

Attn: Mr. Tyson Baker, Senior Development Planner
Planning and Development Services Division
District of Sechelt
2nd Floor, 5797 Cowrie Street
Sechelt, BC V0N 3A0

August 8, 2024

Dear Mr. Baker,

Re: Letter of Intent for Subdivision Application (5981 Shoal Way – Phase 1)

On behalf of 1301233 B.C. Ltd. (the “Owner”), CityState is pleased to present a Subdivision application for 5981 Shoal Way (the “Site”). The Site is expected to be developed in three stages/phases (collectively the “Project”). This application supplements the in-stream Development Permit application for Phase 1 of the Project (the “Development”). OCP and Zoning Amendment bylaws for the Site were adopted on February 7, 2024.

The purpose of this letter is to provide an overview and rationale for the subject Subdivision application. A more fulsome summary of the Development is provided in the Letter of Intent for the associated Development Permit application, dated May 3, 2024. Where the two letters conflict, information provided herein prevails.

Our project team is listed below. Any correspondence related to this application can be directed to the applicant, CityState Consulting Group.

| Role | Company / Individual(s) | Contact | Email |
|--------------------------------|-----------------------------------|------------------|---|
| Owner | 1301233 B.C. Ltd. | Aidan Shirley | aidan@citystate.ca |
| Applicant | CityState Consulting Group | Aidan Shirley | aidan@citystate.ca |
| Planner | CityState Consulting Group | Aidan Shirley | aidan@citystate.ca |
| Architect | Mara + Natha Architects | Rob Lee | rob@maraarch.com |
| Landscape Architect | KD Planning & Design | Jessica Thiessen | jessicat@krahn.com |
| Arborist | Beechwood Landscape Services | Austin Peterson | austin.peterson@beechwoodconsultingarborists.ca |
| Civil Engineer | Gwaii Engineering | Josh Bartley | jbartley@gwaiieng.com |
| Electrical Engineer (On-site) | KD Electrical | Ken Thomas | kent@krahn.com |
| Electrical Engineer (Off-site) | PBX Engineering | Alberto Cantero | alberto.cantero@pbxeng.com |
| Geotechnical Engineer | Everttek Engineering | Larry Deng | larry.deng@everttekengineering.com |
| Surveyor | Bennett Land Surveying | Javier Siu | javier@bennettsurveys.com |
| Transportation Engineer | Creative Transportation Solutions | Jan Voss | jvoss@cts-bc.com |

Sincerely,

Aidan Shirley
Development Manager, CityState Consulting Group

BACKGROUND

The subject property is 20,122 m² (216,588 ft²; 4.97 ac) and is currently vacant with second-growth vegetation covering most of the Site. The Site is immediately surrounded by Sunshine Coast Arena (north), single-family detached houses (east), and undeveloped land (south; west).

OCP and Zoning Amendment applications were adopted by Council in February 2024, allowing a density of up to 117 total housing units for the Site. Three development phases were contemplated during the bylaw amendment stage. Following bylaw adoