nor any of the terms hereof may be terminated, amended, modified, waived or supplemented orally, but only with an instrument in writing executed by both parties.
- 13.7 The failure of the City to insist upon the strict performance of any covenant of this Operator Agreement shall not waive that covenant, and the waiver by the City of any breach of any covenant of this Operator Agreement shall not waive that covenant in respect of any future or other breach.
- 13.8 The Y may not assign this Agreement or its benefits without the prior written consent of the City, at the sole discretion of the City. The City may not assign this Agreement and this Agreement binds any successor of the City.
- 13.9 Time is of the essence respecting this Agreement.
- 13.10 This Agreement replaces the letter of intent between the parties and constitutes the entire agreement between the parties. Subject to the provisions of the Tri-partite Agreement between the City, the Y and WLC, neither the City nor the Y has given or made representations, warranties, guarantees, promises, covenants or agreements to the other except those expressed in writing in this Agreement.
- 13.11 In this Agreement:
- a. reference to the singular includes a reference to the plural, and vice versa;
 - b. articles and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
 - c. reference to any enactment includes any regulations, orders or directives made under the authority of that enactment, is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless expressly provided otherwise;
 - d. the provisions of s. 25 of the *Interpretation Act* for the calculation of time apply;
 - e. all provisions of this Agreement are to be interpreted as always speaking;
 - f. reference to a party is a reference to a party to this Agreement and to their respective successors, permitted assigns, trustees, administrators and receivers;
 - g. reference to a day, month, quarter or year is a reference to a calendar day, calendar

month, calendar quarter or calendar year; and

- h. where the word "including" is followed by a list, the contents of the list are not intended to limit the generality of the preceding expression.

13.12 This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above by their respective authorized representatives.

CITY OF LANGFORD, by its authorized signatories:

Mayor: **STEWART YOUNG**
MAYOR

Clerk/Administrator **Jim Bowden**
Corporate Officer

YMCA – YWCA OF GREATER VICTORIA

by its authorized signatories:

Name: **STACEY BASEY, CHAIRMAN OF DIRECTORS**

Name: **JEANIE EDWARDS, CEO**

SCHEDULE "A"

GUIDING PRINCIPLES OF THIS AGREEMENT

The relationship between the parties is founded on a spirit of mutual trust and respect.

The parties agree to provide safe and high quality facilities and programs to ensure that the needs of the Langford community, within the framework of this Agreement, are being met.

Subject to the terms of this Agreement, the Y shall have the sole authority to operate the **Aquatic Facility** in keeping with its charitable mission.

Policy and governance issues relating to the operation of the **Aquatic Facility** shall be the domain of the Y.

There shall be open and honest communications between the parties with a view to solving all differences and problems that may arise by way of consensus.

The City acknowledges on-going commitment and support for the provision of community recreation programs and facilities.

The City recognizes that annually the Y will endeavour to acquire charitable donations and raise funds towards specific programs adhering to the philosophy of the YMCA – YWCA, and that the Y may receive contributions and gifts that are specifically designated by the donor to the YMCA-YWCA, and that such contributions or gifts will not affect the **Purchase Commitment** made by the City in this Agreement.

SCHEDULE "B"

With the **Purchase Commitment** given by the City and for so long as the services are purchased, the Y will ensure opportunities for all residents of the City to participate in the use of the **Aquatic Facility** through membership and drop in passes as follows:

a. **Continuous Monthly Pre-authorized Payment Plan**

- i. a 10% reduction for City residents, upon proof of residency, in the following categories: Adult, Family, Child, Teen, & Young Adult;
- ii. City residents who wish to access both the Y's Downtown and Langford facilities will pay the posted rate for joint **Aquatic Facility** membership (after the City resident discount);
- iii. if City resident membership amounts to 80% of the paid membership at the **Aquatic Facility**, the discount in subsection i. will not apply;

b. **Drop in Fee**

20% reduction for City residents, upon proof of residency, in the following categories: Adult, Family, Child, Teen, and Young Adult.

c. **Course Fee**

City residents will be able purchase swim lessons in session blocks. This option is available to City residents only, upon proof of residency.

d. **Special Events and Holidays**

Designated Free Swims Times will be available at no charge to Langford residents during Langford Days and all Statutory Holidays.

The Y acknowledges that no resident of Langford will be unable to use the **Aquatic Facility** due to an inability to pay the full membership fee. The Y will offer subsidized memberships for individuals and families who are willing but unable to pay the full fee (after the City resident discount)



Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Planning

SUBJECT: POL-0167-PLAN Amendment

PURPOSE:

The purpose of this report is to seek Council approval for revisions to the City of Langford's existing "Carbon Mineralization Policy" and renaming it the "Low-Carbon Concrete Policy". The suggested amendments to this policy are based on feedback provided by industry representatives in consultation with City planning staff, professional engineering consultants, regional concrete/cement suppliers, and regional industry experts.

BACKGROUND:

At the meeting of November 17, 2021, the City of Langford adopted Policy POL-0167-PLAN, the Carbon Mineralization Policy. The existing policy was intended to do two things: 1) require construction projects to use carbon mineralization in concrete (as a condition of rezoning), and 2) reward suppliers with the lowest greenhouse gas (GHG) emissions with contracts. In this way, the Carbon Mineralization Policy would ensure a low-carbon concrete footprint in new projects while nudging the regional industry toward adopting carbon capture and storage technologies to remain competitive.

Carbon mineralization technologies are critical for the existing Carbon Mineralization Policy. In this process, carbon (from industrial emitters) is captured and injected into concrete during the manufacturing process. Once injected, the carbon dioxide (CO₂) chemically converts into a mineral and becomes permanently embedded in the concrete.

Metrics of this policy are based on setting GHG emission thresholds, verified through Product-Specific Type 3 Environmental Product Declarations, and regulating reductions from existing regional baseline emissions. Results are reported as Global Warming Potential (GWP). Using GWP allows us to compare the global warming impacts of different gases associated with the lifecycle of a project.

The Carbon Mineralization Policy applies to all City-led capital improvement projects/municipal buildings and private construction projects (subject to rezoning) over 50m³, where use of such concrete does not significantly increase costs or delay the project.

COMMENTARY:Issues with the Existing Policy

The current Carbon Mineralization Policy went into effect on June 1, 2022. Soon after, City staff were notified by several local ready-mix concrete suppliers that the existing policy was placing many suppliers at an unfair disadvantage by mandating a single technology (carbon mineralization). The supplier issue is the result of a lack of local competition to provide this specific technology: there are not yet enough companies who have adapted to meet this growing demand. As a result, new contracts were being awarded to the only local supplier who met the criteria for carbon mineralization (an effective monopoly). The change left all other suppliers, including those that are in active pursuit of other low-carbon and emissions technologies, unable to compete for most new contracts.

In response to these concerns, City staff formed a working group representing Langford planning staff, external professional engineering consultants, regional concrete/cement suppliers, and regional industry experts. The objective of the working group was to evaluate industry concerns and find a way forward that better included more local contractors, while still meeting the City's climate action goals.

The working group developed a series of recommendations for amending the existing Carbon Mineralization Policy. These are outlined below, following a brief background on embodied carbon in concrete and tracking embodied carbon emissions.

Background on Embodied Carbon in Concrete

Construction materials, mainly concrete, are the single largest source of CO₂ emissions in a city's supply chain. It has been estimated that the concrete building industry is responsible for up to 8% of the world's CO₂ emissions largely due to the production of cement, the critical ingredient that gives concrete its strength.

Embodied carbon in concrete is reported and measured as "global warming potential" (GWP). This factor results from the production of cement, extraction of raw materials (aggregates, water, chemicals), manufacturing (energy used to store, move, and create the concrete), and transportation (all materials and fuels to transport ingredients). Global warming potential is expressed as kg-CO₂eq (GHGs) per 1m³ of concrete.

To date, the local construction industry has largely focused on reducing the operational CO₂ emissions from lighting, heating, cooling, hot water, etc. However, embodied carbon, also known as upfront emissions, is now seen as a critical piece to achieving Langford's community-wide GHG reduction targets.

Tracking Embodied Emissions: Environmental Product Declarations (EPDs)

To track and report on embodied emissions, all applicable projects require a Product Specific Type III - EPD to be provided to the City. An EPD is a standardized, third-party verified life-cycle assessment report that describes the environmental performance of a product.

EPDs report on emissions generated across the various stages of a product's life cycle, often referred to as a product's "embodied carbon" or "embodied emissions". This quantifies the overall emissions footprint of a product from materials extraction to construction of the building.

For comparison, an EPD works much like the nutritional label on a grocery item that shows the nutritional contents inside – but in this instance, for embodied carbon. EPDs accompany existing submittals for building permit applications or site servicing drawings.

Working Group Suggested Policy Amendments

The proposed amendments to the Carbon Mineralization Policy are the outcome of extensive working group-based City consultation with local industry representatives, including consulting engineers and local ready-mix concrete suppliers.

The suggested changes propose amended policy requirements for industry to be rolled out in two phases.

Phase A: Concrete for a project shall be produced with average weighted embodied carbon emissions less than the referenced industry baseline (as reported by Concrete BC, 2022).

One benefit of this approach is that some concrete mixes within a project can go over the GHG emission threshold, provided the weighted of average of embodied emissions is less than the baseline. It is intended that the City will adjust this weighted average target downwards each year, in consultation with industry, to ease the transition and leave time for industry to adapt.

Phase B: Concrete for a project shall be produced with embodied carbon emissions less than benchmark emissions set by the City.

The shortfall of Phase A is that the onus of GHG reduction is placed solely on ready-mix suppliers. The philosophy of Phase B will engage other construction process members, including contractors and designers (Architects and Engineers) to contribute to the City's carbon reduction goals. This engagement will be accomplished by encouraging designers to evaluate designs against the associated GHG emissions in pursuit of more environmentally friendly solutions that do not compromise performance or strength requirements. Contractors will be encouraged to adapt these new concrete mix designs (with inherent alterations to physical properties) by reviewing and updating their construction practices and methodologies.

Considering the above, Council may wish to consider the following amendments as part of the new policy:

- a) Remove reference to carbon mineralization requirements.
- b) Change the name of the policy from Carbon Mineralization Policy to Low-Carbon Concrete Policy.
- c) Introduction of the Low-Carbon Concrete Policy is phased in as follows:
 - Phase A to be implemented by June 1, 2023
 - Phase B to be implemented following several years of data collection in consultation with industry.
- d) Phase A requires that ready-mix concrete to meet or exceed weighted average GWP targets based on Concrete BC baseline (average) mix data.
 - In subsequent years, (2024, 2025...) the City will update GWP targets in the form of a percentage reduction below the Concrete BC baseline.
 - Potential reduction targets will be confirmed on an annual basis in full consultation with industry.
 - Future reduction target projections are provided to allow ready-mix suppliers to make necessary adjustments for the following years.
- e) Phase B requires that GWP solution opportunities are more widely distributed.
 - Move the GWP onus away from ready-mix suppliers only and share opportunity with designers and contractors.
 - AGWP for concrete projects will be set based on structure type, so that designers will have the ability to modify mix requirements to reduce GWP contributions.
- f) The Low-Carbon Concrete Policy contains schedules A – E.
 - This allows staff to adjust sections of the policy, so they are designed to change over time. For example, the GHG reduction targets for the future will depend on program monitoring and industry consultation. The schedules are intended to be updated and implemented as more data becomes available.
- g) Schedule E stipulates that violation penalties are subject to change.
 - The intent is not to punish or restrict development, but to nudge industry to oblige the policy to the extent possible.
- h) Align the City of Langford's Master Municipal Construction Documents (MMCD) Supplementary Specifications with this Low-Carbon Concrete Policy.

- The current policy may be at odds with the Master Municipal Construction Documents (MMCD) in terms of minimum cement content for sidewalks.
- Engineering and planning can work together to revise the City's MMCD Supplementary Specifications to align with the policy as more data becomes available, to eliminate any potential contractual conflicts while maintaining concrete performance and strength requirements.

FINANCIAL IMPLICATIONS:

The proposed amendments and policy are not expected to result in any known additional direct costs to the City or development community. However, in cases where there are unforeseen circumstances and a developer is unable to meet the GHG thresholds, a minor financial penalty will be assigned or mix designs may need to be modified.

The penalty is intended as a deterrent from industry just ignoring the policy outright. Staff are in consultation with industry representatives on a final formula for this financial deterrent and will provide a reasonable number in the future if and once staff have reviewed the efficacy of the proposed policy changes. The penalty is currently proposed to be \$0.25 per kg of CO₂ in excess of the baseline limit for Phase A or B. The City will also complete random audits to review project GHG reporting. If, during an audit, it is determined that the GHG quantities have been misstated and the GHG threshold limit has been exceeded, it is recommended that the penalty be \$0.50 per kg of CO₂ in excess of the baseline limit.

A financial section has been added as a schedule to the proposed policy so that staff are able to make changes as more information becomes available.

In the case this policy results in financial implications for industry beyond what is considered reasonable by industry and Council, staff will revise the equation. Again, the policy is meant to encourage responsible development and not deter new housing or infrastructure.

LEGAL IMPLICATIONS:

The City faces no limitations when requiring a developer to comply with the policy as a condition of rezoning. Such commitments are secured via Section 219 covenant under the *Land Title Act*. For City projects the City has sole discretion over the specifications relating to GHG reduction targets as defined in the Policy.

OPTIONS:

Option 1

THAT Council

Approve the revised Low-Carbon Concrete Policy (POL-0167-PLAN), as drafted.

OR Option 2
THAT Council

Do nothing at this time with respect to the Low-Carbon Concrete Policy (POL-0167-PLAN).

SUBMITTED BY: David Sametz, MCIP, RPP, Long Range Planner II

Concurrence: Leah Stohmann, Deputy Director of Planning and Subdivision
Concurrence: Donna Petrie, Senior Manager of Business Development and Events
Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities
Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision
Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works
Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance
Concurrence: Marie Watmough, Deputy Director of Corporate Services
Concurrence: Braden Hutchins, Director of Corporate Services
Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachment: POL-0167-PLAN Amendment



City of Langford

www.cityoflangford.ca

Policy Name: Low-Carbon Concrete Policy ☐ New ☒ Amendment	DEPARTMENT: Planning SP Governance/Corporate Policy and Planning/Policies and Procedures POLICY NO: POL-0167-PLAN
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1. Policy

This policy describes the City of Langford (the City) “Low-Carbon Concrete Strategy” which shall commence on June 1st, 2023. This applies to all ready-mix concrete supplied for municipal buildings and infrastructure as well as private construction projects over 50 m³ (and subject to rezoning). Reporting of concrete Global Warming Potential (GWP) values shall be verified by a third party, mix design specific, Type 3 Environmental Product Declaration (EPD). This policy applies to permanent works only that form the structure (including footings, walls, slabs, beams, columns, sidewalks, curbs, etc.)

The Low-Carbon Concrete Strategy includes two phases:

Phase A – GWP Limits Based on Industry Averages

Commencement Date: June 1st, 2023
 Conclusion Date: To Be Determined (TBD)

1) The weighted Average Global Warming Potential (AGWP) for each project shall be less than or equal to the Baseline AGWP as determined by the following:

$$Project\ AGWP = \frac{\sum [GWP_i \times V_i]}{\sum V_i} = \frac{(GWP_{Mix\ 1} \times Volume_{Mix\ 1}) + (GWP_{Mix\ 2} \times Volume_{Mix\ 2}) + \dots}{Total\ Concrete\ Volume\ of\ the\ Project}$$

GWP_i = The global warming potential of mix design i [kgCO₂eq./m³]
 V_i = The total volume of mix design i [m³]

$$Baseline\ AGWP = \frac{\sum [BGWP_i \times V_i]}{\sum V_i} = \frac{(BGWP_{Mix\ 1} \times Volume_{Mix\ 1}) + (BGWP_{Mix\ 2} \times Volume_{Mix\ 2}) + \dots}{Total\ Concrete\ Volume\ of\ the\ Project}$$

$BGWP_i$ = Baseline global warming potential of mix design i . That is, the AGWP of a baseline concrete mix as detailed in the *Concrete BC Member Industry Wide EPD for Ready Mix Concrete* dated July 27th 2022, and available here:

https://pcr-epd.s3.us-east-2.amazonaws.com/810.CRMCA_EP_D_BC.pdf [kgCO₂eq./m³]

V_i = The volume of mix design i [m³]

2) Baseline mix designs shall be selected based on physical parameters of the concrete such as exposure classification, compressive strength, air entrainment, etc.

- 3) At the discretion of the City, and in consultation with industry, the maximum GWP threshold specified in (1) above shall be adjusted downward each year, in terms of percentage reduction, to meaningfully contribute to the City's overall carbon reduction goals.

a) Anticipated GWP reduction targets have been provided in **Schedule A**.

Phase B – GWP Limits Based on Structure Type

Commencement Date: TBD

Conclusion Date: TBD

The shortfall of Phase A is that the onus of AGWP reduction is placed solely on ready-mix suppliers. The philosophy of Phase B will engage other construction process members, including contractors and designers (Architects and Engineers) to contribute to the City's carbon reduction goals.

- 1) AGWP of concrete supplied on a project shall be calculated the same as in Phase A and shall be less than or equal to AGWP limits based on structure type.

$$Project\ AGWP = \frac{\sum [GWP_i \times V_i]}{\sum V_i} = \frac{(GWP_{Mix\ 1} \times Volume_{Mix\ 1}) + (GWP_{Mix\ 2} \times Volume_{Mix\ 2}) + \dots}{Total\ Concrete\ Volume\ of\ the\ Project}$$

GWP_i = The global warming potential of mix design i $[kgCO_2eq./m^3]$

V_i = The total volume of mix design i $[m^3]$

- 2) AGWP limits based on structure type are provided in **Schedule B**.
- 3) At the discretion of the City, and in consultation with industry, the maximum weighted average AGWP limits specified in Schedule B shall be adjusted downward each year to meaningfully contribute to the City's overall carbon reduction goals.
- 4) For projects with multiple structure types, AGWP reporting can be split between structure types for the volume of concrete associated with each portion of the overall structure. For example, an apartment building with underground parking may submit AGWP values for the volume of concrete associated with the parking structure separate from the volume of concrete associated with the apartment building.

2. Responsibilities

The City of Langford shall:

- 1) Share information with concrete suppliers so they are aware of the City's expectations in terms of product certification and emissions reductions in a timely manner.
- 2) Convene annually with industry representatives to review the AGWPs with the intent of progressively lowering the thresholds over time to meaningfully contribute to the City's overall carbon reduction goals.
- 3) Report to Council on implementation progress, financial implications, supplier compliance, complaints, supplier feedback, and other stakeholder input on an annual basis.
- 4) Ensure information resources relevant to project requirements, including the Embodied Carbon Project Reporting Template and this policy are incorporated as appendices in RFPs for design and construction services.

Concrete Suppliers shall:

- 1) Provide accurate, third party verified EPDs for concrete mixes.

- 2) Participate in discussions to determine future AGWP targets.
- 3) Endeavour to optimise concrete mix designs to achieve these GWP reduction goals by implementing efficiencies in the manufacturing process and adopting new lower GWP promoting materials and technologies.
- 4) Not substitute mix designs without submission of an updated EPD.
- 5) Communicate concrete mix design performance changes (rheology, set time, etc.) to users (contractors, finishers, etc.). Assist these users to better understand reduced carbon concrete characteristics as so methodologies and schedules may be altered accordingly.

Developers (permit applicants) shall:

- 1) Be aware of the AGWP limits on concrete mixes (Phase A) and projects (Phase B).
- 2) For Phase B, work with designers and contractors to meet the AGWP limits prescribed in Schedule B.
- 3) Submit to the City the required GWP information.

Design professionals (Architects, Engineers) shall:

- 1) Be aware of GWP contributions of concrete mix designs and work with developers (permit applicants) to optimize designs to reduce the carbon footprint of their project.
- 2) Assist developers (permit applicants) with reporting of 'GWP Estimates' and 'GWP Summary'.

3. Reporting

- 1) All EPDs must follow the accounting standards defined by the international standards ISO 14025 and ISO 21930.
- 2) Contractors for eligible projects that sub-contract services from concrete providers shall require sub-contract bids to adhere to the same rules and standards.
- 3) Two digital spreadsheets are available to assist permit applicants with reporting of GWP information, including:
 - a) 'Project Concrete GWP Estimate', and
 - b) 'Project Concrete GWP Summary'

The digital spreadsheets are effectively the same; the only difference is the 'Estimate' is completed at the start of the project and the 'Summary' is completed at project completion with actual concrete volumes. An example of a completed spreadsheet is provided in **Schedule C** for reference.

Phase A - GWP Limits Based on Industry Averages

- 4) For projects subject to this policy, the following reporting is required:
 - a) A 'Project Concrete GWP Estimate' indicating the following items prior to *Foundation Permit*:
 - i) Structure type,
 - ii) Proposed concrete mix codes (and properties),
 - iii) EPD's for each proposed mix,
 - iv) Estimated concrete volumes,
 - v) Overall estimated weighted AGWP for the project.
 - b) A 'Project Concrete GWP Summary' indicating the following items prior to *Occupancy Permit*:
 - i) Actual concrete mix designs,
 - ii) EPD's for each actual mix,
 - iii) Actual concrete volumes,
 - iv) Overall weighted AGWP for the project.

Phase B - GWP Limits Based on Structure Type

- 5) For projects subject to this policy, the following reporting is required:
- c) A 'Project Concrete GWP Estimate' indicating the following items prior to *Foundation Permit*:
 - i) Structure type,
 - ii) Proposed concrete mix codes (and properties),
 - iii) EPD's for each proposed mix,
 - iv) Estimated concrete volumes,
 - v) Overall estimated weighted AGWP for the project.
 - vi) Confirmation the AGWP is less than the limit listed in Schedule B.
 - d) A 'Project Concrete GWP Summary' indicating the following items prior to *Occupancy Permit*:
 - i) Actual concrete mix designs,
 - ii) EPD's for each actual mix,
 - iii) Actual concrete volumes,
 - iv) Overall weighted AGWP for the project.
 - vii) Confirmation the AGWP is less than the limit listed in Schedule B.

4. Exemptions

Special circumstances for a project may require that a mix (or mixes) be omitted from the AGWP calculation and submission. Therefore, permit applicants may submit requests for mix exemption from the requirements of Phase A or Phase B of this policy. At the discretion of the City, exemption may be provided if it can be demonstrated that no reasonable alternative exists. The following information must be submitted:

- 1) Structure type
- 2) Proposed concrete mix design(s)
- 3) Mix(es) proposed to be excluded (with EPDs)
- 4) Estimated concrete volume of the mix(es) to be excluded.
- 5) Estimated overall project concrete volume.
- 6) Estimated weighted AGWP with mix(es) included.
- 7) Estimated weighted AGWP with mix(es) excluded.
- 8) Written justification for why the mix or mixes cannot meet the policy requirement.

It is noted that exemption may only be provided for individual mix(es). An exemption to the weighted average GWP limits for a project will not be granted. Guidelines for the review and evaluation of exemption requests have been provided in **Schedule D**.

5. GHG Emission Reduction Policy Evaluation

The greenhouse gas emissions reduction of a project is equal to its carbon dioxide equivalent baseline emissions minus its carbon dioxide equivalent project emissions.

$$\%GWP\ Reduction = \frac{Baseline\ AGWP - Project\ AGWP}{Baseline\ AGWP} \times 100$$

6. Penalties

1. A permit will not be granted if the Estimated AGWP is above the Baseline AGWP for the project.
2. Upon completion of the project, if the AGWP as determined by the 'Project Concrete GWP Summary' exceeds the limit described in this policy, the permit applicant shall be fined for every kg of CO₂ in violation of this policy. The fine will be determined as:

$$\text{Fine (\$)} = [\text{Project AGWP} - \text{Baseline AGWP}] \times \text{Total Project Concrete Volume} \times \text{Penalty X}$$

$$\text{Penalty A} = \text{Per kilogram monetary fine for policy violation} \quad [\$/\text{kgCO}_2\text{eq.}]$$

3. Randomly selected projects will be audited by the City. If discrepancy is found in the reported values from the randomly selected projects (for example, with the concrete volumes or the reported EPD data) the fine for the culpable party will be determined as:

$$\text{Fine (\$)} = [\text{Project AGWP} - \text{Baseline AGWP}] \times \text{Total Project Concrete Volume} \times \text{Penalty Y}$$

$$\text{Penalty B} = \text{Audit discovered per kilogram monetary fine for policy violation} \quad [\$/\text{kgCO}_2\text{eq.}]$$

4. Values of 'Penalty A' and 'Penalty B' have been provided in **Schedule E**.

Adopted by Council
Meeting Date:

CERTIFIED CORRECT

Administrator

Date:

Schedule A – Phase A, Anticipated Concrete AGWP Reduction Targets.

Table 1 – Phase A Anticipated GWP Reduction Targets

<u>Dates</u>	<u>GWP Target</u> <u>Compared to Baseline AGWP</u>
June 1, 2023 – June 1, 2024	0% below Baseline AGWP
June 1, 2024 – June 1, 2025	7%* below Baseline AGWP
June 1, 2025 – June 1, 2026	15%* below Baseline AGWP
2026, 2027, ...	TBD*

*AGWP adjustments will be reviewed on an annual basis and determined in consultation with industry.

Schedule B – Phase B, AGWP limits based on structure type.

Table 2 – Phase B Weighted Average GWP Limits

<u>Structure Type</u>		<u>AGWP Limit [$kgCO_2eq./m^3$]</u>
<u>Residential</u>		
	Single-Family	TBD*
	Multi-Family	TBD*
	Apartment/ Condominiums	TBD*
<u>Commercial</u>		
	Warehouse	TBD*
	Service Station	TBD*
	Office Building	TBD*
	Recreational	TBD*
	Hotel	TBD*
	Restaurant	TBD*
<u>Institutional and Government</u>		
	Roadworks (Sidewalks, Curbs, etc.)	TBD*
	Laboratory	TBD*
	School	TBD*
	Hospital	TBD*
<u>Industrial</u>		
	Factory	TBD*
	Transportation	TBD*
	Parking Garage	TBD*

*AGWP adjustments will be reviewed on an annual basis and determined in consultation with industry.

Schedule C – Example Reporting Template

City of Langford - Project Concrete AGWP Estimation

Rev. 0: January 12, 2023

Permit Applicant (Developer):	Developer XXX
Project Name (Address):	2345 Warehouse Street
Structure Type:	Warehouse

- Directions:
- 1) Shall be completed at time of foundation permit application
 - 2) List all concrete mixes used for the project
 - 3) Environmental Product Declarations (EPD's) required for each concrete mix

Project Mix Design and GWP Emission Data							Industry (Concrete BC) Reference Data					
Building Element or Structure (ex. walls, foundation, etc.)	Supplier Mix Design No.	Estimated Volume (m³)	Compressive Strength (MPa)	Air Entrainment	Exposure Classification	Mix Design GWP / m³ (kg CO₂eq./m³)	GWP Emissions Per Project Mix (kg CO₂eq.)	Concrete BC Reference Baseline Mix No.	Exposure Classification	Baseline Mix GWP (kg CO₂/m³)	GWP Emissions Per Baseline Mix (kg CO₂eq.)	
		[A]				[B]	[C] = [A x B]			[D]	[E] = [A x D]	
[1] Footings	N252P	70	25	No	N	156	10,920	25 MPa No Air	N	219.70	15,379	
[2] Grade Beams	F222P	35	25	Yes	F-2	160	5,600	25 MPa w/ Air	F-2	230.52	8,068	
[3] Interior SOG	N302P	300	30	No	N	184	55,200	30 MPa No Air	N	258.92	77,676	
[4] Exterior SOG	C221P	50	32	Yes	C-2	196	9,800	32 MPa w/ Air	C-2	285.31	14,266	
[5] Pedestals	N352	15	35	No	N	195	2,925	35 MPa No Air	N	293.75	4,406	
[6]												
[7]												
[8]												
[9]												
[10]												
[11]												
[12]												
Total Concrete Volume :		470	[F]				Total Project GWP Emissions:		[G]	Total Baseline GWP Emissions:		[H]
		(m³)							84,445		(kg CO₂eq.)	

Estimated Project GWP Reduction = Total Baseline GWP Emissions - Total Project GWP Emissions	= [H] - [G]	= 35,350	(kg CO ₂ eq.)
Estimated % GWP Reduction = (Baseline GHG - Project GHG) / Baseline GHG x 100	= ([H] - [G]) / [H] x 100	= 29.51%	
Estimated Project Weighted AGWP = Total Project GWP Emissions / Total Concrete Volume	= [G] / [F]	= 180	kg CO ₂ eq. / m ³
Phase A - Baseline Weighted AGWP = Total Baseline GWP Emissions / Total Concrete Volume	= [H] / [F]	= 255	kg CO ₂ eq. / m ³
Phase B - Weighted AGWP Limit:		TBD	kg CO ₂ eq. / m ³

GWP - Global Warming Potential
AGWP - Weighted Average Global Warming Potential

Schedule D – Exemption Guidelines

For a mix to be considered for exemption, at least one of the following shall apply:

- 1) The design requires concrete performance outside the parameters of the baseline mixes and therefore a reference is not available for comparison.
 - Example: If the design requires the use of a 70 MPa concrete mix, this would be eligible for exemption as a baseline comparison is not available for 70 MPa concrete.
- 2) Unique and unsurmountable schedule restrictions require the use of a high early strength gain concrete mix.
 - In the exemption request, the applicant must supply detail of the circumstance surrounding the unique schedule restrictions.
- 3) The design requires the use of a specialized placement technique such as Self-Consolidating Concrete (SCC) or shotcrete.
 - The specialized placement technique shall be prescribed in the design by the professional of record to achieve project performance.
 - Specialized placement techniques employed by the contractor to contribute to ease of placement will not be considered applicable for exemption.
 - This criteria for exemption shall apply to Phase A, only.

Schedule E – Policy Violation Penalty Values

.	Penalty X:	0.25	<i>[\$/kgCO₂eq.]</i>
	Penalty Y:	0.50	<i>[\$/kgCO₂eq.]</i>

Note: Penalty amounts are subject to change at the discretion of the City.



City of Langford

Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Planning

SUBJECT: Regional Household Affordability and Prosperity Project Collaboration

BACKGROUND:

The City of Colwood is seeking the City of Langford's support in applying for a second round of grant funding under the Union of BC Municipalities (UBCM) Poverty Reduction Planning & Action Program to secure funds for Phase Two of the Regional Household Affordability and Prosperity Project (RHAP). Staff from Langford have been informally working with staff from other Greater Victoria municipalities and the Community Social Planning Council to carry out Phase One of the project in 2022. Langford has now been asked whether they wish to formally join as a supporting partner municipality for Phase Two.

Poverty Reduction Planning & Action Grant Program

In support of BC's poverty reduction strategy, 'TogetherBC', UBCM is administering a Provincial Government fund to support municipal governments in reducing poverty at the local level, with this grant application focusing on supporting housing affordability. The 2023 Poverty Reduction Planning & Action Grant Program provides two streams of funding, where regional scale projects can receive up to 100% of the cost of eligible activities, to a maximum of \$150,000. In order to be considered a regional project, the City of Colwood, as the lead municipality, must partner with at least two other regional municipalities. All partnering municipalities are required to submit a Council motion in support of the project in order to qualify for the grant. In 2022/2023, the first round of funding was supported by Saanich and Victoria joining as municipal partners, while staff from Oak Bay, Esquimalt, Langford, and the Capital Regional District were invited to join as participants. In addition, the Community Social Planning Council of Greater Victoria (CSPC) has been involved as the key community partner.

Regional Household Affordability and Prosperity Project (RHAP) - Phase One

Many things were accomplished during Phase One of the RHAP project, which included, but was not limited to: creating a Community of Practice (COP), which is a group consisting of staff from both partnering and participating municipalities as well as the CSPC to foster collaboration and information-sharing about local housing affordability strategies; offering informational materials and free events for both the public sector and members of the public on housing affordability and poverty reduction; and generating literature-based publications on housing affordability tools, strategies, and the impacts of housing unaffordability in Greater Victoria.

The COP has significantly improved communication and collaboration on affordable housing policy between staff in each municipality. The goal is to foster a more cohesive and concerted regional effort to

Regional Household Affordability and Prosperity Project Collaboration

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tackle the pervasive issue of poverty and housing affordability that transcends municipal boundaries. Since the beginning of the project, the COP has expanded from the three initial grant applicants (Colwood, Saanich and Victoria) to informally include participants from three more municipalities (Esquimalt, Oak Bay, and Langford) and the Capital Regional District (CRD). Langford staff were invited to join the COP group in November 2022.

The COP convenes every four to six weeks and has been instrumental in outlining priorities for the scope and work completed for the RHAP project thus far.

RHAP Phase One Municipalities/Entities¹:

Project Partners

- Colwood (Host and Lead City);
- Victoria (Municipal Partner); and
- Saanich (Municipal Partner).

Community of Practice Members

- Esquimalt;
- Oak Bay;
- Langford; and
- Capital Regional District (CRD).

Project activities during Phase One:

- Continually generating research on housing and homelessness in the region;
- Sharing local & best practices among city staff, Councillors, and the public;
- Profiling local challenges surrounding housing poverty & vulnerability;
- Compiling local policy practices & shared learnings;
- Hosting events for networking and information sharing;
- Fostering community engagement with municipal, business, and community partners, and members of the RHAP;
- Raising awareness on social issues impacting local communities; and
- Reducing stigma around housing poverty and housing insecurity.

As part of Phase One of the project, the CSPC also engaged with staff and Councils from across CRD through a workshop on municipal levers for housing affordability, a toolkit and related webinars (see Appendix A).

¹ While the Phase 1 Community of Practice (COP) was formally made up of Saanich and Victoria with Colwood as lead, the COP engaged with Oak Bay, Esquimalt, Langford, and the CRD staff and councils in Councillor Learning Sessions and webinars.

Regional Household Affordability and Prosperity Project Collaboration

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Municipal partners within the RHAP project have the ability to participate in a variety of the project's activities in accordance with each municipality's capacity and needs. These include, but are not limited to:

- Having research support and in-service workshops;
- Engaging with the community on housing affordability challenges and solutions;
- Taking part in a Community of Practice for staff members that prioritizes information sharing and collaboration surrounding affordable housing strategies; and
- Attending events, in-person or virtual, that enable staff and elected officials to learn more about affordable housing best practices.

COMMENTARY:

Phase Two of the RHAP project intends to build on the work from Phase One by continuing to support the local governments of the Greater Victoria Area in their efforts to develop the most effective poverty reduction and housing affordability strategies. During Phase Two, the RHAP project aims to expand its reach and intensify its impact. This will be achieved by undertaking the following actions:

- Adding more municipal partners both within and outside the Greater Victoria Area in order to achieve deeper regional collaboration;
- Involving City Councillors so that they may inform social policies in their respective municipalities;
- Raising awareness and reducing stigma about issues related to housing unaffordability and poverty within our communities; and
- Sharing innovative solutions for affordable housing that are applicable in a local context to bolster household prosperity and economic resilience in the region.

Regional Household Affordability and Prosperity Project (RHAP)- Phase Two

Specifically, Phase Two of the RHAP project will expand regional collaboration support through:

- The staff level community of practice where local learning and best practices will be shared;
- Research support to create fact sheets, webinars, invited speakers, case studies, update Housing Needs reports and expand the toolkit;
- Regional workshops with Councillors and senior staff on municipal housing policy; and
- Exploring pilots of more formal collaboration in areas such as tenant assistance.

In Phase Two of the project, the critical work accomplished by the COP will continue to inform collaboration on actions to support affordable housing development and policy across the region.

FINANCIAL IMPLICATIONS:

There are no up-front costs to the City for undertaking this work, apart from staff time to submit the grant application and participate on the COP. The City of Colwood would manage the implementation of the project, with support from the Community Social Planning Council, including hiring consultants, convening partners, meeting management, community engagement and other related activities. The project is designed to add capacity and resources for city staff of participating partners. Honoraria for community member participants who are living in poverty are also covered and are expected to align with current best practices.

Regional Household Affordability and Prosperity Project Collaboration
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LEGAL IMPLICATIONS:

None.

OPTIONS:**Option 1**

THAT Council support the Regional Household Affordability and Prosperity Project (RHAP) in applying for a second round of grant funding from the Poverty Reduction Planning & Action Program to allow for the continuation and expansion of the critical work achieved in Phase One, in collaboration with partnering municipalities in the region.

AND THAT Council endorses the City of Colwood to continue as the primary applicant that will provide overall grant management for the project along with the Community Social Planning Council leading the project as the core Community Lead in a consulting relationship.

OR Option 2

THAT Council does not support the Regional Household Affordability and Prosperity Project (RHAP) in applying for a second round of grant funding from the Poverty Reduction Planning & Action Program at this time.

SUBMITTED BY: Terri Foggitt, Housing Coordinator

Concurrence: Leah Stohmann, MCIP, RPP, Deputy Director of Planning and Subdivision

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

Regional Household Affordability and Prosperity Project (RHAP)

Evaluative Summary February 2023

Proposed Activity	Description
Activity 1: Establish regional municipal and stakeholder advisory groups.	1: leadership group from municipalities that will shape and oversee the project, confirm key activities, deliverables 2: Community partner advisory to include community perspectives, vulnerable households, lived experience of housing poverty
Activity 2: Evidence base and case studies	1: Literature review of best practices 2: Case studies of applicable cities
Activity 3: Data profile of household vulnerabilities, risk factors	Data driven report profiling household vulnerabilities and intersectional lens regarding household affordability and risk factors.
Activity 4: Local policy instruments in place and planned to address housing affordability challenges	Report regarding policy instruments that are in place and planned to address housing affordability challenges.
Activity 5: Increase local capacity	Workshops, research, educational materials
Activity 6: Community Engagement	Engage with stake holders, those with lived experience: • Municipal staff, councils • Businesses • Developers, related associations • Organizations working with low-income groups & housing related issues • Tenant & landlord groups
Activity 7: Communication	Communicate to the public – raise awareness of housing poverty, affordability solutions research, shared learnings on housing poverty
Ongoing Evaluation	Reporting project progress throughout duration
Final Evaluation and reporting	Final evaluation, project report at completion. Evaluation will be participatory with leadership from advisory committees/CoP.

Proposed Activity 1: Regional Stakeholder and Municipal Advisory Groups

Community of Practice (Municipalities):	
Work Complete	
Municipalities/Entities participating: • Colwood (Host and Lead City) • Victoria (Municipal Partner) • Saanich (Municipal Partner) • Oak Bay • Esquimalt • Langford • Capital Regional District (CRD) Originally, the three RHAP lead, and partner municipalities were limited to participation in this Community of Practice. However, this group has now expanded to informally include 3 other municipalities and the CRD. This CoP has met usually about every month or month and a half since June 2022. The CoP has been instrumental at outlining priorities for the scope and work completed for this project, thus far.	

Activity 2: Evidence Base and Case Studies

1: Literature review of best practices	
The CSPC has created a toolkit that outlines best practices of tools and policies that can be used to effect housing affordability. As well, this toolkit outlines examples where these tools have been put into place across the province.	
Status	Completed in February 2023

2: Case Studies of Applicable Cities	
The CSPC is creating, with input from the CoP, a report highlighting a series of case studies from cities from around the world and what innovations and successes they have had regarding housing policy, tools, and outcomes.	
Estimated Overall Completion	Early-April 2023

Activity 3: Data Profile of Household Vulnerabilities & Risk Factors

1: Data Profiles	
The CSPC is creating a report that will profile household vulnerabilities and risk factors, in the region but particularly for the participating municipalities, Colwood, Saanich, and Victoria.	
Estimated Overall Completion	Early June 2023

Activity 4: Local Affordable Housing Policy Instruments Report

1: Local Policy Instruments Report	
The CSPC is creating a report outlining policy instruments that are in place and planned to address housing affordability challenge, in our region and particularly within Colwood, Saanich and Victoria.	
Estimated Overall Completion	End of April 2023.

Activity 5: Increase Local Capacity

1: "The Councillor Learning Session: Municipal Levers for Housing Affordability" Event	
Activity	
On December 5, 2022, the CSPC in partnership with the RHAP municipalities held an in-person workshop focused on bringing together new and experienced councillors and mayors, to engage in roundtable discussions and educational presentations. Approximately 65 staff, councillors and mayors, and representatives from the CRD, non-profits, city planners, and academics attended. At this event, the toolkit draft was shared with all attendees.	

Upcoming in Person Events	
March 2023	Follow up in person event for city councillors, mayors, and staff regarding housing affordability in our region.
Spring 2023	An in-person event focusing on housing for families, and its importance in our region and how to support increased creation of affordable housing for families.

Activity 6: Community Engagement

Online Webinars	
Drivers of Homelessness	
The CSPC held an online webinar, focused on the content of our Drivers of Homelessness Report . This webinar can also be accessed as a recording on our website .	

Date	June 22, 2022
Filling the Gap: Analytics to Support Housing for All in Greater Victoria	
"Filling the Gap" explored UBC's HART Method and highlights the variations in local need by looking specifically at the municipalities of Sooke, Esquimalt, Saanich, and the City of Victoria in comparison to Greater Victoria. The HART Method, developed by UBC's Housing Research Collaborative, offers an approach to determining local housing needs that includes housing size, accessible homes, and the maximum costs for rent at specific income levels. The Community Social Planning Council has piloted the HART Method of developing housing needs assessments for five areas in Greater Victoria and discussed the resulting findings at this event. Following this public webinar, the CSPC held a private roundtable conversation for elected officials. The recorded online event and discussion can be accessed here.	
Date	September 20, 2022
Policy + Protection: How Municipalities Can Increase Density While Protecting Tenants	
The CSPC hosted this event in conjunction with Liveable Victoria, to hold a solutions-based conversation with experts, community members, and those with lived experience. This event functioned as a forum to have community ideas heard and share in dialogue on an important issue facing our community. The objective of this conversation is to identify ways in which we can: • Provide strong tenant protections/displacement supports while • Increasing housing supply and thereby addressing the systemic shortage of housing. The recorded online event and discussion can be accessed here.	
Date	September 28, 2022
Making Affordable Housing Happen: Non-profit Solutions for Cities	
The CSPC held this webinar with local leaders in the non-profit field discuss non-market solutions to the housing crisis. Past reports and webinars such as the Housing Needs Assessment, Drivers of Homelessness, and Tenant Displacement Protection provided a basis for the presentations and conversation, with discussion from community members, elected officials, and local government staff. The recorded online event and discussion can be accessed here.	
Date	November 16th

Community Engagement

We have met with several members of the business community regarding their experiences, concerns and input regarding regional housing affordability.

We have engaged with individuals from the business community, community organizations and those who have lived experience regarding housing unaffordability and homelessness.

Activity 7: Communication

Webinars & Reports

All CSPC webinars and reports regarding housing have been communicated widely to the public and are available on our website. We have created press releases for many of these events, which have amplified community knowledge and engaging with these events and their learnings.



City of Langford

Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Engineering

SUBJECT: Award of Construction Contract Bear Mountain Parkway Phase 3 Roadworks

BACKGROUND:

Bear Mountain Parkway between McCallum Road (Leigh Road Interchange) and the Bear Mountain Resort village area was opened in 2018 with a base lift of asphalt. Since that time, the ultimate road cross section that includes the following items has been constructed in segments, all paid for by the Developers who own land on either side of this section of Bear Mountain Parkway, plus a portion paid for by the Bear Mountain Parkway Extension LSA:

- Toplift of asphalt
- Sidewalk on the uphill side
- Bikelanes
- Medians with landscaping and streetlights
- Street edge streetlighting

In each segment of the ultimate road construction, the City tendered and entered into a construction agreement with the contractor to complete the work. Simultaneously, the City entered into an agreement with the Developers to pay the City for all costs associated with the project. The City acted as the single point of contact for the project due to the complex nature of how many owners were included in the payment of the project. Contractors prefer to deal with one point of contact (i.e., the City), not many different companies for a single project.

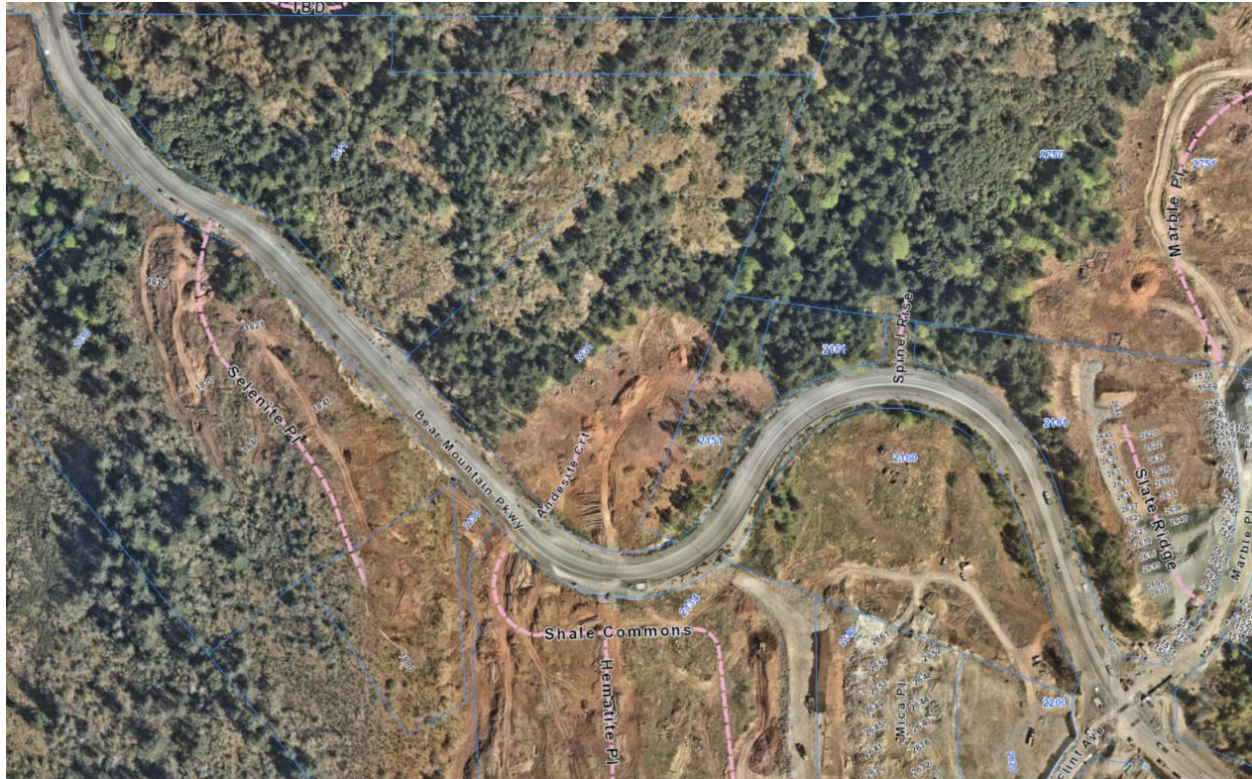
The purpose of this report is to seek Council approval to award the final ultimate segment of Bear Mountain Parkway between the Marble/Flint Road roundabout to the property boundary of Ecoasis (approximately 200m downhill from Pinehurst Terrace) and the associated Contribution Agreement between the City and the Developers responsible for paying for the project.

Award of Construction Contract Bear Mountain Parkway Phase 3 Roadworks

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COMMENTARY:

The project area is illustrated below.



The project was tendered publicly on BC Bid, which is the standard location to tender projects. The tender closed on Tuesday January 24th at 10:00am.

A total of five (5) bids were received. In accordance with the City's Purchasing Policy, all bids were opened and witnessed publicly. The bids were then reviewed by the project consultant, On Point Project Engineers.

Results of the tender price are summarized in the table below that was prepared by On Point with the bidders listed alphabetically. The tender price is listed exclusive of GST because the City claims the GST back. The project includes a portion of BC Hydro work and therefore completion dates for that work are listed below. The cost of the BC Hydro work is inclusive to the project. The Substantial Performance date is the date that the contractor anticipates being substantially complete in accordance with the contract.

In reviewing the tender prices, On Point noted that the completion date for the BC Hydro works of August 14, 2023, was later than the next lowest bidder's completion date of April 1, 2023. In considering

Award of Construction Contract Bear Mountain Parkway Phase 3 Roadworks

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the hydro completion date in relation to the bid price, On Point noted that the cost of temporary power by way of a generator rental would still be significantly less money than paying the higher price to have the BC Hydro civil works completed a few months earlier, therefore the hydro completion date was not considered in this instance. The temporary generator might be needed to provide power to a new CRD Integrated Water Services lift station; however this would be only if the lift station is completed prior to power becoming available. The lift station is currently under construction and is located in an area not near any residences, it is located uphill of the Marble Roundabout.

	<u>Tender Price</u>	<u>BC Hydro Completion</u>	<u>Substantial Performance</u>
Draycor Construction Ltd.	\$7,185,813.25*	Aug. 15, 2023	Feb. 15, 2024
Hazelwood Construction Services Inc.	\$5,328,983.25*	Jun. 31, 2023	Oct. 31, 2023
Milestone Equipment Contracting Inc.	\$4,481,424.00	Aug. 14, 2023	Apr. 16, 2024
Northridge Excavating Ltd.	\$6,605,337.00*	Apr. 30, 2023	Aug. 31, 2023
Vimex Contracting Ltd.	\$5,111,681.00*	Apr. 1, 2023	12 Months

**Tender prices adjusted for minor math errors*

Milestone Equipment Contracting Ltd. was the lowest bidder for the project for an amount of \$4,481,424.00 plus GST. Staff are therefore recommending that construction of the Bear Mountain Parkway Phase 3 Roadworks be awarded to Milestone Equipment Contracting Ltd.

Financial Agreement with Developers

In addition to the tender award, staff are seeking Council approval of the agreement between the City and the Developers as set out below. As stated above, the City is the single point of contact for this project (i.e., if approved the construction contract would be between City of Langford and Milestone Equipment Contracting Inc.). As per the contribution agreement, draft attached to this report, the City would then invoice the developers based on the following cost share division:

- (a) Southpoint 17% of the total cost of the Project;
- (b) Seacliff 59% of the total cost of the Project;
- (c) Totangi 3% of the total cost of the Project;
- (d) 1250300 BC Ltd. 13% of the total cost of the Project;
- (e) Local Service Area 7.0% of the total cost of the Project (City of Langford); and
- (f) CRD 1% of the total cost of the Project.

Award of Construction Contract Bear Mountain Parkway Phase 3 Roadworks

Page 4 of 5

It is worth noting that the Local Service Area item above does not mean the general taxpayer will be responsible for that portion, rather that portion will be collected by the City by way of the Bear Mountain Parkway Extension LSA Parcel Tax.

In addition to the abovementioned agreement, a \$500,000 security bond will be provided by the Developers. This bond will be held until the project is complete and the City has received full payment from the developers per the Agreement.

FINANCIAL IMPLICATIONS:

As with the previous segments of the Bear Mountain Parkway, the Bear Mountain Parkway Phase 3 Roadworks project was tendered as a City of Langford project, though it is funded by Developers under the attached repayment agreement with the City of Langford. The repayment agreement has been prepared by the City's legal staff. It should be noted that all of the Developers have worked with the City on previous phases of this project. All costs related to the project, including any project over-runs beyond the original scope of work will be paid for by the Developers.

LEGAL IMPLICATIONS:

Repayment for the City's costs under this project will occur either as part of the existing Local Service Area or through direct payment of invoices as costs are incurred.

While there is a degree of risk that a party may default, staff believe the City's history with these Developers, the \$500,000 bonding received by the City from the developers, and the benefits to the community through a coordinated approach to this project mitigate these risks.

OPTIONS:**Option 1**

THAT Council award the construction contract for the Bear Mountain Parkway Phase 3 Roadworks to Milestone Equipment Contracting Ltd. for an amount of \$4,481,424.00 plus GST and fund the project with Developers funding under agreement with the City for payment of the works.

AND

That Council approve the Contribution Agreement to recover costs for the Bear Mountain Parkway Phase 3 Roadworks from the Developers.

OR Option 2

THAT Council

Not award the construction contract for Bear Mountain Parkway Phase 3 Roadworks at this time.

Award of Construction Contract Bear Mountain Parkway Phase 3 Roadworks

Page 5 of 5

SUBMITTED BY: Michelle Mahovlich, P.Eng., P.Geo, Engineering Department

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Trevor Auger, ASCT., Deputy Director of Engineering Construction

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachment: Funding Agreement

CONTRIBUTION AGREEMENT

CON23-0003

THIS AGREEMENT is made effective as of the ____ day of February, 2023

BETWEEN:

CITY OF LANGFORD a municipality validly existing pursuant to the laws of the Province of British Columbia with a registered office at 200 – 877 Goldstream Avenue, Langford, B.C., V8W 2X8

(the “**City**”)

AND:

SOUTHPOINT PARTNERS LTD., a company registered pursuant to the laws of the Province of British Columbia with a registered office at 116 – 967 Langford Parkway, Victoria, B.C., V9B 0A5

(“Southpoint”)

SEACLIFF PROPERTIES (SKIRT) LTD., a company registered pursuant to the laws of the Province of British Columbia with a registered office at 305 - 1788 5TH Avenue, Vancouver, B.C., V6J 1P2

(“Seacliff”)

TOTANGI PROPERTIES LTD., a company registered pursuant to the laws of the Province of British Columbia with a registered office at PO Box 904, Victoria, B.C., V8W 2R9

(“Totangi”)

1250300 BC LTD., a company registered pursuant to the laws of the Province of British Columbia with a registered office at 12–1560 Church Avenue, Victoria, B.C., V8P 2H1

(“James Liu”)

CAPITAL REGIONAL DISTRICT INTEGRATED WATER SERVICES, a local government validly existing under the laws of the Province of British Columbia with a registered office at 479 Island Hwy, Victoria, B.C., V9B 1H7

(“CRD”)

(collectively, the “**Property Owners**”)

WHEREAS the City is a municipality validly existing under the laws of British Columbia and has the corporate power to enter into corporate agreements;

AND WHEREAS the Bear Mountain Parkway extension (the “Extension”) is a road infrastructure project which involves roadworks (including landscaping), utilities, and construction of a roundabout;

AND WHEREAS the Extension was divided into three segments;

AND WHEREAS the first two segments have been completed;

AND WHEREAS the Property Owners desire to have the third segment of the Extension (the “Project”) completed, being the construction of the roundabout to the Ecoasis property line, and the City has agreed to complete the Project under the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. DEFINITIONS. Where used in this Agreement, the following words and phrases shall have the following meaning:

- (a) “**Affiliate**” means with respect to a party, any corporation that is directly controlled by such party or by the representative of such party;
- (b) “**Agreement**” means this Agreement and the appendix hereto, as at any time amended or modified and in effect;
- (c) “**Budget**” means the estimated cost and expense required to bring the Roadworks into a complete condition;
- (d) “**Event of Default**” means any event specified in subsection 7.1;
- (e) “**LSA**” means the Local Service Area
- (f) “**Prime Contractor**” means On Point Engineering;
- (g) “**Term**” means the date funding for the Project is approved by Langford City Council until the Termination Date;
- (h) “**Termination Date**” means December 31, 2023;
- (i) “**Representative**” means the controlling shareholder(s) of a company that is or becomes a party to this Agreement;

2. INTERPRETATION

2.1. Governing Law. This Agreement and the rights and obligations of the parties shall be governed by the laws of the Province of British Columbia, Canada, and the parties attorn to the non-exclusive jurisdiction of the courts of British Columbia for the resolution of all disputes under this Agreement.

2.2. Severability. If any one or more of the provisions contained in this Agreement is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

2.3. Successors and Assigns. This Agreement enures to the benefit of and is binding on the parties hereto and their respective successors and permitted assigns.

2.4. Headings and Marginal References. The division of this Agreement into sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

2.5. Currency. All statements of, or references to, dollar amounts in this Agreement means the lawful currency of Canada.

3. TERM

3.1. This Agreement shall continue and be of full force and effect from the date first written above for a term ending upon:

(a) the Termination Date; or

(b) Upon the parties agreeing in writing to the termination of this Agreement.

4. THE PROJECT COST

4.1. Budgeted Cost of the Works. The City agrees, on the terms and subject to the conditions set forth in this Agreement, to complete the third segment of the Project on behalf of the Property Owners. The Property Owners agree to repay the City for the cost of completing the Third Segment in the proportionate amounts, which are estimated amounts below:

(a) Southpoint \$1,258,588.62, or 17% of the total cost of the Project;

(b) Seacliff \$4,317,978.20, or 59% of the total cost of the Project;

(c) Totangi \$199,866.29, or 3% of the total cost of the Project;

(d) James Liu \$931,548.09, or 13% of the total cost of the Project;

(e) LSA \$498,375.00, or 7.0% of the total cost of the Project; and

(f) CRD \$75,000.00, or 1% of the total cost of the Project.

4.2. Payment of Cost. The City shall provide each Property Owner with an invoice on a quarterly basis for repayment of their respective proportional interest of actual costs incurred on the Project, as described in section 4.1 above. The Property Owners shall pay the total amount stated on the invoice within thirty (30) days of the date of the invoice.

4.3. Interest. Interest shall be payable by the Property Owners on any amounts required to be paid under an invoice which have not been received by the date on which payment is due. Such interest shall be calculated monthly and shall accrue at the rate of prime plus 4% per month from the date due until paid.

5. CITY'S EXPENSES

5.1. Costs, Charges and Expenses. The Property Owners will assume and pay all reasonable costs, charges and expenses, including all reasonable solicitors' costs, charges and expenses, which may be incurred by the City in connection with enforcing its rights under this Agreement.

6. REPRESENTATIONS AND WARRANTIES

6.1. Representations and Warranties of Property Owners. The Property Owners represent and warrant to the City that:

- (a) The Property Owners are each a corporation duly incorporated, validly existing and in good standing under the laws of the Province of British Columbia;
- (b) The Property Owners each have all requisite corporate power and authority to enter into this Agreement and to carry out the obligations contemplated herein;
- (c) This Agreement has been duly and validly authorized, executed and delivered by the Property Owners and is a valid obligation of each of them; and
- (d) No Event of Default and no event which, with the giving of notice or lapse of time would become an Event of Default, has occurred or is continuing.

6.2. Survival of Representations and Warranties. All representations and warranties made herein by the Property Owners will survive the delivery of this Agreement.

7. COVENANTS OF THE PROPERTY OWNERS. The Property Owners covenants and agrees with the City that, at all times while any principal amount is owing under the Loan, it will:

- (a) Pay all monies required to be paid to the City pursuant to this Agreement in the manner set forth herein;
- (b) Duly observe and perform each and every of its covenants and agreements set forth in this Agreement;

and it will not, without the City's prior written consent:

- (c) Consolidate, amalgamate, or merge with any other entity or person or enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure.

8. EVENT OF DEFAULT

8.1. Definition of Event of Default. The costs and any other money owing to the City under this Agreement will immediately become payable upon demand by the City in any of the following events:

- (a) Upon a Property Owner's default in any payment when due or required under this Agreement;
- (b) Any representation or warranty made by a Property Owner in this Agreement was incorrect or misleading in any material respect;
- (c) A Property Owner denies its obligations under this Agreement or claims that this Agreement is invalid;
- (d) If a Property Owner becomes insolvent or makes a general assignment for the benefit of its creditors, or if any order is made or an effective resolution is passed for the winding-up of a Property Owner or if a Property Owner is declared bankrupt or if a custodian or receiver be appointed for a Property Owner under the applicable

bankruptcy or insolvency legislation, or if a compromise or arrangement is proposed by a Property Owner to its creditors or any class of its creditors, or if a receiver of other officer with like powers is appointed for a Property Owner; or

- (e) If a Property Owner defaults in observing or performing any other covenant or agreement of this Agreement on its part to be observed or performed and such default continues for a period of five days after notice in writing has been given by the City to a Property Owner specifying the default.

9. FREEDOM OF INFORMATION AND CONFIDENTIALITY

9.1. Confidentiality. The Property Owners acknowledge and agree that they each may receive certain confidential or proprietary technical and business information and materials from the City, including without limitation: data or trade secrets with respect to the business or operations of the City, personnel information, marketing methods and strategies, client lists, or information relating to or derived from a client of the City (the “Confidential Information”). The Property Owners agree that they each shall hold and maintain in strict confidence all Confidential Information, shall not disclose Confidential Information to any third party and shall not use any Confidential Information except as may be necessary to perform the Property Owners’ obligations under this Agreement, or as may be required by a court or governmental authority. Notwithstanding the foregoing, Confidential Information shall not include any information that is in the public domain or becomes publicly known through no fault of the receiving party or is otherwise properly received from a third party without an obligation of confidentiality.

9.2. Freedom of Information. The Property Owners acknowledge that the City is subject to the *Freedom of Information and Protection of Privacy Act* (“FOIPPA”), and that the City may be legally obligated to disclose to a person parts, or all, of this Agreement and any documents legally connected to this Agreement, and that the authority of the City to refuse to disclose a record containing third party confidential information is limited as set out in section 21 of FOIPPA. If a Property Owner considers that information supplied by it to the City in connection with this Agreement or the Project is confidential information that should not be disclosed to a person making a request under FOIPPA, that Property Owner shall identify this information to the City, indicate that the information is supplied in confidence, and refer to FOIPPA and section 21 of FOIPPA in this regard. The Property Owners acknowledge and agree that the City may be required to disclose Property Owner information even where the Property Owner stipulates that such information is supplied in confidence. The Property Owners acknowledge and agree that any information included in this Agreement including the schedules to this Agreement are not supplied in confidence.

10. INDEMNITY AND LIABILITY

10.1. The Property Owners undertake and agree to defend and indemnify the City from and against any and all claims, demands, suits, losses, costs (including legal fees on a solicitor and own client basis), damages and expenses that the City may sustain or incur by any breach of this Agreement by any of the Property Owners or persons for whom the Property Owner is at law responsible.

10.2. The rights, duties, obligations and liabilities of the Property Owners shall be separate as to each Property Owner’s respective proportionate interest and not joint nor joint and several

and each Property Owner shall be responsible only for its obligations herein set forth and shall not in any way be obligated for the debts or other obligations of the other Property Owners.

11. GENERAL

- 11.1. Waiver or Modification.** No failure on the part of the City in exercising any right or power hereunder will operate as a waiver of the right or power nor will any single or partial exercise of such right or power preclude any other right or power hereunder. No amendment, modification or waiver of any condition of this Agreement or consent to any departure by the Property Owners therefrom will be effective unless it is in writing signed by the City. No notice to or demand on the Property Owners will entitle the Property Owners to any other further notice or demand in similar or other circumstances unless specifically provided for in this Agreement.
- 11.2. Time.** Time is of the essence of this Agreement.
- 11.3. Further Assurances.** The parties to this Agreement will do, execute and deliver or will cause to be done, executed and delivered all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement.
- 11.4. Assignment.** Neither party may assign this Agreement or its interest herein or any part hereof except with the prior written consent of the other party.
- 11.5. Place and Time of Payments.** All payments hereunder must be made pursuant to the instructions on the applicable invoice or as further agreed to in writing by the parties.
- 11.6. Presentment and Other Notices.** Except as otherwise expressly provided in this Agreement, the Property Owners waive demand, presentment, protest, notice of non-payment, notice of protest, notice of intention to accelerate and notice of acceleration.
- 11.7. Merger of Judgment.** Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the obligation of the Property Owners to pay their debts and liabilities hereunder or operate as a merger of any covenant in this Agreement, and the acceptance of any payment or alternate security shall not constitute or create a novation, and the taking of a judgment or judgments under a covenant herein contained shall not operate as a merger of those covenants.

12. NOTICES

- 12.1.** Any notice under this Agreement will be given in writing and may be sent by fax or may be delivered or mailed by prepaid post addressed to the party to which notice is to be given at the address indicated above, or at another address designated by that party in writing.
- 12.2.** If notice is sent by fax or is delivered, it will be deemed to have been given at the time of confirmed transmission or delivery if delivered on a business day or at the commencement of the next business day following confirmed transmission or delivery if not delivered on a business day.
- 12.3.** If notice is mailed, it will be deemed to have been received 72 hours following the date of mailing of the notice, excluding Saturdays, Sundays and statutory holidays on which mail is not delivered in the Province of British Columbia.

12.4. If there is an interruption in normal mail service due to strike, labour, unrest or other cause at or before the time a notice is mailed the notice will be sent by fax or will be delivered.

13. AMENDMENTS. This Agreement may be amended, waived, discharged or terminated only by instrument in writing signed by the party against whom enforcement of the amendment, waiver, discharge or termination is sought.

14. COUNTERPARTS. This Agreement may be executed in several counterparts (including by fax or electronic delivery), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF the City and the Property Owners have executed and delivered this Agreement.

CITY OF LANGFORD

Per: _____

Per: _____

SOUTHPOINT PARTNERS LTD.

Per: _____

SEACLIFF PROPERTIES (SKIRT) LTD.

Per: _____

TOTANGI PROPERTIES LTD.

Per: _____

1250300 BC LTD.

Per: _____

CAPITAL REGIONAL DISTRICT

Per: _____



Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Administration

SUBJECT: Lease Renewal for Payline by ICE Inc. for 315 – 877 Goldstream Avenue

BACKGROUND:

On December 16, 2021, the City purchased 315 – 877 Goldstream Avenue from 676955 B.C. Ltd. for \$655,000.00, to allow for future expansion of City Hall office space. Unit 315 has an existing tenant, Payline by ICE Inc. ("Payline"), and it was a condition of the sale that the lease be assigned to the City as landlord.

Payline has been a tenant at 315 – Goldstream Avenue since 2011. Since assuming Payline's tenancy, the City has not had any issues with Payline as a tenant. Payline desires to continue their lease in the current location.

The City does not currently have plans to utilize this space. The City has recently ended its lease with City University and will use that space to accommodate growth in the near future. Staff does not recommend a lease for a term of longer than a year at this time as further growth may result in a need for the space and a short lease time with the option to renew or extend provides maximum flexibility for the City and a degree of certainty for the tenant.

COMMENTARY:

City staff recommend entering into a lease renewal with Payline in substantially the form attached. The terms of the lease renewal are the same as the original lease, those key terms being:

- The term of the lease renewal shall be one year;
- Payline will pay the base rent each month, plus GST;
- Payline will pay all property taxes for the unit each year;
- Payline will pay all utilities when due;
- Payline will keep in force insurance for the property in the amount of \$5,000,000.00.

The basic rental amount for the term of the lease renewal is \$37,646.04 per year, to be paid in monthly installments of \$3,137.17, plus GST. The rent is based on a price per square foot of \$25.73, which is consistent with market rental prices for office space in Langford. The rent has been increased 5% from the previous term.

FINANCIAL IMPLICATIONS:

Payline will pay rent to the City in the amount of \$37,646.04 for the term, in equal monthly installments.

LEGAL IMPLICATIONS:

The City will be bound by commercial tenancy laws as a landlord, and shall be obligated to fulfill the terms of the lease, attached.

OPTIONS:**Option 1**

THAT Council authorize the Mayor and Chief Administrative Officer or Corporate Officer to enter into the lease renewal with Payline in substantially the form provided;

OR Option 2

THAT Council not renew the lease agreement with Payline at this time.

SUBMITTED BY: Jordyn Dryden, B.A., J.D., Manager of Legal Services

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

**LEASE AMENDMENT AGREEMENT
CON23-0022**

THIS AMENDING AGREEMENT dated for reference the _____ day of _____, 2023 is

BETWEEN:

CITY OF LANGFORD

2nd Floor, 877 Goldstream Avenue
Langford, BC V9B 2X8

(the "Landlord")

AND:

PAYLINE by ICE INC.

#315 – 877 Goldstream Avenue
Langford, BC V9B 2X8

(the "Tenant")

WHEREAS:

- A. The Landlord is the registered owner of those lands and premises situate in Langford, British Columbia and legally described as:

PID: 026-383-501

Strata Lot 38 Section 5 Esquimalt District Strata Plan VOS5151

(the "Property");

- B. Pursuant to a lease between 676955 BC Ltd. (the "Assignor") and the Tenant made February 28, 2011 and amended by amendment agreements dated January 14, 2014, January 6, 2015, and September 21, 2016, the Tenant leased the Property from the Assignor (collectively, the "Lease");
- C. Pursuant to a purchase and sale agreement between the Assignor and the Landlord dated for reference November 3, 2021, the Assignor agreed to transfer the Property to the Landlord and it was a condition of such transfer that the Assignor assign the benefit and the burden of the Lease to the Landlord and the Landlord was to assume all of the obligations of the Assignor under the Lease (the "Purchase and Sale Agreement");
- D. Pursuant to an assignment of lease agreement between the Assignor and the Landlord dated for reference December 16, 2021, the Assignor assigned the Lease to the Landlord;

E. Pursuant to the Purchase and Sale Agreement, on December 16, 2021, the Landlord became the owner of the Property; and

F. The Landlord and the Tenant have agreed to modify the Lease.

NOW THEREFORE IN CONSIDERATION of the premises, covenants, and agreements herein contained, \$1.00 paid by each party to the other and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the parties hereto covenant and agree as follows:

1. The Landlord and Tenant agree to renew the Lease for a further one (1) year term from March 1, 2023 until February 28, 2024 (the "Renewal Term").
2. The annual Basic Rent for the Renewal Term shall be \$37,646.04, paid in monthly installments of \$3,137.17.
3. Section 10.1(c) of the Lease shall be deleted and replaced with the following:

"to take out and keep in full force and effect throughout the Term and during such other time as the Tenant occupies the Premises or any part thereof comprehensive general liability insurance against claims for personal injury, death or property damage of the personal property of the Tenant and its customers, licensees, sublessees, agents and contractors or loss upon, in or about the Premises or otherwise howsoever arising out of the operations of the Tenant or any person conducting business from the Premises, of not less than \$5,000,000.00 in respect of any one occurrence and concerning property damage and such other insurance as agreed in writing between the Landlord and the Tenant".
4. Time shall remain of the essence.
5. This Amending Agreement shall be read and construed together with the Lease, and the Lease, as amended hereby, shall continue in full force and effect in accordance with the terms of this Amending Agreement.
6. Each party shall at all times execute and deliver at the request of the other such further documents, deeds, instruments, and things, and do and perform such other acts, as may be reasonably necessary to give full effect to the intent and meaning of this Amending Agreement.
7. This Amending Agreement shall enure to the benefit of and be binding on the parties and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the dates written below

CITY OF LANGFORD
by its authorized signatories

PAYLINE by ICE INC.
by its authorized signatories

Mayor:

Name:

Corporate Officer:

Name:

Date:

Date:

THIS AGREEMENT made the 28nd day of February, 2011

BETWEEN:

676955 BC Ltd.
101 - 891 Attree Avenue
VICTORIA BC V9B 0A6

(as "Landlord")

AND:

PAYLINE by ICE INC.
~~201-1640 Oak Bay Ave~~ #315 - 877 Goldstream Ave.
VICTORIA BC V8R 1B2

(as "Tenant")

WITNESS THAT in consideration of the mutual covenants and agreements hereinafter respectively reserved and contained, the Landlord and Tenant covenant and agree each with the other as follows:

1. DEFINITIONS

1.1 For the purpose of this agreement, the words set out below shall have the meanings herein ascribed to them:

- (a) "Building" means the building legally located at 877 Goldstream Avenue, Langford B.C.;
- (b) "Commencement Date" means March 1, 2011.
- (c) "Premises" means Unit 315 contained within the Building, which contains 1,463 square feet of rentable area;
- (d) "Operating Costs" means and includes all expenses incurred and payable by the Landlord for a calendar year in the operation, maintenance, repair and management of the Building being expenses which are ordinarily chargeable against income in accordance with good accounting practice which are not paid directly by the Tenant and without duplication and without restricting the generality of the foregoing shall include:
 - (i) Electric power and lighting expenses;
 - (ii) Salaries and wages (including employee benefits and workers' compensation) and the cost of independent service contracts incurred in the cleaning, maintenance, management and operation of the building, grounds and parking areas;
 - (iii) All expenses including administration, management, audit, and miscellaneous general expenses related to the building, but excluding debt interest, and debt repayment;
 - (iv) All charges incurred as a result of the Landlord obtaining insurance against loss or damage by fire or other casualties and against loss of rentals;
 - (v) Expenses incurred in cleaning and repainting the exterior of the building;
 - (vi) Expenses incurred in keeping free of litter, dirt, snow and ice the parking area of and the sidewalks adjacent to the building;
 - (vii) All repairs performed in accordance with section 12.3 (a) herein, except for repair to the structure or bearing walls of the building;

but shall not include interest on the Landlord's debt, capital retirement of the Landlord's debt, income or capital tax of the Landlord.

- (e) **"Prime Rate"** means the floating annual prime interest rate established from time to time by the Main Branch of the Royal Bank of Canada ("**Bank**"), Victoria, B.C. as the reference rate it will use to determine rates of interest payable to the Bank by borrowers from the Bank of Canadian Dollars loans in Canada and designated by the Bank as its "prime rate";
- (f) **"Property Taxes"** means all taxes, fees, rates, duties, levies, charges and assessments whatsoever whether municipal, parliamentary, school, or social services, on the Building and all improvements thereon, or charged upon the Landlord on account thereof, including all taxes, fees, rates, duties, levies, charges and assessments for local improvements, excepting the Landlord's income tax and corporate capital tax relating to this Lease and the Premises;
- (g) **"Pro Rata Share"** means 4.3%, a fraction of which the numerator is the square footage of the Premises and the denominator of which is the square footage of the Building, and in this case equates to the strata fee assessed by the Strata Corporation.
- (h) **"Deposit"** means \$6,712.73
- (i) **"Term"** has the meaning set out in section 3.1.

2. DEMISE

- 2.1 The Landlord hereby demises and Leases to the Tenant the Premises for the Term of this Lease, and all renewals.

3. TERM

- 3.1 TO HAVE AND TO HOLD the Premises for and during the term ("**Term**") beginning on March 1, 2011 (the "**Commencement Date**") and ending on April 30, 2014.

4. RENT

- 4.1 The basic net rental payment shall be waived for the first 2 months of the lease, and will be due May 1, 2011 and thereafter on the first day of each month for the remainder of the Lease Term (hereinafter called "**Base Rent**"):

	<u>Annual Rent</u>	<u>Monthly Payment</u>
Year 1 @ \$17.50 per sq. ft.	\$25,602.50	\$2,133.54
Year 2 @ \$18.25 per sq. ft.	\$26,699.75	\$2,224.98
Year 3 @ \$19.00 per sq. ft.	\$27,797.00	\$2,316.42

- 4.2 The Tenant shall also pay all applicable GST/HST (or any substitute or replacement sales tax or taxes therefor) on such Base Rent to the Landlord at the same time as such base rent is paid to the Landlord. Such GST/HST will not be additional rent but the Landlord will have the same remedies for recovery of GST/HST in arrears as it has for the recovery of rent in arrears.

5. NET LEASE

- 5.1 All rent provided to be paid by the Tenant shall be paid without any deduction, abatement, or set-off whatsoever except as provided herein, it being the intention of this Lease that all expenses, costs, payments, and outgoing, incurred in respect of the Premises, or for any other matter or thing affecting the Premises shall (unless otherwise expressly stipulated herein to the contrary) be borne by the Tenant, and that the Base Rent hereunder provided shall be absolutely net to the Landlord and free of all deduction, abatement, set-off, goods and services tax, charges, rates, assessments, expenses, costs, payments, or outgoings of every nature arising from or related to the Premises except as provided

herein, and the Tenant shall pay all these charges, rates, assessments, expenses, costs, payments, and outgoings except as provided herein.

6. PAYMENTS TO THE LANDLORD

- 6.1 All payments required to be made by the Tenant under or in respect of this Lease shall be made to the Landlord or to any agent of the Landlord that the Landlord shall from time to time direct. It is the responsibility of the tenant to ensure that required payments are received by the Landlord at his place of business on or before the first day of each month of the term of the Lease. The tenant agrees to provide up to 12 post-dated cheques for base rent, pro rata share common costs, property taxes and GST/HST, if requested to do so by the Landlord.

7. DEPOSIT

The Tenant has paid to the Landlord prior to execution of this Lease the Deposit which shall be applied on account of the first month's base and additional rent + HST, with the remainder held as a security deposit to the end of the Lease term.

8. USE OF PREMISES

- 8.1 The Tenant shall use the Premises only for **general office use** and will not use or permit to be used the Premises for any other purpose whatsoever without the consent of the Landlord, such consent not to be unreasonably withheld. The tenant is aware that the Building is a strata development and no exclusivities of use are possible over other strata lots.

9. TENANT'S COVENANTS TO PAY

9.1 Property Taxes and Payment of Operating Expenses

- (a) to pay to the Landlord, as additional rent by equal monthly payments, from the commencement of the Term, without any deduction for set-off or abatement to the Landlord at the above address or such other address as the Landlord may from time to time specify, the Tenant's Pro Rata Share of Operating Costs and Property Taxes as follows:

- (i) "Lease Year" shall mean successive periods of twelve (12) calendar months commencing on the first full calendar month of the term hereof. The Landlord shall have the right to change the Lease Year from time to time provided, however, no substantial detriment is incurred by the Tenant as a result of any such change;
- (ii) "Operating Year" means a fiscal year commencing on January 1st of a calendar year and terminating on December 31st of the calendar year, provided that the Landlord shall be permitted at any time and from time to time to change the commencement and termination dates of any Operating Year, without the Tenant being therefore prejudiced;
- (iii) The amount of any and all items of additional rent under paragraph 9.1(a) which the Tenant is to pay may be estimated by the Landlord for the Operating Year. The Tenant agrees to pay to the Landlord the amount of such estimate in monthly instalments, in advance, in amounts specified by the Landlord, acting reasonably, on the dates and at the times for payment of the Base Rent provided for in the Lease. The Landlord may make its estimates so that the Tenant's share of the additional rent will be payable to the Landlord prior to the time the Landlord is obligated to pay the costs in respect of which the additional rent is payable. The Landlord may submit to the Tenant at any time during the Operating Year a re-estimate of the amount of the additional rent payable by the Tenant under paragraph 9.1(a) and a revised monthly instalment amount. As soon as reasonably possible after the end of the Operating Year for which such estimated payments have been made, the Landlord will make a final determination of the Property Tax and Operating Costs for such Operating Year and notify the Tenant of the actual amount required to be paid as additional rent under paragraph 9.1(a). If necessary an adjustment shall be made between the parties and any money owing by or to one party shall be paid or credited within 30 days of such notice.

- (iv) In case the Lease Year does not coincide with an Operating Year, the Tenant's obligation to pay Operating Costs for the first and last Operating Year of the term hereof shall be pro rated on a per diem basis;
- (v) In the reasonable opinion of the Landlord, whenever any item(s) of Operating Costs or portions thereof properly relates to a particular tenant or tenants, the Landlord may allocate or attribute such item or items to such tenant or tenants, and the amount so allocated or attributed shall be payable forthwith upon demand as additional rent.

To Pay Rent

- (b) during the Term, to pay to the Landlord the rent hereby reserved, in the manner hereinbefore mentioned, and all other monies payable by the Tenant to the Landlord under the provisions of this Lease without any deduction abatement or set-off whatsoever;

Business and Machinery Taxes

- (c) to pay by way of additional rent as and when they fall due, business and machinery taxes being:
 - (i) all taxes, licence fees, assessments, or other charges levied or imposed by any provincial, municipal, school, or any other authority against the Landlord or against the Premises for or on account of the business conducted by the Tenant or any other person on the Premises;
 - (ii) all taxes, assessments, and other charges levied or imposed against or otherwise attributable to the Tenant's improvements, chattels, fixtures, and equipment and, unless the result would be inequitable, the Tenant shall be liable to pay these taxes, rates and assessments whether the Tenant is in possession of the Premises for the whole of any year or only a part thereof and should this Lease terminate either by effluxion of time or otherwise at a time when the Premises have been assessed for these taxes, assessments and other charges;
 - (iii) all these taxes, fees, assessments or other charges assessed or levied against the Landlord shall be paid by the Tenant to the Landlord as frequently as the same are payable by the Landlord to the appropriate authorities; and
 - (iv) the Tenant covenants to pay to the Landlord these taxes within thirty (30) days after receipt of notice of these taxes, fees or assessments or other charges from the Landlord;

Utilities and Tenant Fixtures

- (d) to pay, when due, all rates and charges for electric current, gas, water, sewer, heat, power, telephone, and all other public or private utilities and services supplied at any time to the Premises;

Tax and Utility Indemnity

- (e) to, during each and every year or portion thereof, during the Term, indemnify and keep indemnified the Landlord in respect of all loss, costs, charges, and expenses occasioned by or arising from the non-payment of any and every business or similar tax assessed against the Tenant or any subtenant or licensee or other persons by reason of its occupation or use of the Premises or any part thereof;

Licence Fees

- (f) to pay as additional rent any and all licence fees and taxes imposed in connection with the occupancy of the Premises, or with the particular business of the Tenant, or in connection with any form of equipment used by the Tenant in the Premises, or brought onto the Premises by or on behalf of the Tenant;

Deemed Rent

- (g) that all monies payable by the Tenant to the Landlord under this section (other than GST) shall be construed as rent and the Landlord may distrain therefor; and

Notice of Accident

- (h) to give the Landlord immediate notice in case of fire or accident in the Premises.

10. GENERAL TENANTS COVENANTS

- 10.1 The Tenant covenants and agrees with the Landlord as follows:

Fixtures

- (a) provided that the Tenant is not in default hereunder, the Tenant may, at or prior to the expiration of the Term hereby granted take, remove, and carry away from the Premises all fixtures, fittings, plant, machinery, or other articles upon the Premises in the nature of trade or Tenant's fixtures and which are owned by the Tenant, but the Tenant covenants that any such removal shall not damage the Premises, or the Tenant shall make good any damage which may be occasioned by that removal, and further the Landlord shall have the right at the expiration of the Term to cause the Tenant to remove such fixtures and machinery installed on the Premises by the Tenant and to repair any damage caused by such removal.

Tenant's Insurance

The Tenant shall take out and keep in force during the Term:

- (b) plate glass insurance, for the benefit of the Landlord and the Tenant, covering all plate glass in the Premises, including plate glass windows and doors, in an amount equal to the full insurable value thereof, or in lieu thereof be responsible for the repair or replacement thereof;
- (c) to take out and keep in full force and effect throughout the Term and during such other time as the Tenant occupies the Premises or any part thereof comprehensive general liability insurance against claims for personal injury, death, or property damage of the personal property of the Tenant and its customers, licensees, sub lessees, agents and contractors or loss upon, in or about the Premises or otherwise howsoever arising out of the operations of the Tenant or any person conducting business from the Premises, of not less than \$3,000,000.00 in respect of any one occurrence concerning property damage and such other insurance as agreed in writing between the Landlord and the Tenant;
- (d) insurance upon property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and which is located within the Premises, including, without limitations, stock-in-trade, furniture, fittings, installations, alterations, additions, partitions, fixtures and anything in the nature of a Leasehold improvement in an amount of not less than eighty percent (80%) of the full replacement cost thereof, against, all risks, perils, earthquake, flood and sewer back-up. In the event that there shall be a dispute as to the amount which comprises full replacement cost, the decision of the Landlord or its Mortgagees shall be conclusive;
- (e) business interruption insurance, in such amounts as will reimburse the Tenant for loss of earnings attributable to all perils as aforementioned or attributable to prevention of access to the Premises as a result of such perils;
- (f) Insurance against all explosion, rupture or failure of boilers, pressure vessels or equipment within or serving the premises exclusively.
- (g) Landlord's Approval and Notices: The Tenant will obtain all such insurance in at least those amounts set out in Section 10.1(b),(c),(d),(e) and (f) and otherwise in those amounts a prudent Tenant of comparable space in a comparable building in the vicinity would obtain and maintain from time to time. All such insurance policies will: (i) include the Tenant and the Landlord as named insurers, (ii) contain a waiver of any right of subrogation or recourse by the Tenant's insurer against the Landlord or its employees, or agents, whether or not any loss is caused by

the act, commission or negligence of the Landlord or its employees or agents. (Subrogation means the legal process by which an insurance company seeks recovery of the amount it pays to a policy holder from a third party who may have caused the loss), (iii) provide that the insurer will give the Landlord 30 days prior written notice of cancellation of, material alteration in, or lapse of, any policy, and (iv) provide that such policies will not be invalidated as respects the interest of the Landlord by reason of any breach or violation of any warranties, representation, declarations, or conditions contained in the policies. The Tenant will effect all such policies with insurers and upon terms satisfactory to the Landlord, acting reasonably. The Tenant will give the Landlord certified copies of its insurance policies evidencing all insurance and its renewal upon request. The Tenant will pay the premium for each policy. If the Tenant fails to obtain or maintain any such insurance, the Landlord may do so as the Tenant's agent at the Tenant's cost. The Tenant will review all its policies annually to ensure that they are up to date.

(h) Limitation of Landlord's Liability: The Tenant covenants and agrees that:

- (i) the Landlord shall not be liable for any bodily injury to or the death of, or loss or damage to any property belonging to, the Tenant or its employees, invitees, or licensees, or any other person (in the Building for the purpose of attending at the Premises), on or about the Building, unless resulting from the actual fault or negligence of the Landlord or those for whom the Landlord is liable at law; provided that in no event shall the Landlord be liable for any consequential injury, loss or damage, or except as aforesaid:
 - A. for any injury or damage of any nature whatsoever to any persons or property caused by the failure by reason of a breakdown or other cause, to supply adequate drainage, snow or ice removal, or by reason of the interruption of any public utility or other service, or in the event of gas, steam, water, rain, snow, ice, or other substances leaking, issuing or flowing from the water, steam, sprinkler or drainage pipes or plumbing of the building or from any other place or quarter, into any part of the Leased Premises or for any loss or damage caused by or attributable to the condition or arrangement of any electric or other wiring or for any damage caused by anything done or omitted to be done by any other tenant of the Building;
 - B. for any act of omission (including theft or malfeasance) on the part of any agent, contractor or person from time to time employed by it to perform janitor services, security services, maintenance, supervision or Additional Services or any work in or about the Premises or the Building;
 - C. for loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant, including any consequential loss or damage resulting therefrom, or
 - D. for loss or damage to any automobiles or their contents;

and the Tenant covenants to indemnify the Landlord against and from all loss, costs, claims and demands in respect of any such injury or loss to it or its employees invitees or licensees or any other person in the Building for the purpose of attending at the Premises or in respect of any such damage to property belonging to or entrusted to the care of any of the aforementioned.

- (ii) the Landlord shall have no responsibility or liability for the failure to supply interior climate control or elevator service when prevented from doing so by strikes, the necessity of repairs, any order or regulation of any body having jurisdiction, the failure of the supply of any utility required for the operation thereof or any other cause beyond the Landlord's reasonable control, and shall not be held responsible for indirect or consequential damages or other damages for personal discomfort or illness or injury resulting therefrom or for any bodily injury, death or damage to property arising from the use of, or any happening in or about, any elevator.

Acts Conflicting with Insurance

- (i) the Tenant shall not do or permit to be done any thing or any act which may render void or voidable or conflict with the requirements of any policy of insurance, including any regulations

of fire insurance underwriters applicable to that policy, whereby the Premises is insured or which may cause any increase in premium to be paid in respect of that policy or those policies; provided that the Tenant shall not be liable for the negligent or wilful acts or omissions of the Landlord or its agents;

Repair

- (j) unless this Lease is terminated pursuant to 13.1(h), 13.1(i) or 15.1 to, at the Tenant's sole cost and expense, keep the non-structural components of the Premises and any improvements it makes to the Premises, in good repair, as a careful owner would do, with the exception of reasonable wear and tear and further excepting damage caused by fire, earthquake, explosion and other acts of God which are covered by the Landlord's insurance, provided however that nothing contained herein shall obligate the Tenant to put the Premises or any improvements it makes therein in a better state of repair than existed at the commencement of the Term and all repairs made by the Tenant shall be done in a good and workmanlike manner, and repairs shall include replacements and renewals when necessary and painting and maintenance of all areas, both inside and outside, and shall comply with all municipal, provincial and federal regulations;

Landlord's Right of Inspection and Request for Repairs

- (k) the Landlord shall have the right, upon giving at least 24 hours prior written notice to the Tenant, except in emergency circumstances, to inspect the Premises during the Tenant's usual business hours for the purpose of determining the maintenance of the Premises and the improvements the Tenant makes to the Premises and the Tenant shall, at its sole cost, make any repairs in accordance with subsection 10.1(j) to the Premises and any improvements it makes to the Premises when reasonably requested to so do in writing by the Landlord;

Use of Premises

- (l) not to use or permit the Premises or any part thereof to be used for any other purpose other than the permitted use set out in section 8.1 hereof;

Use, Alterations

- (m) not to;
 - (i) do or suffer any waste or damage, disfiguration, or injury to the Premises or the fixtures and equipment thereof;
 - (ii) make, without the prior written consent of the Landlord, any alterations, repairs or improvements to the Premises, and in that regard;
 - A. the Tenant shall submit to the Landlord detailed plans and specifications of any work or installation when applying for consent;
 - B. other than with respect to initial Tenant's work, the Landlord reserves the right to recover from the Tenant the reasonable cost of having its architects or engineers examine these plans and specifications;
 - C. any or all work to be done or materials to be supplied hereunder shall be at the sole cost and expense of the Tenant and shall be done and supplied and paid for in the manner and according to the terms and conditions, if any, that the Landlord may prescribe; and
 - D. any connections of apparatus to the electrical, mechanical and heating systems other than a connection to an existing base receptacle or any connection of apparatus to the plumbing lines shall be deemed to be an alteration within the meaning of this section;

Compliance With Laws, Etc.

- (n) to promptly, at its expense, comply with and observe the requirements of all statutes, bylaws, laws, regulations and orders at any time in force during the Term hereof which are applicable to

the Tenant or the condition, maintenance, use or occupation of the Premises by the Tenant, including any regulation, order or requirement of any fire underwriters association or any similar body having similar functions and of any liability or fire insurance company by which the Landlord and Tenant or either of them may be insured at any time during the Term hereof, whether or not that statute, bylaw, law, regulation, ordinance or order be of a kind now existing or within the contemplation of the Landlord or the Tenant, and in so doing, the Tenant shall be required at its expense to make any necessary alterations, repairs, additions or deletions in, on, or to the Premises or any parts thereof and any equipment, machinery, or other facilities in, on, upon, or used in connection with or appurtenant to the Premises or any part thereof;

Assigning

- (o) not to assign, sublet, transfer, mortgage, or set over or otherwise by any act or deed procure the Premises in whole or in part, to be assigned, sublet, transferred or set over unto any person or persons, excepting the licensing or subletting of all or any part or parts of the Premises or the assignment of this Lease to any affiliates or associates of the Tenant, without the consent in writing of the Landlord first had and obtained, which consent may not be unreasonably withheld.

Leave in Repair

- (p) to, at the expiration or sooner determination of the Term, peaceably surrender and yield up unto the Landlord the Premises with the appurtenances, together with all buildings, fixtures, or erections which at any time during the Term shall be made therein or thereon in good repair and condition in accordance with the Tenant's obligation to repair as hereinbefore contained; it being acknowledged that the Tenant shall be under no obligation to put the Premises in a better state of repair than existed at the commencement of the Term;

Tenant's Indemnities

- (q) the Tenant shall indemnify and save harmless the Landlord, its employees, agents and contractors from and against any and all claims, demands, causes of actions, actions, prosecutions, losses, damages, injuries, deaths, costs and expenses, including legal costs and expenses arising out of or resulting from the Tenant's occupation and leasing of the Premises except for matters arising out of or resulting from the Landlord's or its employees', agents' or contractors' willful or negligent acts or omissions; and

Survival

- (r) the provisions and indemnification set out in subsection 10.1(q) shall survive expiration or termination of this Lease.

Noxious Fumes, Odours

- (s) the Tenant shall so use the Premises that noxious or objectionable fumes, vapours and odours will not occur beyond the extent to which they are discharged or eliminated by means of the flues and other devices provided in the Building by the Landlord and shall prevent any such noxious or objectionable fumes, vapours and odours from entering into the air conditioning or being discharged into other vents or flues of the Building or annoying any of the tenants in the in Building. Any discharge of fumes, vapours and odours shall be permitted only during such period or periods, to such extent, in such conditions and in such manner as is directed by the Landlord from time to time and all costs necessary to provide for such discharge to be at the sole expense of the Tenant.

Displays or Services on Common Areas

- (t) the Tenant shall not keep, display or sell any merchandise or services on or otherwise obstruct or use any part of the common area and/or common facilities, except as expressly permitted by the Landlord and except for displays included in Building promotions when recognized and permitted by the Landlord.

Blinds and Drapes

- (u) the Tenant shall not without the prior written consent of the Landlord put up any window drapes, blinds, awnings or other similar things or cover the floors with anything other than loose rugs.

Lights and Tubes

- (v) the Tenant shall at its own expense be responsible for and shall maintain and replace from time to time as may be reasonably necessary during the Term of this Lease all light fixtures, tubes, ballasts and starters in the Premises.

Glass and Locks

- (w) the Tenant shall at its own expense replace or repair, under the direction and to the reasonable satisfaction of the Landlord, the glass, locks and trimmings of the doors and windows in or upon the Premises which become damaged or broken except any glass, locks or trimmings damaged or broken by the Landlord, its employees, agents or contractors.

Garbage Containers

- (x) the Tenant shall place in containers of a type approved by the Landlord all garbage and refuse and shall be responsible for the removal from the Premises of all such garbage and refuse.

11. RULES AND REGULATIONS

- 11.1 The Tenant agrees to observe, and cause its employees, invitees, and others over whom the Tenant can reasonably be expected to exercise control, to observe the reasonable rules and regulations hereinafter made by the Landlord to be incorporated into and form part of this Lease.

12. LANDLORD'S COVENANTS

The Landlord covenants with the Tenant:

Quiet Enjoyment

- 12.1 If the Tenant pays the rent and additional rent hereby reserved, and performs the covenants on its part contained herein, the Tenant shall and may peaceably possess and enjoy the Premises for the Term hereby granted, without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming by, from, through or under the Landlord, subject, nevertheless, to the terms, covenants and conditions of this Lease.

Landlord's Payment of Taxes

- 12.2 To pay or cause to be paid all taxes, rates and assessments now or hereafter levied, rated or assessed against the Premises or the Lands of which they form a part and improvements thereto, including without limiting the generality of the foregoing, water and sewer rates and real property taxes, but this section 12.2 does not alter any obligations of the Tenant under any of the provisions of section 9.

Landlord's Obligation to Repair

- 12.3 To keep in good and reasonable state of repair:
 - (a) the Building (other than the Premises and premises of other tenants) including the foundation, roof, exterior walls including glass portions thereof, the elevators, entrances, stairways, corridors, lobbies and washrooms from time to time provided for use in common by the Tenant and other tenants of the Building and the systems provided for bringing utilities to the Premises; and
 - (b) the structural elements of the Premises.

The cost of such repairs, except structural repairs (and the parties agree that "structural repairs" includes replacements and repairs to the foundations, exterior walls, floor slab, roof, and roof membrane) shall be borne by the Tenant as provided in subsection 9.1(a) hereof.

Landlord's Insurance

- 12.4 To insure the Building to its full insurable replacement value against loss or damage by fire and other casualties and losses determined by the Landlord in its discretion, acting reasonably. The expense of such insurance shall be borne as provided in subsection 9.1(a) hereof.

13. LANDLORD AND TENANT AGREEMENTS

- 13.1 The Landlord and the Tenant agree each with the other as follows:

Landlord May Perform

- (a) that if the Tenant shall fail to perform or cause to be performed each and every one of the covenants and obligations of the Tenant in this Lease contained, the Landlord, including, but not limiting any other remedy which it may have, shall have the right at all times to enter the Premises for the purpose of curing any default of the Tenant and no entry for that purpose shall be deemed to work a forfeiture or termination of this Lease, and the Tenant shall permit that entry and in that regard:
- (i) the Landlord shall give not less than seven (7) days' written notice to the Tenant of its intention to enter the Premises for that purpose but may enter upon a shorter period of notice or without notice where, in the Landlord's reasonable judgment, there is real or apprehended emergency or danger to persons or property, or where any delay in remedying that default would or might materially prejudice the Landlord;
 - (ii) for the purpose of curing the default of the Tenant under the covenants of this Lease, the Landlord may perform or cause the covenant to be performed and to do or cause to be done those things that may be necessary or incidental thereto, (including, but not limiting the generality of the foregoing, the right to make repairs, installations, erections, and expend monies);
 - (iii) the Tenant shall reimburse the Landlord upon demand for all expenses incurred by the Landlord plus an administration fee of 10% in remedying any default, together with interest thereon at the Prime Rate plus 5% per annum from the date incurred until paid; and
 - (iii) the Landlord shall be under no obligation to remedy any default of the Tenant, and shall not incur any liability to the Tenant for any action or omission in the course of its remedying or attempting to remedy any default unless the acts amounts to intentional misconduct or gross negligence of the Landlord;

Default, Termination and Re-Entry

- (b) If and whenever:
- (i) the Tenant shall default in the payment of rent or any other sum required to be paid to the Landlord by any provision of this Lease, and that default shall continue for five (5) days after written notice thereof given by the Landlord to the Tenant; or
 - (ii) the Tenant shall default in performing or observing any of its other covenants or obligations under this Lease and the Landlord shall have given to the Tenant written notice of that default, and at the expiration of seven (7) days after the giving of that notice the default shall continue to exist (or, in the case of a default which cannot with due diligence be cured within a period of seven (7) days, the Tenant shall have failed to proceed promptly after the giving of that notice to begin to cure the default or shall thereafter have failed to carry out the curing of the default with diligence); or

- (iii) the Term hereby created shall be seized or taken in execution by a creditor of the Tenant; or
- (iv) the Tenant shall make an assignment for the benefit of the creditors, shall become bankrupt, or shall make application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatsoever, legislative or otherwise, be taken with a view to the winding up, dissolution, or liquidation of the Tenant, or if a receiver or receiver manager is appointed for all or a portion of the property of the Tenant,

then and in any of these cases the then current months rent together with the rent for the three (3) months next ensuing shall immediately become due and payable, and the Landlord, may, without notice or any form of legal process whatsoever immediately re-enter upon the Premises or any part thereof in the name of the whole, whereupon this Lease shall terminate immediately, anything contained herein or in any statute or law to the contrary notwithstanding, provided however, that termination shall be wholly without prejudice to the right of the Landlord to recover arrears of rent or damages for any antecedent breach of covenant on the part of the Tenant and provided further, that notwithstanding that termination, the Landlord may subsequently recover from the Tenant all losses, damages, costs (including, but without limitation, legal costs on a reasonable solicitor client basis) and expenses whatsoever suffered by reason of this Lease having been prematurely determined;

- (c) the Tenant waives and renounces the benefit of any present or future statute purporting to limit or qualify the Landlord's right to distrain;
- (d) in any of the cases described above, the Landlord, in addition to the other rights hereby reserved shall have the right to enter the Premises as agent of the Tenant, either by force or otherwise, without being liable for any prosecution therefore and on notice to the Tenant to relet or sublet, as the Tenant's agent, the Premises or any part thereof, and to apply the proceeds of that re-leasing or subletting on account of rent due or in satisfaction of the breach of any covenant or agreement herein contained and the Tenant shall remain liable for the deficiency, if any, and the Landlord shall nevertheless be entitled to recover from the Tenant rent due for the remainder of the Term, in the event the Landlord has not so relet, or, if the Landlord has relet, to recover from the Tenant the difference in rent payable by any new tenant of the Premises for the balance of the Term and that required to be paid by the Tenant under this Lease for the balance of the Term, notwithstanding in either case, that the Term shall not have ceased and the Tenant agrees to pay that amount as so determined promptly on demand;

Negligence

- (e) that the Landlord shall not be liable nor responsible in any way for any personal injury that may be suffered or sustained (other than by reason of the negligence or willful acts or omissions of the Landlord, its agents, employees or representatives) by the Tenant or any employee of the Tenant or any customer of the Tenant, or any other person who may be upon the Premises or on the sidewalks, parking areas, lanes, or streets adjacent thereto, or for any loss of or damage or injury to, property belonging to or in the possession of the Tenant or any employee of the Tenant or any other person and, in particular, the Landlord shall not be liable for any injury, loss or damage to person or property caused by smoke, steam, water, ice, rain, snow, or fumes which may leak, issue, or flow into the Premises or from the water sprinkler, drainage, or smoke pipes or plumbing equipment therein or from any other place or quarter or caused by or attributable to the condition or arrangement of any electrical or other wiring or of the air conditioning equipment or caused by anything done or omitted by any Tenant or other occupant;

Distress

- (f) that the Landlord shall have the right to levy distress upon the Tenant's goods and chattels upon the Premises for rent and additional rent, in arrears, and shall have the right, in case of removal by the Tenant of the goods and chattels of the Tenant from the Premises, after any default by the Tenant of any of the provisions herein, to follow the goods and chattels,

notwithstanding any statute, by-law, regulation, or order to the contrary of any authority or government having jurisdiction.

Builders' Liens

- (g) in connection with the making, erection, installation or alteration of the Leasehold improvements and trade fixtures, and all other work or installations made by or for the Tenant in the Premises, the Tenant shall comply with all the provisions of the Builders Lien Act R.S.B.C. 1997 Ch. 45 and Amendments thereto and other Statutes from time to time applicable thereto (including any provision requiring or enabling the retention of portion of any sums payable by way of holdbacks), shall permit the Landlord to take all steps to enable the Landlord to obtain the benefit of the provisions of the Builders Lien Act, and, except as to any lawful holdback, shall promptly pay all accounts relating thereto. The Tenant shall not create any mortgage, conditional sales agreement, general security agreement under the *Personal Property Security Act*, R.S.B.C. 1996, Ch. 359 and Amendments thereto, or other encumbrance in respect of the Leasehold improvements or trade fixtures, or permit any such mortgage, conditional sales agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance to attach to the Premises. If and when any Builders Lien or other lien for work, labour, services, or material supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable or claims therefore shall arise or be filed or any such mortgage, conditional sales agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance shall attach, the Tenant shall within 20 days after receipt of notice thereof, procure the discharge thereof, including any certificate of action registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law, and failing which the Landlord may, in addition to all other remedies hereunder, make any payments required to procure the discharge of any liens or encumbrances, and shall be entitled to be reimbursed by the Tenant, and its right to reimbursement shall not be affected or impaired if the Tenant shall then, or subsequently, establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement, set-off, or defence.

Expropriation

- (h) that if the whole of the Premises shall be acquired or condemned by expropriation, then the Term of this Lease, shall cease and terminate after the date of title vesting and all rent and other monies shall be paid up to that date and the Tenant shall have no claim against the Landlord for the value of any unexpired Term of this Lease;
- (i) that if a part of the Premises shall be acquired or condemned by expropriation then at the option of the Tenant either:
- (i) the Term of this Lease shall cease and terminate after the date of title vesting and all rent and other monies shall be paid up to that date; or
 - (ii) this Lease shall continue on the terms and conditions contained herein except the rent and other amounts payable herein shall be reduced proportionately to the area expropriated, and the Tenant shall have no claim against the Landlord for the value of any unexpired term of this Lease or portion thereof;
- (j) although all damages in the event of any expropriation are to belong to the Landlord whether those damages are awarded as compensation for decrease in value of the Leasehold or to the fee of the Premises, the Tenant shall have the right to claim and recover from the expropriating authority, but not from the Landlord, any compensation that may be separately awarded or recoverable by the Tenant in the Tenant's own right on account of any and all damages to the Tenant's business by reason of the expropriation and for and on account of any costs or loss to which the Tenant may be put as a result thereof.

Services

- (k) The Landlord and any persons authorized by the Landlord shall have the rights to use, install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Premises for or in connection with the supply of any service to the Premises or any other

premises in the Building. Such services shall include without limiting the generality of the foregoing, gas, electricity, water, sanitation, telephone, heating, air conditioning and ventilation.

14. ALTERATIONS AND INSTALLATIONS

Landlord's Permission Required

- 14.1 The Tenant shall make no alterations, installations, removals, additions or improvements in or about the Premises without the Landlord's prior written consent, such consent not to be unreasonably withheld, and in the event of such consent the Tenant shall have such work performed at the Tenant's sole expense by contractors or tradesmen or mechanics and at such times and in such manner as may be approved in writing by the Landlord.

Removal of Fixtures

- 14.2 Except as provided herein, all improvements, installations, alterations, additions, partitions, built-in cabinet-work and fixtures, placed there by the Tenant, shall at the expiration or earlier termination of this Lease, be the property of the Tenant. However, if the Tenant does not remove such improvements, installations, alterations, additions, partitions, built-in cabinet-work and fixtures, placed there by the Tenant, from the Premises, the Landlord shall have the option of requiring the Tenant to remove them from the Premises on or before the expiration or earlier termination of this Lease. All articles of personal property and all furniture, machinery and equipment, owned or installed by the Tenant at the expenses of the Tenant in the Premises shall remain the property of the Tenant and may be removed by the Tenant at its expense; provided that the Tenant shall repair any damage to the Premises caused by the aforesaid removal. If at the expiration or earlier termination of this Lease the Tenant does not remove its property forthwith after written demand by the Landlord, such property shall if the Landlord elects be deemed to become the Landlord's property or the Landlord may remove the same at the expense of the Tenant, the cost of such removal to be paid by the Tenant forthwith to the Landlord on written demand, the Landlord not to be responsible for any loss or damage to such property because of such removal.

15. DAMAGE TO OR DESTRUCTION OF THE PREMISES

- 15.1 Should the Premises or the Building containing them be damaged by fire or other casualty so as to render the premises partially or wholly unfit for occupancy:
- (a) If the damage cannot reasonably be repaired within one hundred twenty (120) days after the date thereof, either party may terminate this Lease as of the said date by notice to the other given within thirty (30) days after such damage, and in that case the Tenant shall immediately surrender the Premises to the Landlord and shall pay rent accrued to the date on which the said damage occurred but shall not be entitled to any damages or compensation;
 - (b) If the damage can reasonably be repaired within one hundred twenty (120) days after the date thereof or if neither the Tenant nor the Landlord shall have given notice of termination pursuant to the provisions of subsection (a) the Landlord shall at the Landlord's expense forthwith commence and carry out with due diligence the repair thereof, and this Lease shall continue in full force and effect save that the rent hereby reserved shall abate proportionately, having regard to such part of the Demise Premises as has been rendered unfit for occupancy, until the repairs have been completed; provided that there shall be no abatement of rent for any time required for the replacement or repair of any property of the Tenant; and
 - (c) For the purposes of this section the decision of the Landlord's architect as to whether or not the damage can reasonably be repaired within one hundred and twenty (120) days shall be final and binding.

16. LANDLORD'S EXPENSES ENFORCING LEASE

- 16.1 In the event that it is necessary for the Landlord to retain the services of a solicitor or any other proper person for the purpose of assisting the Landlord in enforcing any of its rights hereunder in the event of default on the part of the Tenant, the Landlord shall be entitled to collect from the Tenant the cost of all such services on a reasonable solicitor and his own client basis as if the same were rent reserved and in arrears hereunder.

17. MISCELLANEOUS

17.1 The Landlord and the Tenant agree each with the other as follows:

Tenant's Signs

- (a) The Tenant may install at the expense of the Tenant and maintain the sign at the Tenant's sole expense, which signs shall remain the property of the Tenant, who shall remove the approved sign at the expiration or earlier termination of the Term provided the Tenant shall:
 - (i) make good all damage caused by the removal of the Signs from the Premises; and
 - (ii) ensure all requirements concerning the Signs of any authority having jurisdiction are met;

Overholding

- (b) if, at the expiration of this Lease, the Tenant shall, with the consent of the Landlord, hold over for any reason, the tenancy of the Tenant thereafter shall, in the absence of written agreement to the contrary, be from month to month at a rent per month equal to the amount that is one-tenth of the total Base Rent and additional rent payable by the Tenant in respect of the immediately preceding year under this Lease, that rent to be payable in advance on the first day of each month, and the overholding tenancy shall be upon and subject to all the terms and conditions of this Lease, except that the tenancy shall be from month to month without any right of renewal;

Landlord's Signs

- (c) the Landlord shall have the right, within three (3) months before the expiration of the Term, or any renewal term, if applicable, to place upon the Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the business of the Tenant, stating that the Premises are for sale or to let, and the Tenant shall not remove that notice or permit the notice to be removed;

Collection of Other Amounts Due

- (d) any sums, costs, expenses, or other amounts from time to time due and payable by the Tenant to the Landlord under the provision of this Lease whether by way of indemnity or otherwise, and whether or not expressed to be rent hereunder, may at the option of the Landlord be treated as and deemed to be rent, in which event the Landlord shall have all remedies for the collection thereof, when in arrears, as are available to the Landlord for the collection of rent in arrears, and the Landlord shall be entitled to levy distress upon the goods and chattels of the Tenant;

Interest on Amount in Arrears

- (e) when rent or any other amount payable hereunder by the Tenant to the Landlord shall be in arrears, the same shall bear interest at one and a half percent per month (18% per annum) until paid and the Landlord shall have all remedies for the collection of that interest, if unpaid after demand, as in the case of rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedies of the Landlord under this Lease;

Remedies of Landlord are Cumulative

- (f) the remedies of the Landlord specified in this Lease are cumulative and are in addition to any remedies of the Landlord at law or equity, and no remedy shall be deemed to be exclusive, but the Landlord may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity;

Effect of Waiver by Landlord

- (g) the failure of the Landlord to insist upon the strict performance of any covenant of this Lease shall not waive that covenant, and the waiver by the Landlord of any breach of any covenant of this Lease shall not waive that covenant in respect of any future or other breach;
- (h) the receipt and acceptance by the Landlord of rent or other monies due hereunder with knowledge of any breach of any covenant by the Tenant shall not waive that breach; and

- (i) no waiver by the Landlord shall be effective unless made in writing;

Condoning, Etc.

- (l) any condoning, excusing, or overlooking by the Landlord of any default, breach, or non-observance by the Tenant at any time or times in respect of any covenant, agreement, condition and proviso herein contained shall not operate as a waiver of the Landlord's rights hereunder in respect of any subsequent default, breach, or non-observance, nor as to defeat or affect in any way the rights of the Landlord herein in respect of any subsequent default, breach or non-observance;

Estoppel Certificate

- (k) the Tenant shall from time to time at the request of the Landlord, execute and deliver to any proposed purchaser or proposed or existing mortgagee of the Premises, within 5 business days of such request, a certificate acknowledging the following:
 - (i) that the Tenant is in possession of the Premises;
 - (ii) that this Lease is in full force and effect and unamended, or if the same has been amended specifying such amendments;
 - (iii) that the Landlord is not currently in default under any Term, condition or covenant required to be performed by the Landlord hereunder, or if the Landlord is in default under one or more of such terms, conditions or covenants specifying the nature of each such default;
 - (iv) the date to which rents hereunder have been paid;
 - (v) the amount of any deposits hereunder; and
 - (vi) that there is no right of set-off against any rents due hereunder;

Subordination and Attornment

- (l) If required by any mortgagee or holder of any trust deed or trust indenture, this Lease and all rights of the Tenant hereunder shall be subject and subordinated to all mortgages, trust deeds, trust indentures, now or hereinafter existing, which may now or hereinafter affect the Premises and to all renewals, modifications, consolidations, replacements, and extensions thereof; Provided that the Tenant, whenever required by any mortgagee (including any Trustee under a trust deed or trust indenture) shall attorn to such mortgagee as a tenant upon all terms of this Lease. The Tenant agrees to execute and deliver promptly, whenever requested by the Landlord or by such mortgagee, an instrument of subordination or attornment, as the case may be, as may be required of it, and if the Tenant fails to do so within 10 business days after receiving the instrument, the Tenant hereby irrevocably and conclusively authorizes the Landlord to complete, execute, and deliver the instrument for, on behalf of, in the name of, and as agent of, the Tenant;

Registration

- (m) The Landlord shall not be required to provide its Lease in registerable form. If the Tenant wishes to register the Lease in the Victoria Land Title Office all costs associated with such registration including the costs of preparing any Lease plan shall be for the Tenant's account. The Landlord agrees to execute, without cost to the Tenant, any documents necessary to affect the registration of the Lease, within seven days of being presented at its address, noted above, such documents for execution.

Lease Entire Agreement

- (n) there is no promise, representation, or undertaking by or binding upon the Landlord with respect to any alteration, remodelling, or decorating of or installation of equipment or fixtures in

the Premises except those, if any, that are expressly set out in this Lease, and this Lease contains all the covenants, agreements, conditions, and provisos made between the parties hereto; this Lease includes and expressly incorporates by reference **Schedule A – Lease Addendum** and **Schedule B – Right of First Refusal** attached hereto.

Paragraph Headings

- (n) the section headings in this Lease form no part of this Lease, and shall be deemed to have been inserted for convenience of reference only;
- (o)

Notices, Etc.

- (p) any notice or other communication required or permitted to be hereunder shall be in writing and be given by personal service to the address set forth below:

If to the Landlord:

676955 BC Ltd
#101 – 891 Altree Ave
Victoria BC V9B 0A6
Attention: JIM HARTSHORNE

If to the Tenant:

PAYLINE by ICE INC.
~~201-1640 Oak Bay Avenue~~ #315-877 Goldstream Ave
Victoria, BC

JR

Any notice delivered personally shall be deemed to be received on the day of delivery. Any party may designate a new address by giving written notice to the others.

- (q) time is of the essence under this Lease;
- (r) that unless the contrary intention appears, the words "Landlord" and "Tenant" wherever they appear in this Lease shall mean respectively "Landlord, its successors and assigns", and "Tenant, its successors and/or permitted assigns";
- (s) should the Tenant desire to register this Lease in the Land Title Office, all costs and expenses in putting the Lease in registrable form, including any required plan, shall be paid for by the Tenant;
- (t) the Tenant and its employees, agents and contractors shall observe faithfully and comply strictly with such reasonable rules and regulations as the Landlord may from time to time adopt. Written notice of any rules and regulations shall be given to the Tenant. Nothing contained in this Lease shall be construed to impose upon the Landlord any duty or obligation to enforce the rules and regulations or the terms, covenants or conditions in any other Lease against any other Tenant of the Building of which the Premises form a part, and the Landlord shall not be liable to the Tenant for violation of the same by any other Tenant or its employees, agents, contractor, visitors or licensees; and
- (u) the Landlord does not warrant that any service or facility provided by it hereunder will be free from interruptions caused or required by maintenance, repairs, renewals, modifications, strikes, riots, insurrections, labour controversies, accidents, fuel shortages, Governmental intervention, force majeure, acts of God or other causes or causes. No such interruption shall be deemed an eviction or disturbance of the Tenant's enjoyment of the Premises nor render the Landlord liable in damages to the Tenant nor relieve the Tenant from its obligations under this Lease;

Relief of Landlord on Sale

- 17.2 If the Landlord sells the Landlord's interest in the Building the Landlord shall be released from all obligations, responsibilities and liabilities under this Lease arising thereafter to the extent that the purchaser of the Landlord's interest assumes the obligations from the Landlord; and

Benefit and Binding

- 17.3 This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

18. RENEWAL

- 18.1 If the Tenant shall duly and faithfully perform the covenants contained in this Lease and shall by notice in writing made or delivered not less than six months prior to the expiration of this Lease, indicate a desire to renew the same, then the Landlord shall at the expiration of the Term, grant to the Tenant a Renewal Lease of the Premises for a further term of **THREE** years, such new Leases to contain all of the covenants, provisos and agreements as are herein contained, except this covenant for renewal, and except as to annual rent, the quantum for which shall be negotiated. In the event that the parties are unable to agree as to a proper rental rate, then the same shall be settled by arbitration in accordance with the provisions of the Commercial Arbitration Act of British Columbia, (or any replacement statute), as the same may be in force at that time but at a rental never less than the Base Annual Rent paid by the Tenant during the initial Term.

It is understood between the parties that the Tenant shall have First Right of Opportunity to Lease the adjoining 160sf office if/when it becomes available at any time during the Lease or renewal period, at the same rental rate as is structured in the Lease term or renewal terms.

19. INDEMNITY COVENANTS

- 19.1 ~~In consideration of the Landlord granting the Lease to the Tenant, and for other good and valuable consideration, the receipt and sufficiency of which the Indemnifier acknowledges, the Indemnifier unconditionally agrees with the Landlord as follows:~~

~~_____ The Indemnifier will upon demand given by the Landlord to the Indemnifier:~~

- ~~_____ a) _____ pay any rent and other amounts payable by the Tenant under the Lease;~~
- ~~_____ b) _____ perform all the obligations of the Tenant under the Lease; and~~
- ~~_____ c) _____ indemnify and save harmless the Landlord from any loss, cost, or damage, including consequential loss and costs on a solicitor and own client basis, suffered by the Landlord arising out of any failure by the Tenant to pay any rent or other amounts payable, or to perform any of the obligations of the Tenant under the Lease.~~

- 19.2 ~~The indemnity is absolute and unconditional, and without limiting the generality of the foregoing the liability of the Indemnifier will not be considered to have been waived or in any way affected by any of the following:~~

- ~~_____ a) _____ any extension of time, or indulgence or modification, which the Landlord may extend to the Tenant or make with the Tenant from time to time in connection with the performance of any of the obligations of the Tenant under the Lease;~~
- ~~_____ b) _____ any waiver by, or failure of, the Landlord to enforce any term of the Lease;~~
- ~~_____ c) _____ any assignment of the Lease, or any subletting of the Premises, in whole or in part, or other transfer of the Premises by the Tenant, or by any trustee receiver, or liquidator of the Tenant;~~
- ~~_____ d) _____ any act or omission by the Landlord with respect to matters contained in the Lease;~~
- ~~_____ e) _____ any consent which the Landlord may give to any assignment of the Lease or any subletting or other transfer of the Premises;~~
- ~~_____ f) _____ any amendment to the Lease, whether consented to or not by the Indemnifier and whether known by the Indemnifier;~~
- ~~_____ g) _____ any winding up, amalgamation, bankruptcy, or receivership of the Tenant, the death of the Tenant (if an individual), any execution proceedings taken against the Tenant, or any release~~

~~or discharge of the Tenant in any receivership, bankruptcy, winding up, or other creditor's proceeding;~~

- ~~h) the filing by the Tenant of a proposal or a notice of intention to file a proposal or the repudiation of the Lease by the Tenant or any other person pursuant to the *Bankruptcy and Insolvency Act*, as amended or substituted from time to time;~~
- ~~i) any surrender of the Lease by the Tenant, or by any trustee, receiver or liquidator of the Tenant, whether or not consented to by the Landlord;~~
- ~~j) any creditor or debtor proceeding applicable to the Tenant, including any application by the Tenant to obtain protection from its creditors;~~
- ~~k) any repossession and subletting of the Premises, except that any proceeds received by the Landlord, after deducting all costs and expenses of repossessing and subletting, will be credited from time to time by the Landlord to the account of the Tenant, and the Indemnifier will pay to the Landlord, on demand, the difference between the amount of the payments received and the amount payable by the Tenant under the Lease if the amount received is less than the amount payable by the Tenant under the Lease; or~~
- ~~l) the expiration or sooner termination of the term of the Lease or any renewal or extension of the term, however arising, including without limitation by operation of law or resulting from the exercise of a trustee in bankruptcy's statutory right to disclaim any interest in the Lease and surrender possession of the Premises with or without the consent of the Landlord.~~

20. ENVIRONMENTAL MATTERS

20.1 For the purpose of this Section:

- (i) **"Environmental Contaminant"** means any pollutants, contaminants, hydrocarbon contaminants, asbestos materials, hazardous, corrosive or toxic substances, special waste or waste of any kind or other substance which is regulated, prohibited or controlled under any Environmental Law;
- (ii) **"Environmental Laws"** means any statute, regulation, bylaw or other lawful requirement of any governmental authority relating in any way to the environment, health or occupational and safety.

The Tenant shall:

- (iii) not use or permit to be used the Premises and Building or any part thereof for the sale, use, storage or manufacture or any other dealing with any Environmental Contaminants;
- (iv) not bring or allow any Environmental Contaminant to be brought onto the Premises and Building except in compliance with the Environment Laws;
- (v) comply, and require all those for whom the Tenant is in law responsible to comply, at all times with the Environmental Laws as they affect the Premises and Building;
- (vi) promptly notify the Landlord in writing of the existence of any Environmental Contaminant on or emitting from the Premises and Building;
- (vii) at its own cost, promptly remediate any contamination of the Premises and Building resulting from Environmental Contaminants brought onto or created on the Premises and Building by the Tenant or its employees, agents, contractors, subtenants, licensees or invitees;
- (viii) on the expiry or earlier termination of this Lease, leave the Premises and Building free of any and all Environmental Contaminants;
- (ix) protect, indemnify and save each of the Landlord and its directors, officers, employees, agents, successors and assignees completely harmless from and against any and all claims, losses, costs, expenses, fines or damages (including solicitors fees) relating to, arising out of, or resulting in any way from the presence of any Environmental Contaminants on the Premises and Building (including without limitation all costs and expenses of any remediation or

restoration of the Premises and Building) or on any property adjoining or in the vicinity of the Lands required or mandated by the Environmental Law.

21. **PARKING**

The tenant shall be entitled to the use of 4 parking spaces in the parking lot area rent free, during the term of the Lease or any Renewal thereof. Parking is unassigned.

The obligations of the Tenant under this Section shall survive the expiry or earlier termination of this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the day and year first above written.

For the LANDLORD:
676955 BC Ltd

Print name: DUNCAN MAGEE

Dated this 1 day of MARCH, 2011

For the TENANT:
PAYLINE by ICE INC

Print name: PAUL RECHNER

Dated this 1 day of March, 2011

Print name: _____

Dated this _____ day of _____, 2011

EXTENSION of LEASE AGREEMENT dated 28th day of FEBRUARY, 2011.

BETWEEN:

6767955BC LTD.
101-891 ATTREE AVENUE
VICTORIA, B.C. V9B 0A6

(as "Landlord")

AND:

PAYLINE by ICE INC.
315 - 877 GOLDSTREAM AVENUE
VICTORIA, BC

(as "Tenant")

Date of this extension agreement January 14, 2014

WITNESS THAT in consideration of the mutual covenants and agreements hereinafter respectively reserved and contained, the Landlord and Tenant covenant and agree each with the other as follows:

The following terms of the Lease are hereby modified:

1. RENEWAL OF TERM

The parties agree to renew the Lease for a further 3 year period from **March 1/14 to February 28/17.**

2. RENT

The basic net rental payment due has been changed from the commencement date as follows:

		<u>Annual Rent</u>	<u>Monthly Payment</u>	
Years 1 - 2	\$19.50 psf	\$28,528.50	\$2,377.38	MAR 1/14 - FEB 28/16
Year 3	\$20.00 psf	\$29,260.00	\$2,438.33	MAR 1/16 - FEB 28/17

IN WITNESS WHEREOF the parties hereto have executed this Lease Addendum day and year first above written.

For the LANDLORD:
676955BC Ltd

For the TENANT:
PAYLINE by ICE Inc.

AMMENDMENT TO LEASE AGREEMENT dated 28th day of FEBRUARY, 2011.

BETWEEN:

676955BC Ltd
116 - 967 LANGFORD PARKWAY
VICTORIA, B.C. V9B 0A5

(as "Landlord")

AND:

PAYLINE by ICE INC.
315 - 877 GOLDSTREAM AVE _____
VICTORIA, B.C.

(as "Tenant")

Date of this amendment January 6, 2015

WITNESS THAT in consideration of the mutual covenants and agreements hereinafter respectively reserved and contained, the Landlord and Tenant covenant and agree each with the other as follows:

The area of the Premises in 1.1 c is hereby increased 163 sq/ft on the date of this amendment for the addition of the office adjacent to the hallway. The total area is now 1,626 sf.

The Landlord will ensure all lighting and systems are in good working order. It is noted that the lights may be flickering; the Landlord will look after this repair if the Tenant reports it as a problem.

It is also noted that drywall damage exists where a TV was mounted on the wall adjacent to the hallway.

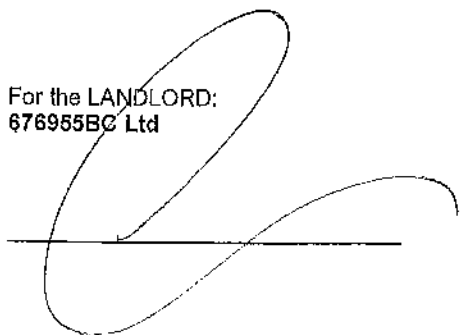
Basic net rent for the remaining months of Years 1 -2 is \$2,642.25
Basic net rent for Year 3 is \$2,710.00

For the month of January 2015 only, the "gross" rent for the additional area is prorated for 3 weeks and is \$300 + GST.

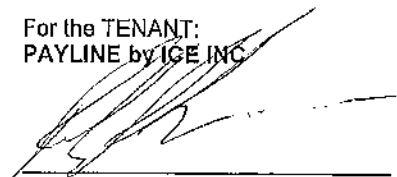
All other terms and conditions in the Lease remain the same.

IN WITNESS WHEREOF the parties hereto have executed this Lease Addendum the day and year first above written.

For the LANDLORD:
676955BC Ltd

A large, stylized handwritten signature in black ink, written over a horizontal line.

For the TENANT:
PAYLINE by ICE INC

A handwritten signature in black ink, written over a horizontal line.

AMMENDMENT TO LEASE AGREEMENT dated 28th day of FEBRUARY, 2011.

BETWEEN:

676955BC Ltd
116 – 967 LANGFORD PARKWAY
VICTORIA, B.C. V9B 0A5

(as "Landlord")

AND:

PAYLINE by ICE INC.
315 – 877 GOLDSTREAM AVE
VICTORIA, B.C.

(as "Tenant")

Date of this amendment September 21, 2016

WITNESS THAT in consideration of the mutual covenants and agreements hereinafter respectively reserved and contained, the Landlord and Tenant covenant and agree each with the other as follows:

1. RENEWAL OF TERM

The Landlord and Tenant agree to renew the Lease a further five (5) years, from March 1/17 to Feb 28/22.

2. RENT

The basic net rental payment before GST due for five (5) year renewal will be as follows:

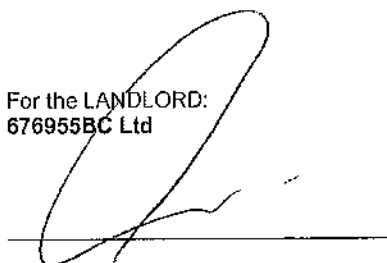
March 1/17 to Feb 28/20 - \$2,710 per month

March 1/20 – Feb 28/22 - \$2,845.50 per month

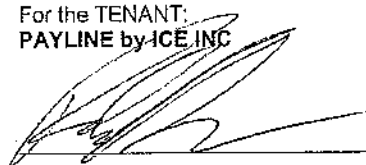
All other terms and conditions in the Lease remain the same.

IN WITNESS WHEREOF the parties hereto have executed this Lease Addendum the day and year first above written.

For the LANDLORD:
676955BC Ltd

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a horizontal line, positioned above a solid horizontal line.

For the TENANT:
PAYLINE by ICE INC

A handwritten signature in black ink, appearing as a series of overlapping loops and strokes, positioned above a solid horizontal line.



Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Engineering

SUBJECT: North Langford Stormwater DCC Bylaw No. 2023

BACKGROUND:

Development Cost Charges are a way for the City to collect funds to improve infrastructure that will support projected development over a specified time horizon, under the provisions of the *Local Government Act*. The concept of “Benefiter pays” is the key component of this legislation: Infrastructure costs should be paid by those who will use and benefit from the construction of the works.

Development Cost Charges (DCCs) may be collected by the City for improvements to roads, storm drainage, parkland acquisition, and park improvements. DCCs may be collected as a condition of subdivision for single family and duplex development, and at building permit for multi-family, commercial, institutional, and industrial development. Similarly, the Capital Regional District (CRD) also has DCCs, and the School District applies School Site Acquisition charges, permitted under a different section of the Act.

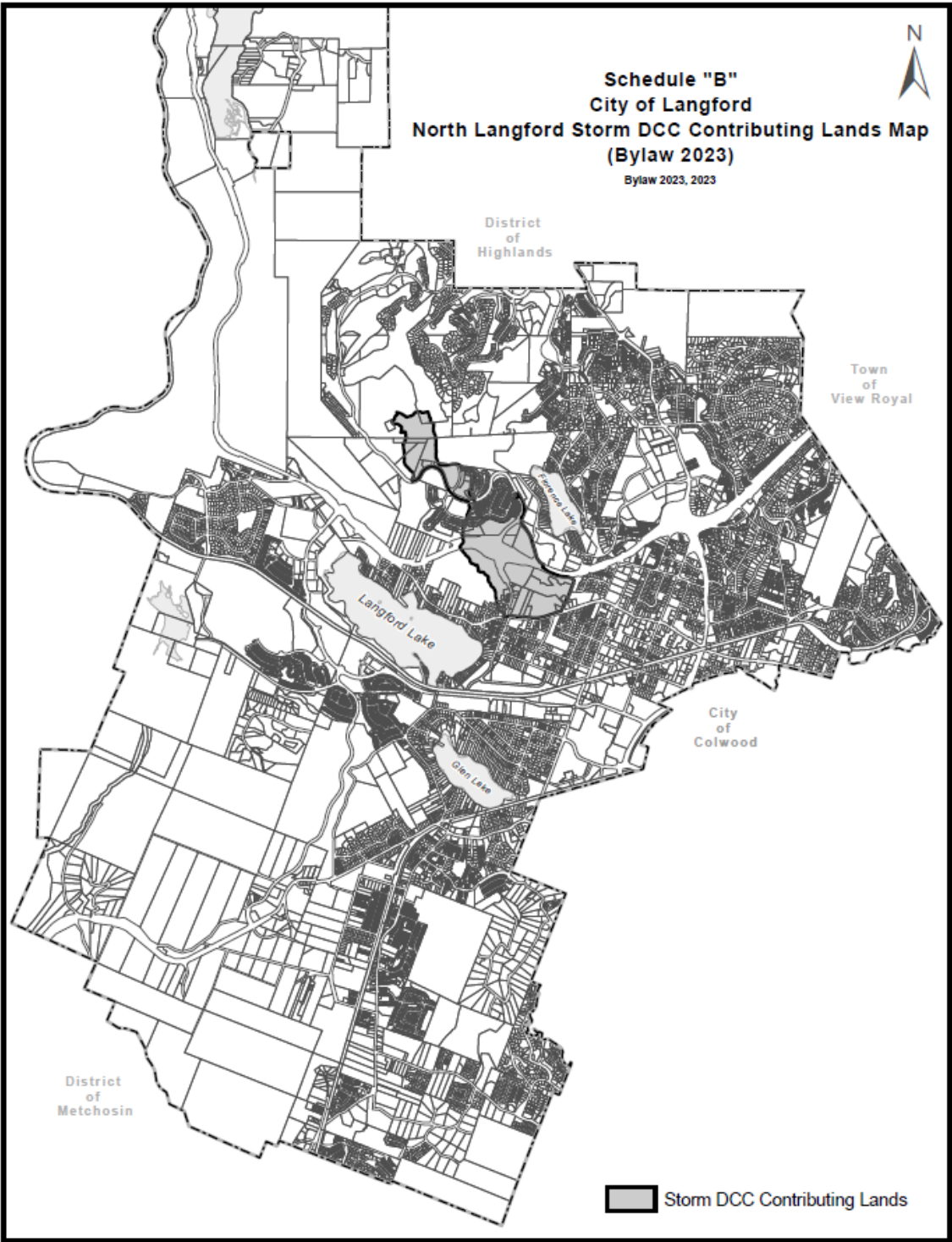
The City can use the funds collected through a DCC program to pay for improvements identified in the same DCC program; alternatively, the works can be constructed by others as part of their development process in return for credit toward DCC’s payable.

The purpose of this report and accompanying bylaw is to introduce a new North Langford Stormwater DCC program specifically related to the Spencer Pond drainage catchment area. It should be noted that in certain times of year Spencer Pond may look like more than one pond as the water infiltrates and the pond dries out in certain areas. For this reason, the report refers to Spencer Ponds moving forward.

COMMENTARY:

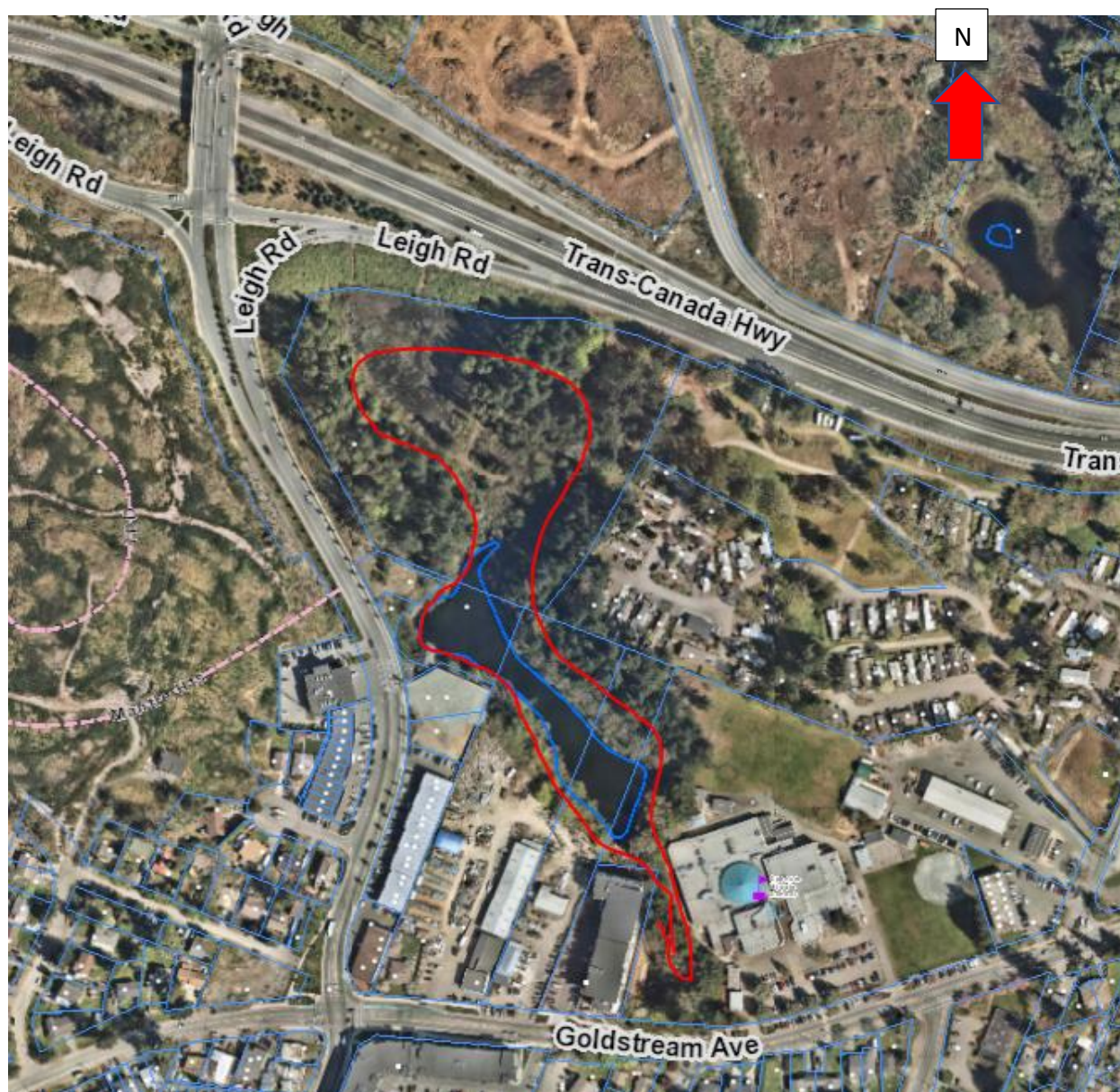
North Langford Stormwater DCC Area

The North Langford Stormwater DCC program is an area-specific stormwater DCC bylaw for the drainage catchment area flowing into Spencer Ponds on Leigh Road. Schedule B shown below is part of the proposed Bylaw No. 2023 and illustrates the drainage area, also referred to as the contributing lands that all drain into Spencer Ponds.



Spencer Ponds are located on the east side of Leigh Road, north of Sergio Place and south of the Leigh Road Interchange southbound onramp. Figure 1 shows the wetted area of Spencer Ponds.

Figure 1: Spencer Pond Location Map



A Map showing contributing lands all located within the Spencer Pond drainage area is included in the North Langford Stormwater DCC Bylaw No. 2023. It should be noted that approximately 30% of the drainage catchment area consists of existing homes.

North Langford Stormwater Project – Spencer Pond Overflow Drain

Spencer Ponds are somewhat unique in that it does not have a storm drain outlet, the water level in the pond is controlled by infiltration, i.e. all flows to the pond soak into the ground. In drier summer months the pond has very little water in it.

The City has been monitoring the water level in Spencer Ponds since October 2020. This monitoring along with hydrologic modeling has confirmed that the water level during the 1 in 200-year storm event has the potential to flood properties adjacent to the pond when considering both existing and proposed development and climate change. There is no immediate risk to the public, this risk is projected over time and therefore the project is planned for the year 2026.

In consideration of existing developments within the Spencer Ponds drainage catchment area, an overflow drain is proposed to be constructed in Spencer Ponds. The purpose of this overflow drain is to avert flooding from the pond during 1-in-200 year storm events, taking into account projected rainfall increases for climate change.

Protecting the existing neighbouring lands that include Spencer Middle School and the mobile home park located between Spencer Ponds and Spencer Road are an important aspect of this overflow drain construction. Conversely, new development must not increase stormwater flow from existing flows or redirect flows. New development must also maintain water quality.

The overflow drain functions the same as all of the City's stormwater management ponds would. Water accumulates in the pond over time, allowing sediment to settle out of the water. In the case of Spencer Ponds, water would only spill out in a 1 in 200-year event at the most and the water would spill off the top of the pond, not the bottom where sediment accumulates. Therefore the risk of sedimentation or contaminant release from the overflow drain is very low. In addition, the City's street sweeping program and the presence of oil grit separators in the upstream drainage on the City roads also mitigates the potential for contamination to result from this overflow drain.

Due to the uniqueness of Spencer Ponds infiltration, the water level in Spencer Ponds is higher at different times of year than other lakes in the area, including Langford Lake. This means that when the overflow drain is activated in a 1-in-200 year event the volume of water that may enter Langford Lake will be negligible in relation to the size of the lake (ie. Not more than a 10cm rise to Langford Lake).

The City commissioned On Point Project Engineers to design the proposed overflow drain for the purposes of identifying its location and projecting costs for the new North Langford Stormwater DCC bylaw. The overflow drain is planned to extend out of Spencer Ponds onto Leigh Road, extending south to Donna Avenue, west on Donna Avenue, south through property located at 1108 Goldstream Avenue (the developer of this land is aware of the future drain), and finally west on Goldstream Avenue to an existing storm outlet on the south side of Goldstream Avenue at Shelby Place as shown below:



Stakeholder Input

The Best Practices Guide provided by the Ministry of Community, Sport and Cultural Development recommends stakeholder input to the proposed bylaws to ensure that there will be no negative effect to development and affordable housing.

A Committee comprised of staff and representatives of all new development within the catchment area have had the opportunity to review and comment on the proposed bylaw and has officially endorsed the program. The new development lands are those that will contribute financially to the North Langford Stormwater DCC bylaw and therefore were consulted.

Collection of DCCs

Development Cost Charges are collected on a per lot basis at the time of subdivision for Single Family projects, at building permit on a per unit basis for Multi Family projects and per square metre of gross building area for Commercial, Industrial, and Institutional projects such as schools. This particular catchment has no industrially zoned lands, they are all business park/commercial, residential and institutional (one school on Bear Mountain Parkway in the future). The catchment map is included in Bylaw No. 2023.

The rates calculated as part of Bylaw No. 2023 are included in the bylaw and are as shown in Table 1 below. These rates are very similar to the rates for the South Langford Stormwater DCC bylaw.

Table 1 – Storm Drainage		
Column “A” Class of Development	Column “B” Subdivision	Column “C” Building Permit
One-family dwelling (>300 sq m lot)	\$1593	
Small (≤300sq m lot) lot or Two-family dwelling per Dwelling unit	\$919	
Townhouse per Dwelling unit		\$919
Apartment per Dwelling unit		\$211
Commercial or Institutional per sq m gfa*		\$6.62
Industrial or Public Utility per Hectare of site area		n/a**
Public Utility with less than 5% impervious surface per sq m gfa*		\$6.62

*gfa = gross floor area

** = there is no Industrially zoned land inside this catchment area

DCC Credit

If a developer or landowner constructs works, as a condition of development approval, that form part of the Stormwater DCC projects list, they may be eligible for DCC credit up to the dollar value of DCC's payable for that project. The credit may be in the form of charges not payable at the time of building permit, or in the form of a rebate. The City created a Road and Storm Drainage DCC Credit Policy (POL-0003-ENG) in 2012 that provides a guide to staff and developers with respect to enabling DCC credits. The policy is amended from time to time to keep it current.

FINANCIAL IMPLICATIONS:

The intent of a DCC program is that improvements required to support future development are paid for by that development. Any benefit to existing users is expressed as a percentage of the cost of the works and deducted from the total cost of the projects.

At this time, the City is planning to construct the overflow drain in approximately 2026 when it is estimated that additional driving lanes will be added to Leigh Road. Completing the drain installation at the same time as widening Leigh Road is the most logical manner to install the drain with the least amount of impact to the travelling public. Funding for the drain works would come from the proposed North Langford Stormwater DCC collections as well as contributions from the existing density within the catchment. This does not mean individual residents in that catchment get charged for this new DCC, rather the funds come from the City's overall amenity income.

Council must approve the projected yearly taxpayer contribution and include that in the municipal budget. The DCC program as proposed will require a yearly taxpayer contribution of \$120,250 over five years into the North Langford Stormwater DCC program. It is important to note that the project covered by this DCC fund is to protect existing residents as well as new residents and plays an important part in the City's climate change initiatives which is the reason for the annual contribution of \$120,250 from the general tax payer.

The program does not include any grant funding and there is no money in reserve for this bylaw since it is a new bylaw.

LEGAL IMPLICATIONS:

A municipality's development cost charge bylaw requires approval by the Inspector of Municipalities for the Province prior to bylaw adoption.

If the overflow drain is not constructed and Spencer Ponds are left status quo in a 1 in 200-year event and considering climate change 50 years in the future, the water level in the ponds is projected to reach 79 meters above sea level or 79 masl. Land to the east toward Spencer Road is at an elevation between 78 masl and 79 masl and therefore overflow would likely flow toward Spencer Road and even further east of Spencer Road.

OPTIONS:

Option 1

THAT Council consider giving the first three readings to the City of Langford North Langford Stormwater Development Cost Charge Bylaw No. 2023, 2023.

AND

Direct staff to forward the bylaw to the Inspector of Municipalities for the Province for approval.

OR Option 2

THAT Council decline to pursue the City of Langford North Langford Stormwater Development Cost Charge Bylaw No. 2023, 2023 at this time.

SUBMITTED BY: Michelle Mahovlich, P.Eng., P.Geo., Engineering Department

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachments: Bylaw No. 2023

CITY OF LANGFORD

BYLAW NO. 2023

A BYLAW TO IMPOSE STORM DRAINAGE DEVELOPMENT COST CHARGES.

WHEREAS:

- (a) Council may impose development cost charges under Section 559 of the *Local Government Act*;
- (b) Development cost charges may be imposed for the sole purpose of providing funds to assist the City in paying the capital cost of providing, constructing, altering or expanding sewage, water, drainage and highway facilities and providing or improving park land, or any of them, in order to serve, directly or indirectly, the development for which the charges are imposed; and
- (c) In the consideration of Council, the charges imposed under this bylaw:
 - (i) are not excessive in relation to the capital cost of prevailing standards of service in the City;
 - (ii) will not deter development in the City;
 - (iii) will not discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land;
- (d) In the opinion of Council, the charges imposed under this bylaw are:
 - (i) related to capital costs attributable to projects included in the City's capital expenditure bylaw, namely the Spencer Pond overflow drain;
 - (ii) related to capital projects consistent with the City's Official Community Plan.

NOW THEREFORE, the Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

Interpretation:

1. In this Bylaw The following terms have the definitions ascribed to them in *the Zoning Bylaw*, 300, as may be amended or replaced from time to time:

"Apartment";

"Building";

"Dwelling unit";

"Gross floor area";

"One-family dwelling";

"Residential";

"Structure";

"Townhouse"; and

"Two-family dwelling".

2. In this bylaw, the following terms are defined as:

"City" means the City of Langford or the geographical area within the boundaries of the City of Langford, as the context requires.

"Commercial" means any commercial use as permitted under the City's *Zoning Bylaw*, 300.

"Industrial" means a use permitted in an industrial zone under the City's *Zoning Bylaw*, 300.

"Institutional" means any use that is not commercial, industrial, public utility, or residential.

"Public Utility" means a private business organization that is subject to governmental regulation because it provides an essential service or commodity such as water, electricity, sewage collection, transportation, or communication to the consuming public or a public or private recreational building located on City land providing space to the general public for the purposes of recreation.

"Site area" in relation to storm drainage charges means that portion of a lot from which storm water drains directly or indirectly to drainage works of the City following the completion of industrial or institutional development of the lot.

Charges:

3.
 - a) Every person who obtains approval of a subdivision, including a subdivision for the purpose of leasing land for a term exceeding 3 years, in a zoning district which permits the use of land for purposes of One-family or Two-family dwellings shall pay to the City the development cost charges set out in Schedule "A" attached to and forming part of this bylaw, and the approving officer shall not approve such a subdivision until such development cost charges have been paid.
 - b) Every person who obtains a building permit for a building or structure for a Townhouse, Apartment, Commercial, Institutional, Industrial, or Public Utility development, shall pay to the City the development cost charges set out in Schedule "A" and the building inspector shall not issue such a building permit until such development cost charges have been paid.
 - c) Development cost charges for storm drainage are imposed only on DCC Contributing Lands indicated by shading on Schedule "B".
4.
 - a) The charges imposed under Section 3(a) shall be paid in respect of the number of lots created in addition to the number of lots existing at the time of subdivision, and on the basis of two Dwelling units for each additional lot on which the zoning bylaw permits the construction of Two-family dwellings.
 - b) The charges imposed under Section 3(b) shall be paid based on the information contained in the building permit application, and may, in the sole discretion of the City, be adjusted as necessary with reference to the building actually constructed, and any additional amount shall be paid prior to the issuance of an occupancy permit.
5. A development cost charge is payable in respect of every event under Tables 1 of Schedule "A", provided that:
 - a) a charge is not payable under this Section where a charge under this bylaw has been paid previously for the same event in respect of the same development;
 - b) a credit shall be deducted from the amount that would otherwise have been imposed under this Section in respect of a parcel for the amount of development cost charges previously paid to the City for the same development on the same parcel under this bylaw.
6. Under no circumstances shall any charges collected under this bylaw be refunded. When an approved subdivision plan is not deposited or no construction is commenced pursuant to an approved building permit, charges collected shall be credited toward charges payable in respect of a future charging event under Table 1.

Exemptions:

7. No charge is payable under this bylaw where:
- a) the building permit authorizes the construction, alteration or extension of a building or part of a building that is, or will be, after the construction, alteration or extension, exempt from taxation under s. 220(1)(h) or s. 224(2)(f) of the *Community Charter*;
 - b) the value of the work authorized by the permit does not exceed \$50,000 or any other amount prescribed by regulation under s. 561(9) of the *Local Government Act*.

Severance:

8. In the event a portion of this bylaw is set aside by a court of competent jurisdiction, the portion is deemed to be severed from the bylaw such that the remaining portions of the bylaw continue in force and effect.

Citation:

9. This bylaw may be cited for all purposes as the "City of Langford Storm Drainage Development Cost Charge Bylaw No. 2023, 2023."

READ a first time this day of 2023.

READ a second time this day of 2023.

READ a third time this day of 2023.

APPROVED BY The Inspector of Municipalities, pursuant to s. 560 of the *Local Government Act* on this
day of ,2023.

ADOPTED this day of , 2023.

PRESIDING COUNCIL MEMBER

(Certified Correct)
CORPORATE OFFICER

SCHEDULE “A” DEVELOPMENT COST CHARGES

1. The charges to be levied and paid are the amounts specified in Columns B and C of Tables 1 in respect of the class of development specified in Column “A”.

Table 1 – Storm Drainage		
Column “A” Class of Development	Column “B” Subdivision	Column “C” Building Permit
One-family dwelling (>300 sq m lot)	\$1593	
Small (≤ 300 sq m lot) lot or Two-family dwelling per Dwelling unit	\$919	
Townhouse per Dwelling unit		\$919
Apartment per Dwelling unit		\$211
Commercial or Institutional per sq m gfa*		\$6.62
Industrial or Public Utility per Hectare of site area		n/a**
Public Utility with less than 5% impervious surface per sq m gfa*		\$6.62

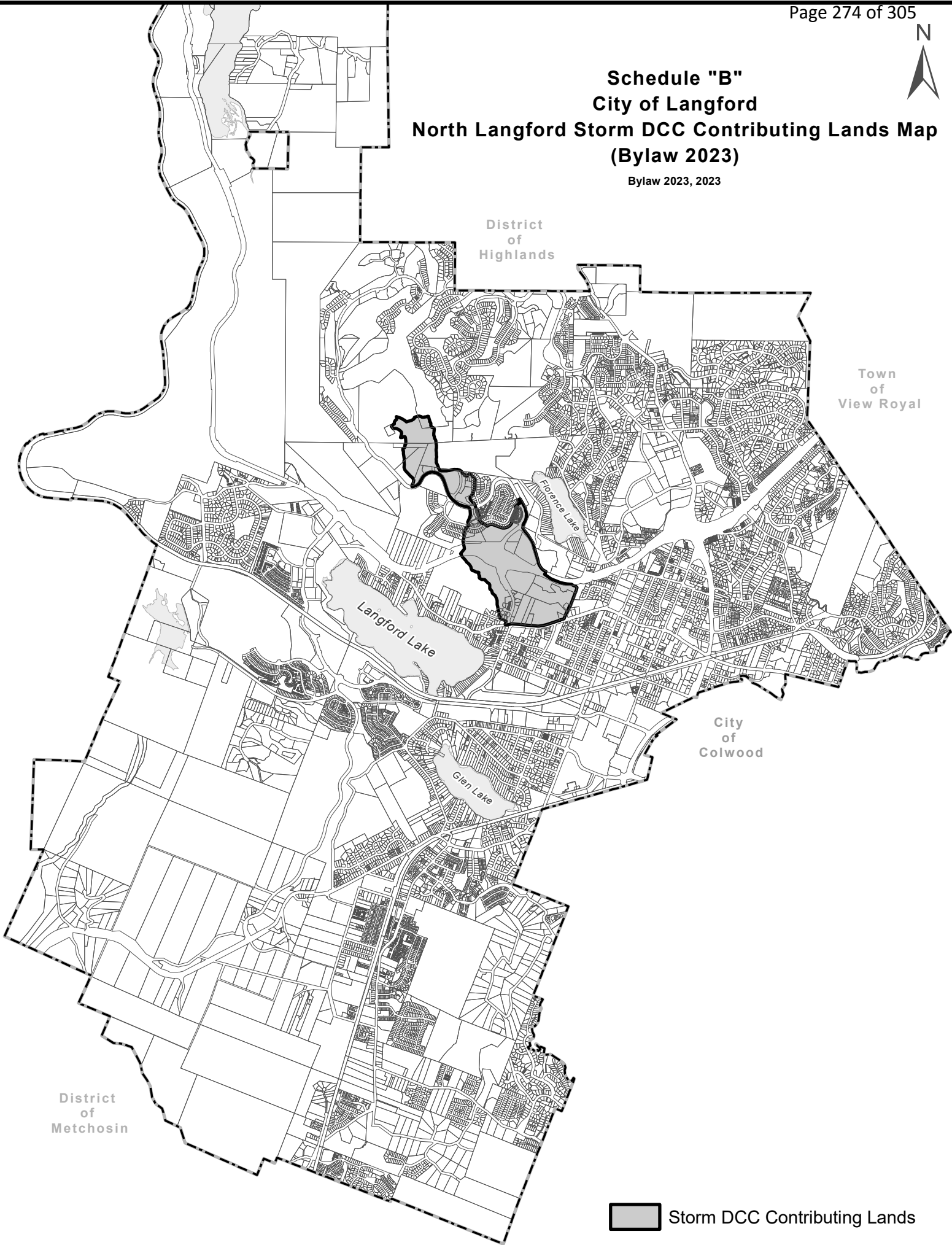
*gfa = gross floor area

** = there is no Industrially zoned land inside this catchment area



Schedule "B"
City of Langford
North Langford Storm DCC Contributing Lands Map
(Bylaw 2023)

Bylaw 2023, 2023





City of Langford

Staff Report to Council

DATE: Monday, March 6, 2023

DEPARTMENT: Planning

APPLICATION NO.: Z22-0018

SUBJECT: Bylaw No. 2093 – Application to Rezone 898 and 914 Klahanie Drive from RR2 (Rural Residential 2) to RT1 (Residential Townhouse) to allow for the development of approximately 58 townhouse units.

BACKGROUND:

Sam Ganong of Formwell Homes Ltd has applied on behalf of Jodi-Ann and John Acreman and Wendy and Mark Szczepanowski to rezone 898 and 914 Klahanie Drive from RR2 (Rural Residential 2) to RT1 (Residential Townhouse) to allow for the development of approximately 58 townhouse units, with 30% open space.

The application was reviewed by the Planning, Zoning, and Affordable Housing (PZAH) Committee on July 11th, 2022. The Committee had recommended that Council take no action at the time regarding the application. The original staff report that went to PZAH has been attached to this report for reference.

While Council approved the PZAH minutes at their regular Council meeting on July 18th, they did not consider the application itself, nor make a resolution. As such, Council may decide whether to give Bylaw No. 2093 First Reading. If given, the application would proceed to a Public Hearing no earlier than April 3rd, 2023.

COMMENTARY:

Subsequent to the application being reviewed by the PZAH Committee last July, the applicant elected to conduct a Traffic Impact Assessment to help address concerns about traffic that were brought forward by members of the public. The assessment studied two key intersections related to this development, the Latoria/Klahanie intersection, and the Greystone/Klahanie intersection. The assessment was completed by Watt Consulting Group and the results are summarized in Figure 1.

Figure 1 – Traffic Impact Assessment Summary**TRAFFIC VOLUMES & CAPACITY**

- Existing peak hour volumes on Klahanie are 60-65 vehicles per hour which are within the standards for a local road
- Traffic volume projections for school site were added on Latoria Road
- Traffic volume projections for 887 Klahanie Drive development were added
- Development adds less than 30 vehicles per peak hour (1 new vehicle every 2 mins)
- Development traffic will use Greystone Place to access Klahanie Drive
- Post development daily volume on Klahanie remain at less than 1,000 vpd which is within the City's standards for local roads
- Post development Klahanie Drive continues to have capacity for the expected volumes of traffic.

TRAFFIC OPERATIONS

- A signal is planned, by others, to be install at Klahanie Drive / School Driveway / Latoria Road prior to school opening
- With development and school traffic there is less than several seconds of additional delay for existing Klahanie Drive movements once the signal is implemented.
- Signal will improve ability to turn left out of Klahanie Drive over current condition of drivers having to find a gap in Latoria Road traffic.
- Development does not impact traffic operations at intersections/driveways on Klahanie Drive, including Greystone Place. Average delay is less than 10 seconds.
- Overall the development has minimal impact on existing capacity and operations in the neighbourhood in the long term.

The Director of Engineering has noted that the traffic light at Klahanie and Latoria will be installed in 2023.

The School Board is anticipating that the new elementary school at Klahanie and Latoria will be open in the Fall of 2025 with room for approximately 480 students.

The applicant has also had a comprehensive tree survey completed by a consulting arborist. The arborist inventoried every tree located within the development site. The survey noted the species, size, canopy diameter, existing health, and structural characteristics. The arborist also commented on which trees could possibly be retained based on the preliminary development plans. The retention status of the on-site trees has been summarized in Figure 2.

Figure 2: Tree Retention Summary

Tree Resource Spreadsheet Summary		
Property: 898 and 914 Klahanie Drive		
Date: February 7, 2023		
TABLE 1: Retention Status		
Retention Status	#	% of Total
Retained	67	21.4%
TBD	39	12.5%
Removed	207	66.1%
Total	313	100.0%
TABLE 2: Removed Tree Health Summary		
Health	Number	% of Total
Dead	1	0.5%
Poor, Fair-Poor	98	47.3%
Fair, Fair-Good	108	52.2%
Total	207	100.0%

As noted above, 67 trees can be retained, another 39 could possibly be retained, dependent on the finalized building and grading plans, and 207 would need to be removed. Of the trees that will need to be removed, 47.8% are considered to be in “fair-poor” or “poor” condition, or are “dead”.

The arborist has provided an overlay on the development plans (Figure 3) to demonstrate where the retained trees would be located. As shown, they are all located in the 30% green space, both in the area to be dedicated to the City as Park, and the retained non-disturbance strata common property area.

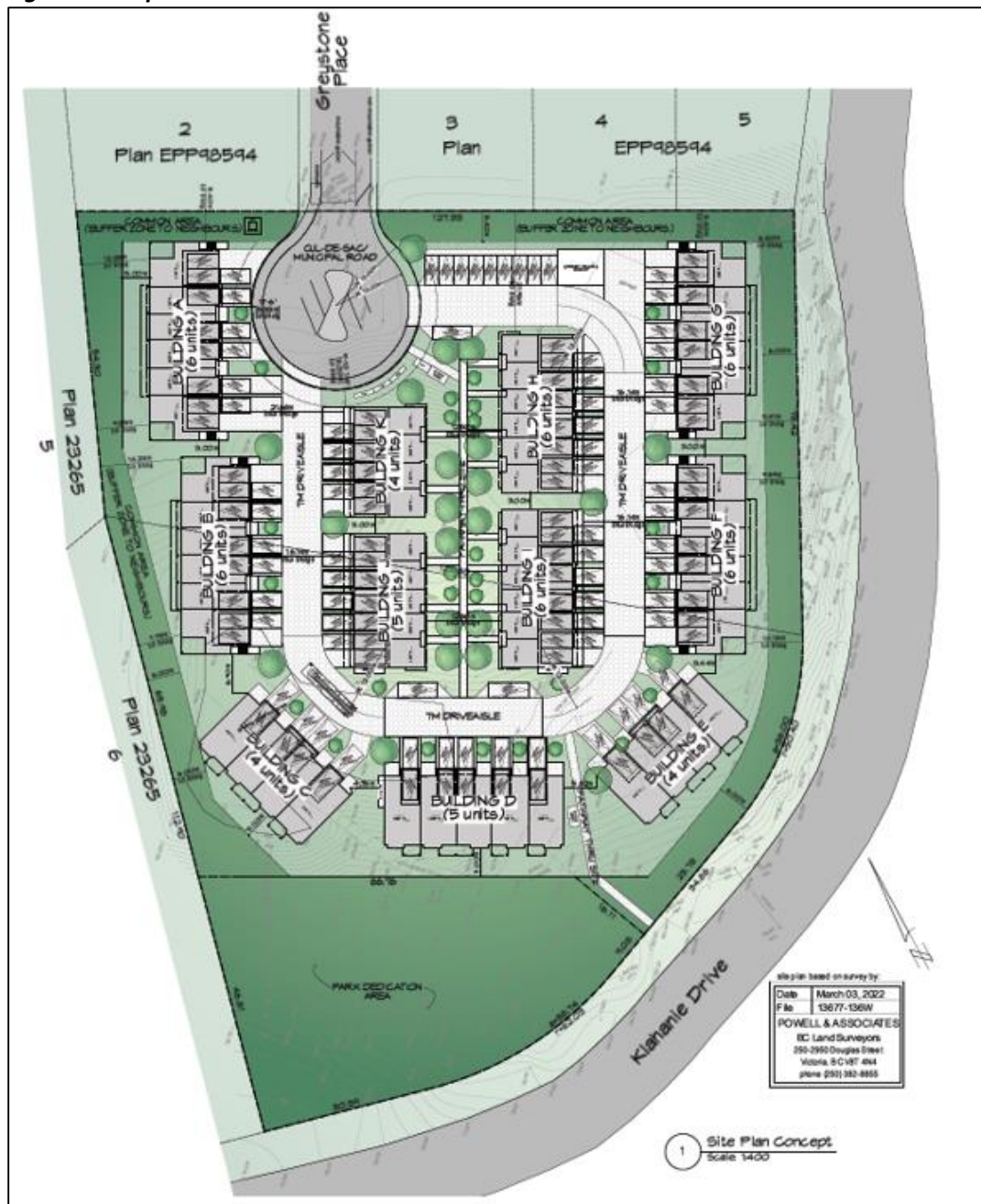
Site plan based on survey by:

Date	June 27, 2022
File	12077-139W
POWELL & ASSOCIATES	
BC Land Surveyors	
120-1200 Douglas Street	
Victoria, BC V8T 4M1	
phone (250) 362-0852	

2 Tree/Grading Overlay - Site Plan (Apr. 19)
Scale 1:400

The applicant will be planting additional trees within the disturbed development site as part of the required landscape plan. The landscape plan will be prepared by a Landscape Architect at the time of development permit. Based on the submitted site plan (Figure 4), it appears there are many opportunities for on-site tree planting.

Figure 4: Proposed Site Plan



Council should note that the City does not currently have a policy regarding the replacement of trees on development sites. Council may wish to have this looked at as part of the Urban Forest Management Plan.

Given the above information, Council may wish to give First Reading to Bylaw No. 2093.

OPTIONS:

Option 1

That Council give First Reading to Bylaw No. 2093;

OR Option 2

That the applicant work with staff to redesign their proposal before returning to Council for First Reading of Bylaw No. 2093;

OR Option 3

That Council take no action at this time regarding Bylaw No. 2093.

SUBMITTED BY: Julia Buckingham, Planner II

Concurrence: Leah Stohmann, MCIP, RPP, Deputy Director of Planning and Subdivision

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Katelyn Balzer, P.Eng, Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services

Concurrence: Braden Hutchins, Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer



Staff Report to the Planning, Zoning and Affordable Housing Committee

DATE: Monday, July 11, 2022

DEPARTMENT: Planning

APPLICATION NO.: Z22-0018

SUBJECT: Bylaw No. 2093 – Application to Rezone 898 and 914 Klahanie Drive from RR2 (Rural Residential 2) to RT1 (Residential Townhouse) to allow for the development of approximately 58 townhouse units.

PURPOSE

Sam Ganong of Formwell Homes Ltd has applied on behalf of Jodi-Ann & John Acreman and Wendy & Mark Szczepanowski to rezone 898 and 914 Klahanie Drive from RR2 (Rural Residential 2) to RT1 (Residential Townhouse) to allow for the development of approximately 58 townhouse units, with 30% open space.

BACKGROUND

PREVIOUS APPLICATIONS

No previous applications have been made for the subject properties.

Table 1: Site Data

<i>Applicant</i>	Sam Ganong of Formwell Homes Ltd
<i>Owner</i>	Jodi-Ann & John Acreman (898 Klahanie Dr) Wendy & Mark Szczepanowski (914 Klahanie Dr)
<i>Civic Address</i>	898 and 914 Klahanie Drive
<i>Legal Description</i>	LOT 18, SECTION 69, METCHOSIN DISTRICT, PLAN 23855 (898 Klahanie Dr) LOT 17, SECTION 69, METCHOSIN DISTRICT, PLAN 23855 (914 Klahanie Dr)
<i>Size of Property</i>	16,479 m ² (combined total)
<i>DP Areas</i>	Riparian Area and High Fire Hazard Area
<i>Zoning Designation</i>	RR2 (Rural Residential 2)
<i>OCP Designation</i>	Neighbourhood

SITE AND SURROUNDING AREA

The subject properties are located on the curve of Klahanie Drive, south of Greystone Place. The two properties each contain a single-family home and pockets of existing trees. The southern tip of 914 Klahanie Drive is considered a Riparian Area due to its proximity to Pritchard Creek.

The surrounding neighbourhood is made up of large estate style lots and many conventionally sized lots in newer subdivisions to the north, particularly along Latoria Road. The Olympic View Golf Course is also located nearby, which is zoned for a variety of commercial, recreational, and residential uses. A new school is planned to be constructed at the intersection of Klahanie and Latoria, approximately 300 meters away from the subject properties.

Figure 1: Subject Properties

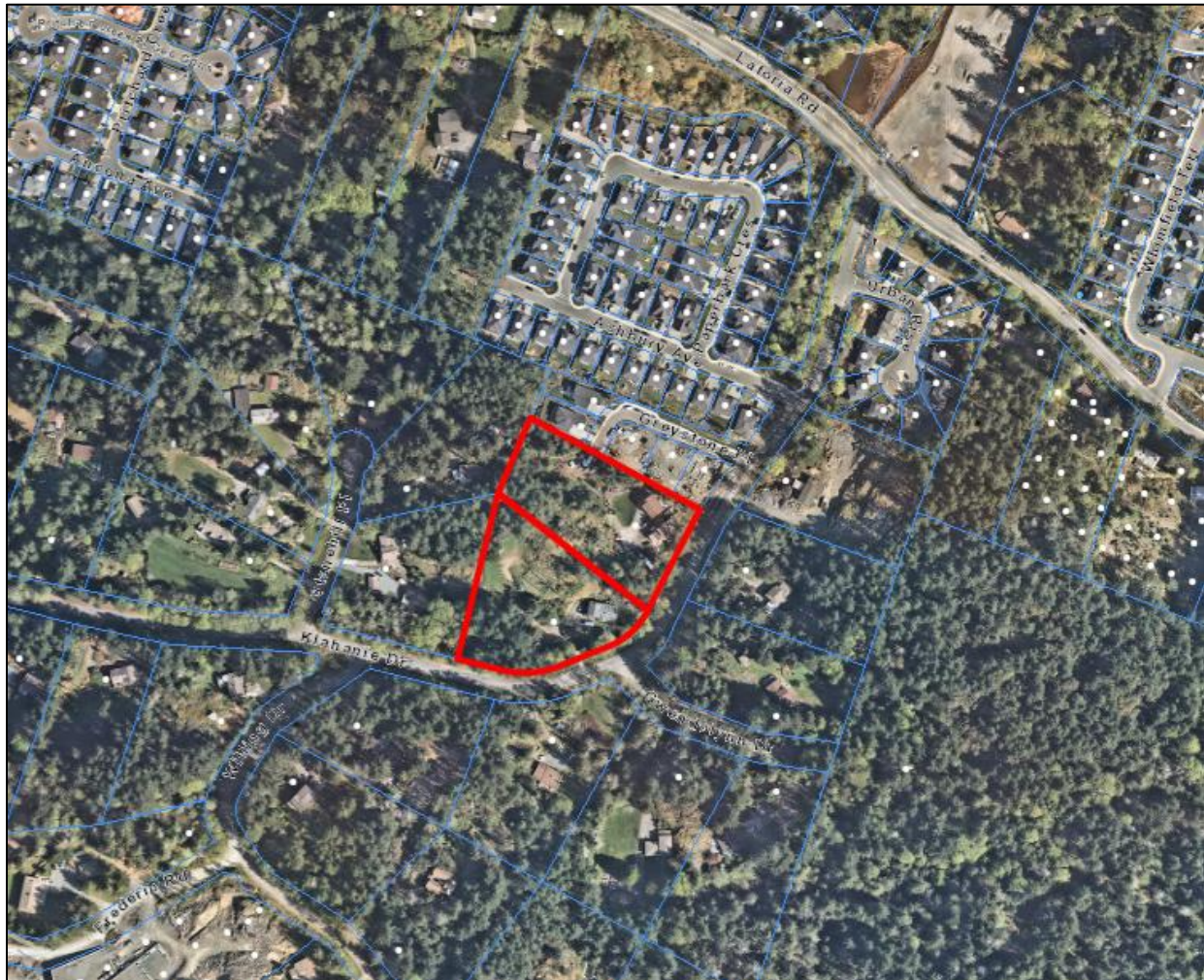


Table 2: Surrounding Land Uses

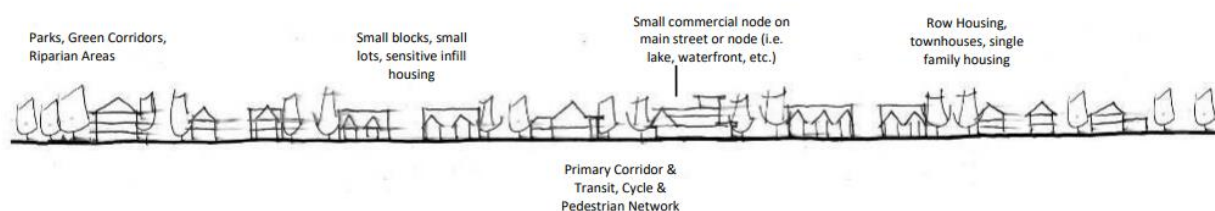
	Zoning	Use
<i>North</i>	RR7 (Rural Residential 7) RR6A (Rural Residential 6A)	Single Family Dwellings
<i>East</i>	RR2 (Rural Residential 2) CD4 (Comprehensive Development – Olympic View)	Single Family Dwellings & Golf Course
<i>South</i>	RR2 (Rural Residential 2)	Single Family Dwellings
<i>West</i>	RR2 (Rural Residential 2)	Single Family Dwellings

COMMENTS

OFFICIAL COMMUNITY PLAN

The subject property is designated as Neighbourhood within the Official Community Plan Bylaw No. 1200 as described below:

- Predominately residential precinct that supports a range of low and medium density housing choices including secondary suites
- This area allows for residential and mixed use commercial intensification of streets that connect centres and/or are serviced by transit
- Schools, community facilities and other institutional uses are permitted throughout the area
- Retail servicing local residents is encouraged along transportation corridors
- Home-based businesses, live-work housing is encouraged
- Parks, open spaces and recreational facilities are integrated throughout the area
- This area allows for *Neighbourhood Centres* to emerge in the form of medium density mixed-use nodes at key intersections
- Transit stops are located where appropriate

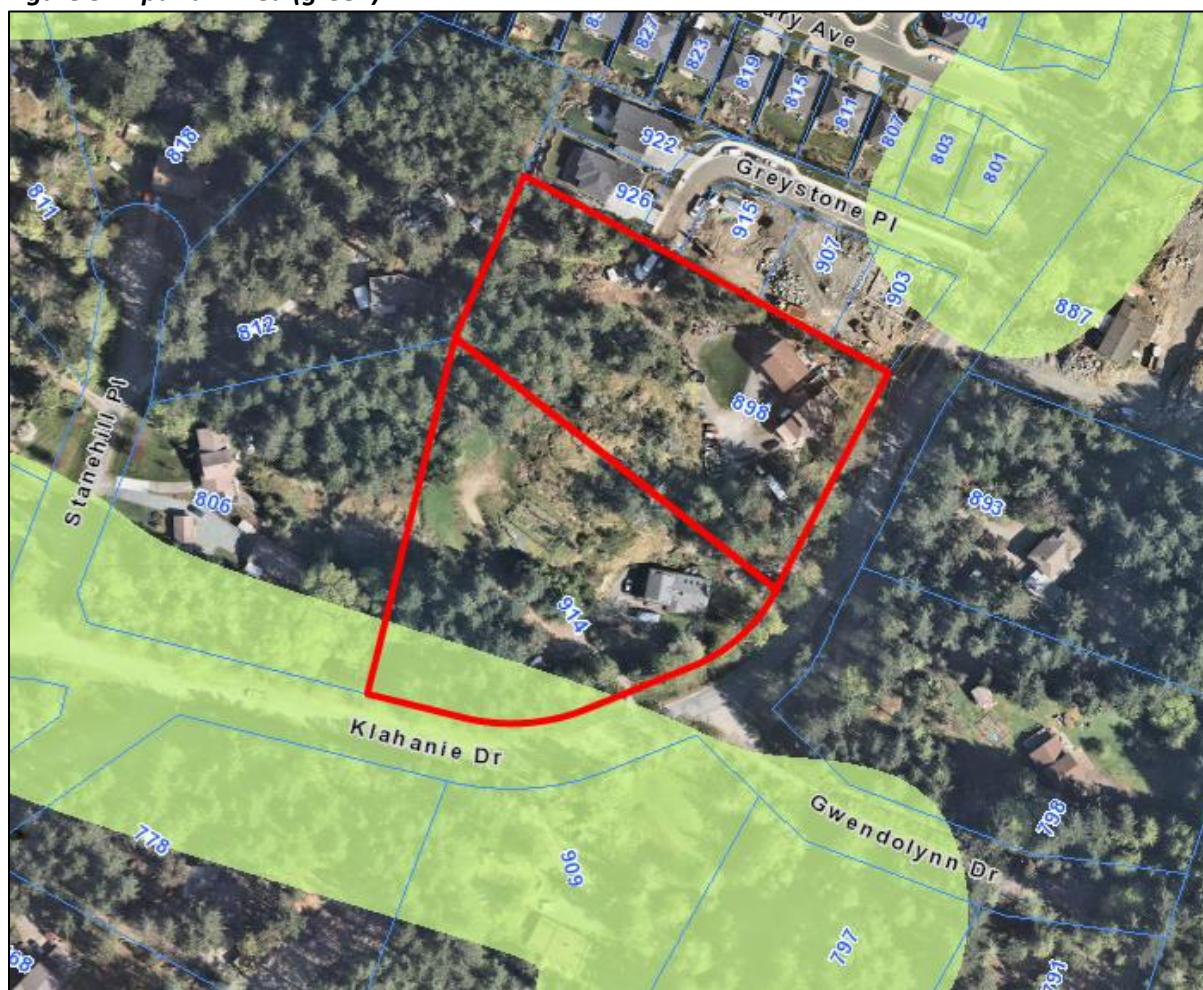
Figure 1: A Concept for Neighbourhood Areas

DEVELOPMENT PERMIT AREAS

The subject properties are located in the High Fire Hazard Development Permit Area, and as such, a Wildfire Hazard Assessment will need to be prepared by a Registered Professional Forester and submitted to the City. As noted above, the southern tip of 914 Klahanie Drive is located within the Riparian Development Permit Area due to proximity to Pritchard Creek, shown below in in Figure 3. The applicant intends to dedicate the entire Riparian Area, among other land, to the City as Park. This will be discussed in further detail within a later section of this report.

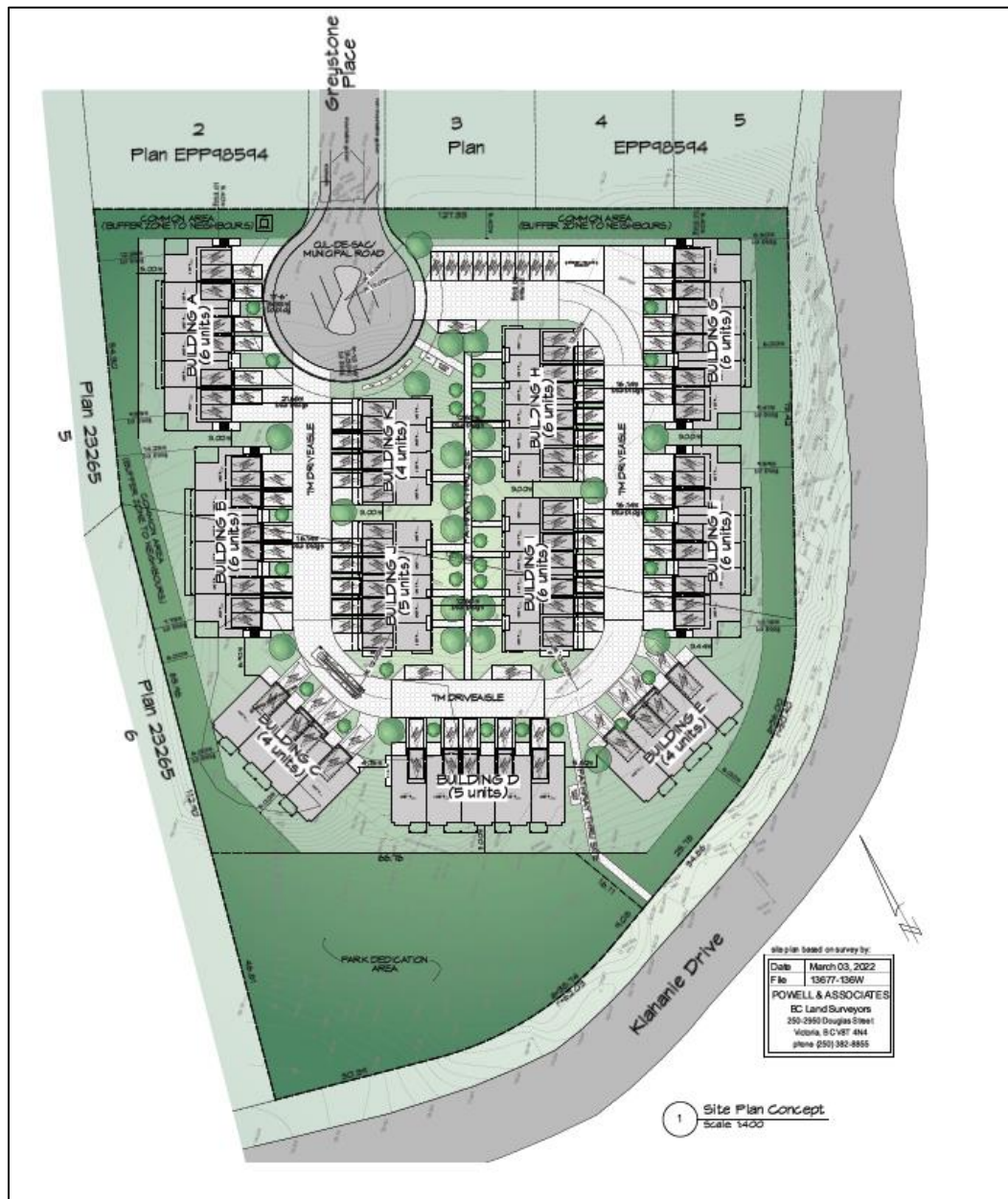
Additionally, as the applicant is proposing townhouses, a form and character development permit will be required prior to the issuance of a building permit. Staff will confirm design details and zoning compliance at this stage.

Figure 3: Riparian Area (green)



COMMENTS**DEVELOPMENT PROPOSAL**

The applicant is proposing to rezone 898 and 914 Klahanie Drive to the RT1 (Residential Townhouse) Zone to allow for the development of approximately 58 townhouses and 30% open space. A conceptual site plan can be seen below as Figure 4, and in greater detail on Appendix A.

Figure 4: Site Plan

As shown above, the site will be accessed off Greystone Place, where the municipal road will terminate in a cul de sac, and an internal strata road will loop south through the site to provide access to each townhouse. The applicant has also proposed a pedestrian pathway through the south of the site, connecting to Klahanie Drive.

As noted, the applicant intends to protect 30% of the property as open space, as shown above in Figure 4 in dark green. This is intended to be approximately half protected strata common property and half land dedicated to the City as Park. The area to be retained as strata common property is comprised of a 5.4 - 6 m buffer surrounding the northern, western, and eastern property boundaries and will be protected by a non-disturbance covenant and demarcated with a split rail fence. The light green areas shown on the plan above will be landscaped and useable by the residents of the development but does not count towards the 30% open space.

The area to be dedicated to the City as Park, shown in greater detail below in Figure 5, is located at the southern end of the site. This area contains the entire on-site Riparian Area and has the most solid tree coverage of the whole development site, making it a good candidate for Park dedication. Presently, the Director of Parks, Recreation, and Facilities intends to retain it as natural area rather than installing a playground or other active recreation opportunities.

Figure 5 – Park Dedication Area



Council may wish to require the applicant to submit a memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provide comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;

For neighbourhood context, Council may wish to be aware of the open space contributions made in surrounding developments. The Latoria neighbourhood has a history of providing 30% open space at the time of rezoning. This has shifted more towards a combination of land and a cash contribution totaling 30% in the past few years and has on occasion totaled to approximately 20%. The most recent rezoning, 887 Klahanie Drive, located across the street, provided 25% open space in private covenanted open space, and a 5% cash contribution. As such, Council may wish to accept the applicant's proposal and secure it within a Section 219 covenant.

Table 3: Proposal Data

	Permitted by RT1 (Proposed Zoning Designation)	Proposed by this Development
<i>Density (FAR and/or min. lot size)</i>	1.2 FAR	0.8 FAR
<i>Height</i>	3 storeys	Up to 3 storeys
<i>Site Coverage</i>	60%	35.5%
<i>Front Yard Setback</i>	3 m	3 m
<i>Interior Side Yard Setback</i>	1.2 m	5.4 m
<i>Exterior Side Yard Setback</i>	3.5 m	8.8 m
<i>Rear Yard Setback</i>	5.5 m	5 m*
<i>Parking Requirement</i>	2 parking stalls per unit 5 shared visitor stalls	2-3 parking stalls per unit 12 shared visitor parking stalls

As noted in Table 3, the applicant is requesting a variance for the rear lot line setback from 5.5 m to 5 m. Council may wish to note that the rear lot line abuts the Park dedication area. If the applicant were to retain the area as strata common property instead of dedicating it as Park, the rear lot line setback would be approximately 45 meters. As the variance is only 0.5 m and the applicant is dedicating the abutting area to the City as Park, Council may wish to approve this variance request.

The applicant is demonstrating on their site plan a minimum of 2 parking spaces per unit, with approximately 25% of the units shown with 3 parking spaces per unit. They have also demonstrated 12 shared visitor parking spaces which exceeds the minimum bylaw requirement of 5 spaces.

PEDESTRIAN, CYCLING AND MOTORIST NETWORK

BC Transit bus stops located near the development site provide service on Routes 48, 54, 55, 59, and 60 to the Langford Exchange and Metchosin. Most of these routes only run once per hour or two, with increased service during peak commuting hours. There is a 2.2 m gravel pathway along the southeastern side of Klahanie Drive, and the applicant is proposing a pedestrian pathway through the south of the site.

FRONTAGE IMPROVEMENTS

The applicant will be responsible for completing frontage improvements to Bylaw No. 1000 standards. For this site, that will include completing the municipal cul de sac, installing streetlights as required, and paving a 1.5 m road shoulder, to the satisfaction of the Director of Engineering.

STORMWATER MANAGEMENT

The applicant will be required to provide a stormwater management plan to the satisfaction of the Director of Engineering prior to the issuance of a building permit. Council may wish to require a stormwater technical memo prepared by the project engineer prior to Public Hearing to verify that storm water can be adequately managed on-site for the proposed development.

SEWER

There is currently no sewer main along the frontage of the property. Prior to subdivision approval, the sewer main must be extended and any sewer extensions or modifications within the municipal road allowance will be constructed by West Shore Environmental Services at the applicant's expense.

POTENTIAL NUISANCES

As has been past practice in this neighbourhood, Council may wish to require the applicant to provide a Section 219 Covenant registered on title prior to Bylaw Adoption that provides future landowners with the understanding that a variety of agricultural uses and the South Vancouver Island Rangers gun range are located within close proximity of the site, that these pre-existing uses may result in general nuisances, and that future landowners understand and accept the potential disruption to their residential occupancy of the site.

CARBON MINERALIZED CONCRETE

In accordance with Council's Carbon Mineralization in Concrete Policy POL-0167-PLAN, which went into effect on June 1, 2022, Council may wish to require to the applicant to utilize post-industrial CO₂ mineralized concrete for the construction of the proposed development.

FINANCIAL CONTRIBUTIONS

Rezoning the subject property may increase the assessed value of the property, and this may increase municipal revenue. As the applicant will be responsible for frontage improvements and connection to the municipal sewer system, the direct capital costs to the municipality associated with this development will be negligible. A summary of the Amenity Contributions and Development Cost Charges that the developer will be expected to pay is outlined below in Tables 4 and 5.

Table 4 – Amenity Contributions per Council Policy

Amenity Item	Per unit contribution	Total (58 units)
<i>General Amenity Reserve Fund</i>	\$3,660	\$212,280
<i>Affordable Housing Reserve Fund</i>	\$610	\$35,380
TOTAL POLICY CONTRIBUTIONS		\$247,660

Table 5 – Development Cost Charges

Development Cost Charge	Per unit contribution	Total (58 units)
<i>Roads</i>	\$3,865	\$224,170
<i>Storm Drainage</i>	\$1,166	\$67,628
<i>Park Improvement</i>	\$1,948	\$112,984
<i>Park Acquisition</i>	\$130	\$7,540
<i>Incremental Storage Improvement Fees</i>	\$371.25	\$21,532.50
Subtotal (DCCs paid to City of Langford)		\$433,854.50
<i>CRD Water</i>	\$2,557	\$148,306
<i>School Site Acquisition</i>	\$900	\$52,200
TOTAL (estimate) DCCs		\$634,360.50

OPTIONS:**Option 1**

That the Planning, Zoning, and Affordable Housing Committee recommend that Council:

1. Proceed with consideration of First Reading to Bylaw No. 2093 to amend the zoning designation of 898 and 914 Klahanie Drive from RR2 (Rural Residential 2) to RT1 (Residential Townhouse), subject to the following:
 - a. That the applicant provides, **as a bonus for increased density**, the following contributions per residential unit, prior to issuance of a building permit:
 - i. \$610 towards the Affordable Housing Reserve Fund per townhouse unit; and
 - ii. \$3,660 towards the General Amenity Reserve Fund per townhouse unit.
 - b. That **prior to Public Hearing**, the applicant provides the following:

- i. A stormwater technical memo from an engineer that verifies stormwater can be adequately managed on-site for the proposed development, to the satisfaction of the Director of Engineering; and
 - ii. A memo prepared by a Landscape Architect that examines existing trees on site and in the frontage and provides comment on the potential for tree retention as part of the development plan, to the satisfaction of the Director of Planning;
- c. That **prior to Bylaw Adoption**, the applicant provides a Section 219 covenant registered in priority of all other charges on title that agrees to the following:
 - i. That the following will be provided and implemented to Bylaw No. 1000 standards to the satisfaction of the Director of Engineering prior to the issuance of a building permit:
 - a. Full frontage improvements, inclusive of completing the municipal cul de sac, installing streetlights as required, and paving a 1.5 m road shoulder;
 - b. A storm water management plan;
 - c. A construction parking management plan;
 - ii. That the developer will connect and be responsible for any upgrades required to the services and utilities required for the development;
 - iii. Acknowledge that the site is in proximity to agricultural uses the South Vancouver Island gun range, and that these uses may create general noise, odour, and other nuisances, and agree that the owner and all future owners assume all risk and annoyance of such nuisances;
 - iv. That a total of 30% of the site will be either dedicated to the City as Park, designated as strata common property and protected by a non-disturbance covenant registered prior to subdivision approval or building permit issuance, whichever is first, or a combination of the two, to the satisfaction of the Director of Planning and Director of Parks, Recreation, and Facilities;
 - v. That all concrete used on-site will be produced using post-industrial CO₂ mineralization technology, or equivalent which offers concrete with lower embodied CO₂ than all other competing bids, and that **prior to the issuance of a Building Permit** the applicant shall provide a product-specific Type III Environmental Product Declaration that is 3rd party verified specifying the total embodied carbon content of concrete.

OR Option 2

That the Planning, Zoning, and Affordable Housing Committee recommend that Council:

1. Take no action at this time with respect to Bylaw No. 2093.

SUBMITTED BY: Julia Buckingham, Planner II

Concurrence: Leah Stohmann, MCIP, RPP, Deputy Director of Planning and Subdivision

Concurrence: Donna Petrie, Manager of Business Development and Events

Concurrence: Will Ying-udomrat, Manager of Legislative Services

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

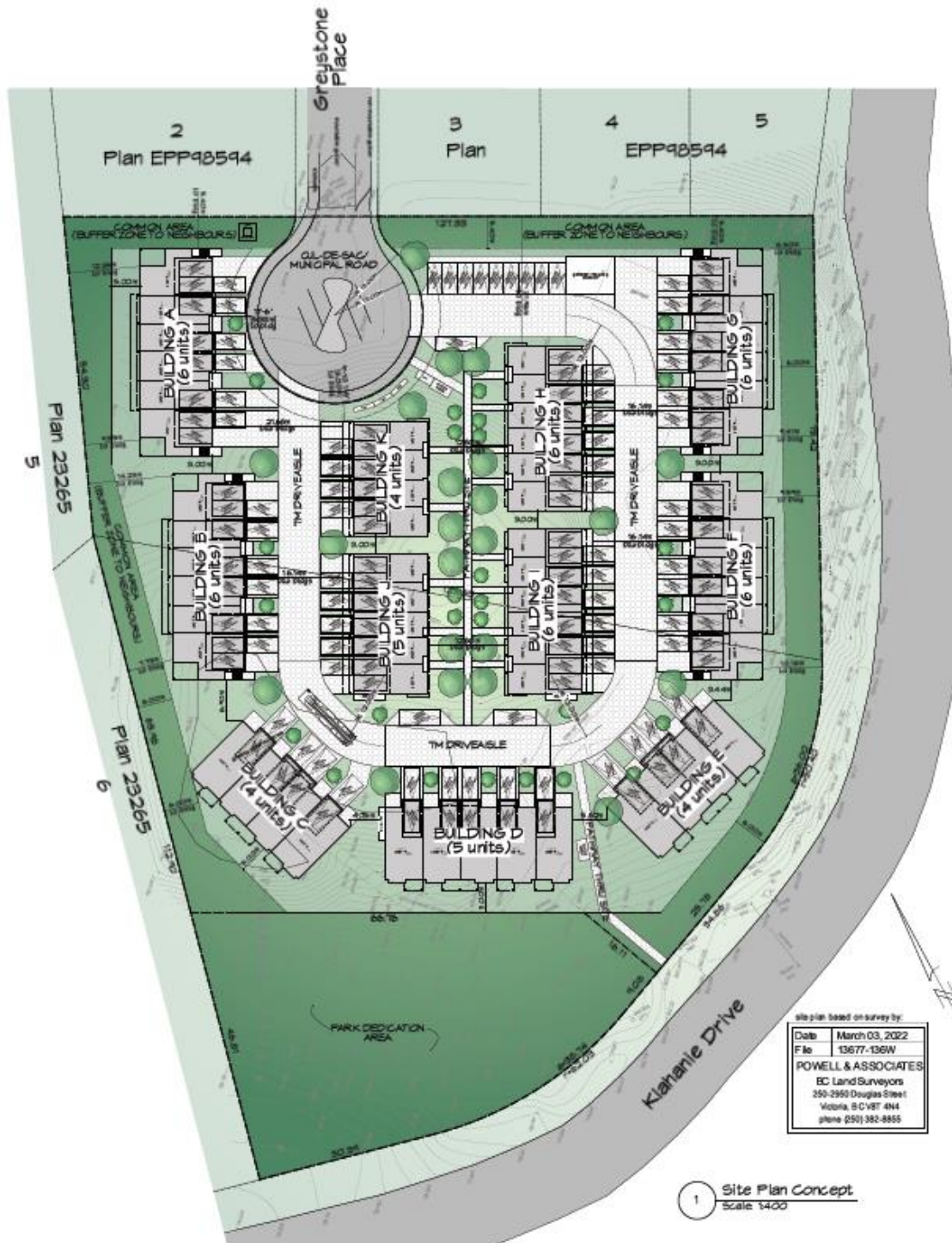
Concurrence: Michelle Mahovlich, P.Eng, P.Geo, Director of Engineering and Public Works

Concurrence: Audrey Kryklywyj-Shortreid, Deputy Director of Finance

Concurrence: Marie Watmough, Acting Director of Corporate Services

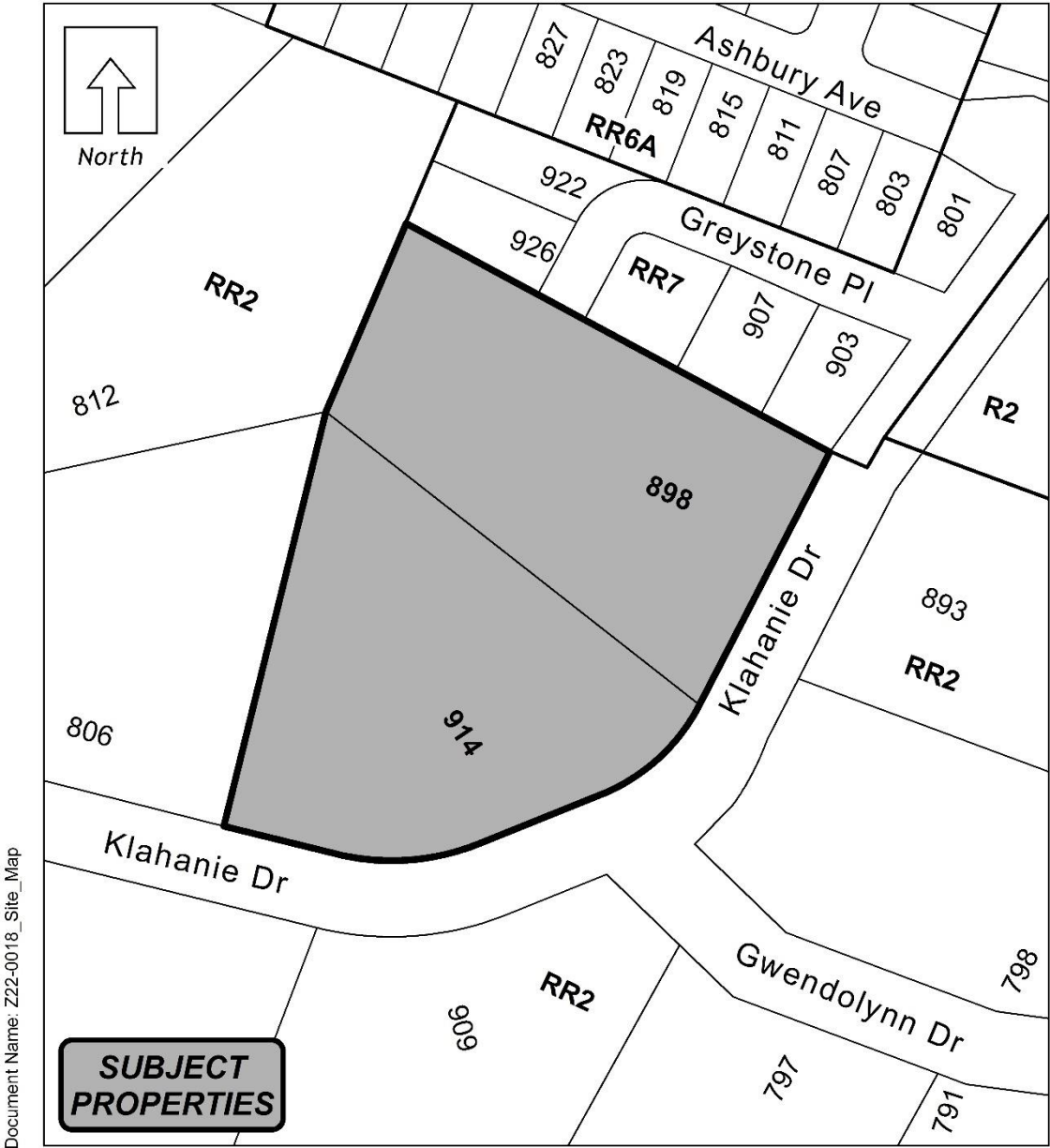
Concurrence: Darren Kiedyk, Chief Administrative Officer

Appendix A – Site Plan



Appendix B – Site Map

**REZONING BYLAW AMENDMENT
(Z22-0018)
898 Klahanie Dr & 914 Klahanie Dr**



Document Name: Z22-0018_Site_Map

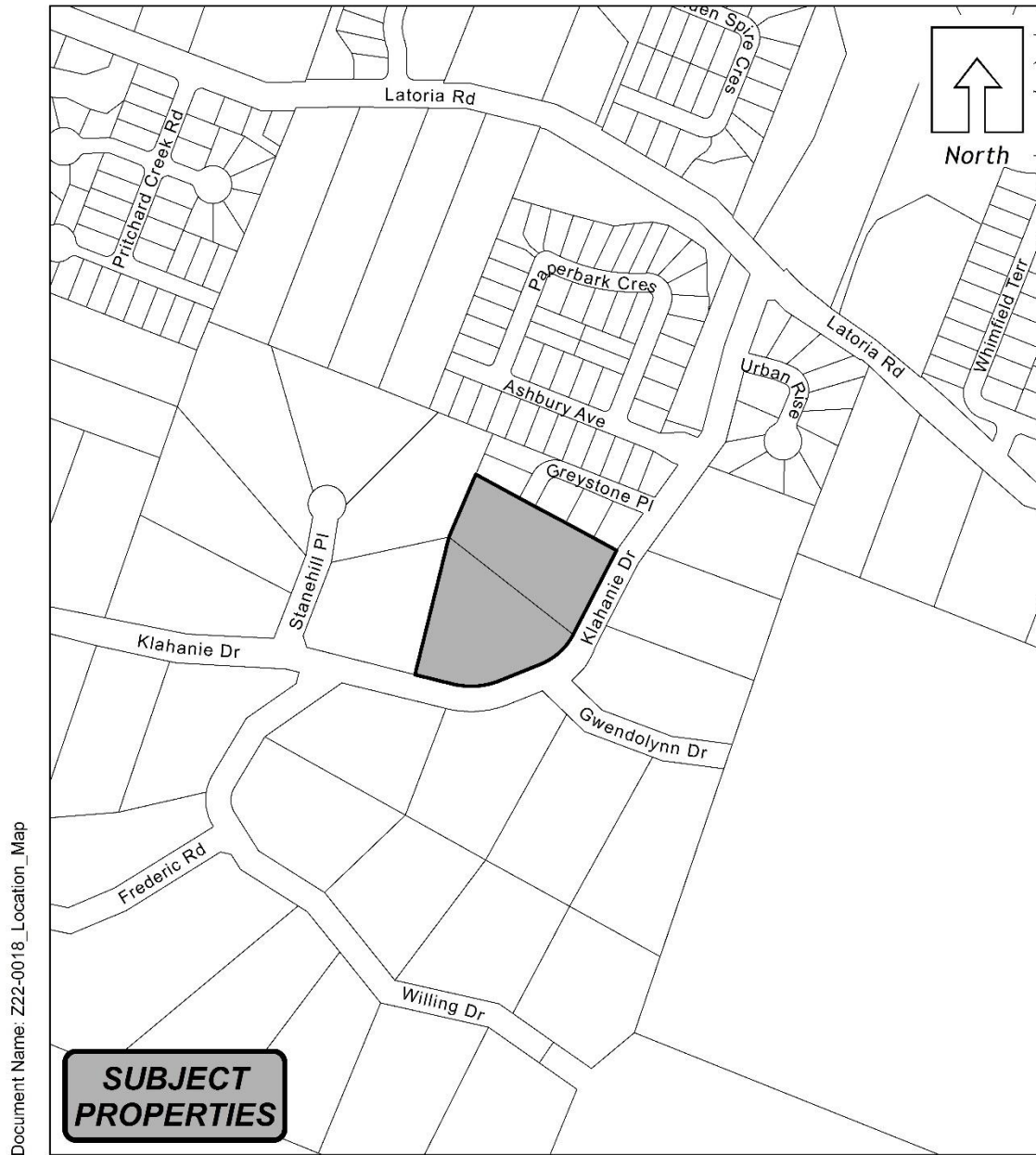
Scale: N.T.S.

Last Revised: 5/3/2022

Appendix C – Location Map

**REZONING BYLAW AMENDMENT
(Z22-0018)**

898 Klahanie Dr & 914 Klahanie Dr



Scale: N.T.S.

Last Revised: 5/3/2022

CITY OF LANGFORD BYLAW NO. 2093

A BYLAW TO AMEND BYLAW NO. 300, "LANGFORD ZONING BYLAW, 1999"

The Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

A. Langford Zoning Bylaw No. 300, 1999 is amended as follows:

1. By deleting from the Rural Residential 2 (RR2) Zone and adding to the Residential Townhouse (RT1) Zone the properties legally described as:

- Lot 18, Section 69, Metchosin District, Plan 23855, PID No. 003-154-211 (898 Klahanie Drive); and
- Lot 17, Section 69, Metchosin District, Plan 23855, PID No. 003-154-190 (914 Klahanie Drive);

as shown shaded on Plan No. 1 attached to and forming part of this Bylaw.

2. By adding the following to Table 1 of Schedule AD:

Zone	Bylaw No.	Legal Description	Amenity Contributions	Eligible for Reduction in Section 2 of Schedule AD
RT1	2093	· Lot 18, Section 69, Metchosin District, Plan 23855, PID No. 003-154-211 (898 Klahanie Drive); and · Lot 17, Section 69, Metchosin District, Plan 23855, PID No. 003-154-190 (914 Klahanie Drive);	a) \$3,660 per unit created towards the General Amenity Reserve Fund; and b) \$610 per unit created towards the Affordable Housing Reserve Fund	No

B. This Bylaw may be cited for all purposes as "Langford Zoning Bylaw, Amendment No. 688, (898 and 914 Klahanie Drive) Bylaw No. 2093, 2023".

READ A FIRST TIME this day of , 2023.

PUBLIC HEARING held this day of , 2023.

READ A SECOND TIME this day of , 2023.

READ A THIRD TIME this day of , 2023.

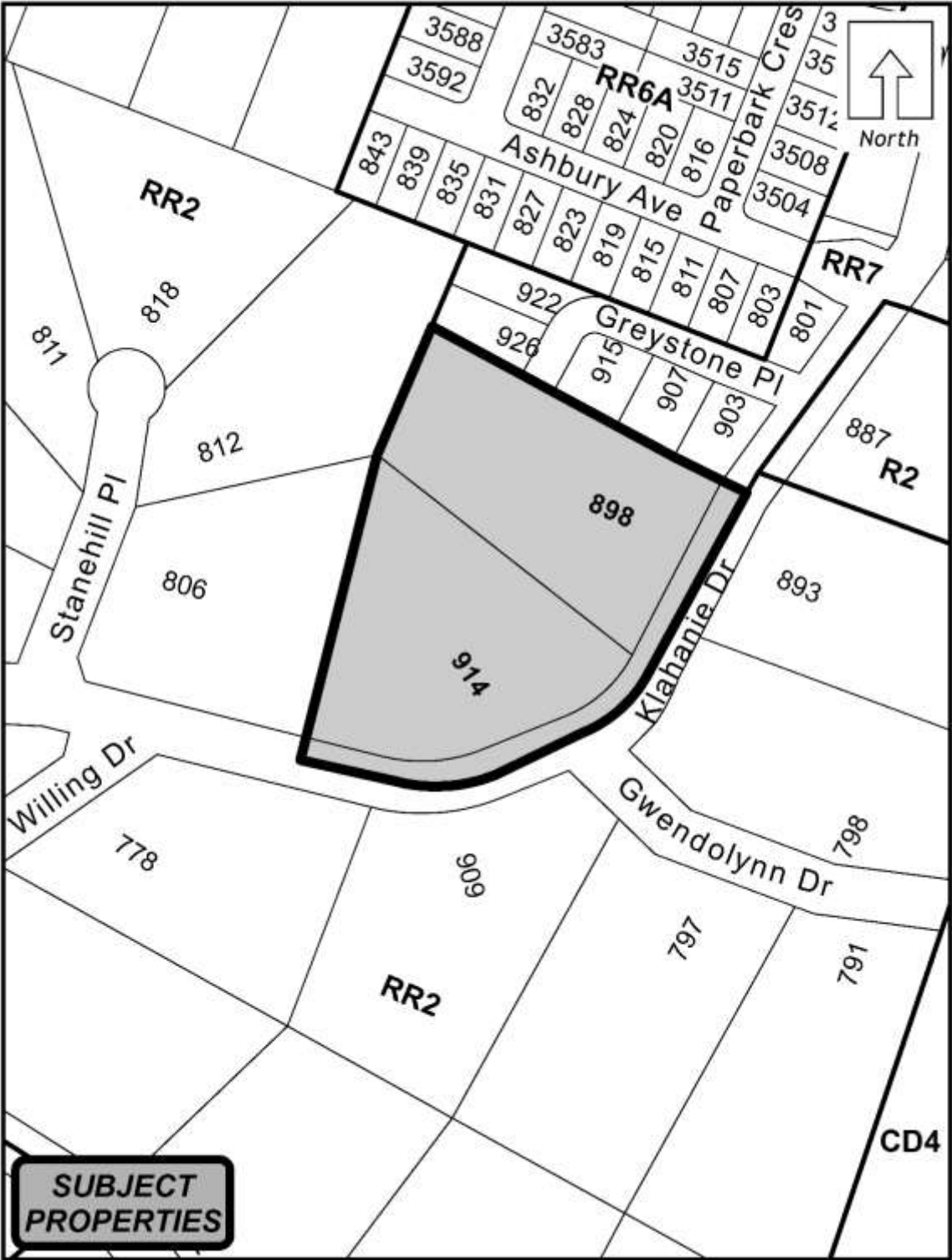
APPROVED BY THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE this day of , 2023.

ADOPTED this day of , 2023.

PRESIDING COUNCIL MEMBER

CORPORATE OFFICER

Schedule A



CITY OF LANGFORD BYLAW NO. 2098

A BYLAW TO AMEND BYLAW NO. 300, "LANGFORD ZONING BYLAW, 1999"

The Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

A. Langford Zoning Bylaw No. 300, 1999 is amended as follows:

1. By deleting from the One- and Two-Family Residential (R2) Zone and adding to the City Centre (CC2) Zone the properties legally described as:

- Lot 1, Section 5, Esquimalt District, Plan 10444, PID No. 005-232-708 (2833 Knotty Pine Road);
- Lot 7, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-692 (2835 Knotty Pine Road);
- Lot 6, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-676 (2837 Knotty Pine Road);
- and
- Lot 5, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-650 (2839 Knotty Pine Road);

as shown shaded on Plan No. 1 attached to and forming part of this Bylaw.

2. By adding the following to Table 1 of Schedule AD:

Zone	Bylaw No.	Legal Description	Amenity Contributions	Eligible for Reduction in Section 2 of Schedule AD
CC2	2098	· Lot 1, Section 5, Esquimalt District, Plan 10444, PID No. 005-232-708 (2833 Knotty Pine Road); and · Lot 7, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-692 (2835 Knotty Pine Road); and · Lot 6, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-676 (2837 Knotty Pine Road); and · Lot 5, Section 5, Esquimalt District, Plan 10795, PID No. 005-076-650 (2839 Knotty Pine Road);	a) \$3,800 per unit created towards the General Amenity Reserve Fund; and b) \$1000 per unit created towards the Affordable Housing Reserve Fund	No

B. This Bylaw may be cited for all purposes as “Langford Zoning Bylaw, Amendment No. 692, (2833, 2835, 2837, and 2839 Knotty Pine Road) Bylaw No. 2098, 2022”.

READ A FIRST TIME this 6th day of September, 2022.

PUBLIC HEARING held this day of , 2023.

READ A SECOND TIME this day of , 2023.

READ A THIRD TIME this day of , 2023.

APPROVED BY THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE this day of , 2023.

ADOPTED this day of , 2023.

PRESIDING COUNCIL MEMBER

CORPORATE OFFICER

Schedule A



CITY OF LANGFORD
BYLAW NO. 2113

A BYLAW TO AMEND SEWER UTILITY BYLAW No. 1600, 2016

The Council of the City of Langford, in open meeting assembled, enacts as follows:

1. City of Langford Sewer Utility Bylaw No. 1600, 2016 is amended as follows:
 - i) By replacing Schedule B, with Schedule B attached to this Bylaw;
2. This Bylaw may be cited as “Sewer Utility Bylaw Amendment No. 6, Bylaw No. 2113, 2023”.

READ a first time this 21st day of February, 2023.

READ a second time this 21st day of February, 2023.

READ a third time this 21st day of February, 2023.

ADOPTED this day of March, 2023.

Presiding Council Member

(Certified Correct)
CORPORATE OFFICER

SCHEDULE B

SCHEDULE B (Fee amounts in dollars)

Fee Type	Unit of Measure	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sewer connection fee	Per inch of service pipe diameter	1500	1500	1500	1500	1500	1500	1500	1500	1500
Sewer capital recovery fee	Per R2 equivalent lot	9154	9426	9706	9994	10291	10497	10654	10654	10654
Incremental storage improvement fee	Per SCRF assessed	495	495	495	495	495	495	495	495	495
Sewer user fee	Per m ³ of water consumption	0.486	0.650	0.814	1.002	1.199	1.223	1.241	1.298	1.376

CITY OF LANGFORD
BYLAW NO. 2119
A BYLAW TO AMEND
“LANGFORD STATION FEES AND CHARGES BYLAW NO. 2010, 2022”

The Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

1. Langford Station Fees and Charges Bylaw No. 2010, 2022 is amended as follows:
 - a) By deleting Schedule A in its entirety and replacing it with a new Schedule A as attached hereto and forming part of this bylaw.
2. This Bylaw may be cited for all purposes as "Langford Station Fees and Charges Bylaw No. 2010, Amendment No. 1, Bylaw No. 2119, 2023".

READ A FIRST TIME this 21st day of February, 2023.

READ A FIRST TIME this 21st day of February, 2023.

READ A FIRST TIME this 21st day of February, 2023.

ADOPTED this __ day of March, 2023.

PRESIDING COUNCIL MEMBER

CORPORATE OFFICER

Schedule A

Food Truck Vendor Fees & Charges

Fees include applicable GST.

**Daily fees are subject to change during scheduled organized events.*

Season	Period	Effective	May 1, 2023	May 1, 2024	May 1, 2025	May 1, 2026	May 1, 2027
Peak (May 1 st – October 31 st)	Daily	Monday - Thursday	\$35.00	\$35.00	\$50.00	\$50.00	\$50.00
		Friday - Sunday	\$50.00	\$50.00	\$70.00	\$70.00	\$70.00
	Monthly	May - October	\$775.00	\$775.00	\$850.00	\$850.00	\$850.00
Winter (November 1 st – April 30 th)	Daily	Monday - Thursday	\$20.00	\$20.00	\$25.00	\$25.00	\$25.00
		Friday - Sunday	\$25.00	\$25.00	\$35.00	\$35.00	\$35.00
	Monthly	November - April	\$375.00	\$375.00	\$425.00	\$425.00	\$425.00

Community Workshop Space Fees & Charges

Fees include applicable GST.

Effective:	May 1, 2023	May 1, 2024	May 1, 2025	May 1, 2026	May 1, 2027
Daily Fee	\$75.00	\$75.00	\$100.00	\$150.00	\$175.00
Weekly Fee	\$250.00	\$250.00	\$350.00	\$450.00	\$500.00
Damage Deposit	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00

**Non-profit Organizations receive 50% discount on daily and weekly fees.*

Business Incubators Fees & Charges

Fees include applicable GST.

Effective:	May 1, 2023	May 1, 2024	May 1, 2025	May 1, 2026	May 1, 2027
20' Monthly Fee	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
10' Monthly Fee	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Damage Deposit	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00

Artist Studio Fees & Charges

Fees include applicable GST.

Effective:	May 1, 2023	May 1, 2024	May 1, 2025	May 1, 2026	May 1, 2027
10' Monthly Fee	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Damage Deposit	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00

CITY OF LANGFORD**BYLAW NO. 2124****A BYLAW TO REQUEST IMPOSITION OF AN ADDITIONAL ACCOMMODATION TAX UNDER THE PROVISIONS OF THE PROVINCIAL SALES TAX ACT**

The Council of the City of Langford, in open meeting assembled, hereby enacts as follows:

WHEREAS City Council wishes to use additional revenue to finance marketing of the City of Langford as a tourist destination; and

WHEREAS pursuant to Section 240 of the Provincial Sales Tax Act, S.B.C. 2012, c. 35 the City may request, by bylaw, that the Lieutenant Governor-in-Council may make regulations providing for an additional tax levy, not exceeding 2%, on the sales of accommodation within the City;

NOW THEREFORE, the Council of the City of Langford enacts as follows:

1. The Lieutenant Governor-in-Council is requested to make a regulation pursuant to Section 240 of the Provincial Sales Tax Act, declaring that effective November 1st, 2023, Section 123(1) of the Act applies in respect of accommodation purchased within the City.
2. The tax to be imposed under the provisions of the regulation is requested to be 2.0% of the purchase price of the accommodation.
3. The funds paid to the City under the provisions of the regulation shall be applied to marketing of the City of Langford as a tourist destination.
4. "Hotel Room Tax Requisition Bylaw No. 1778" is repealed.
5. This Bylaw may be cited for all purposes as "Hotel Room Tax Requisition Bylaw No. 2124, 2023".

READ A FIRST TIME this 21st day of February, 2023.

READ A SECOND TIME this 21st day of February, 2023.

READ A THIRD TIME this 21st day of February, 2023.

ADOPTED this day of 2023.

PRESIDING COUNCIL MEMBER

CORPORATE OFFICER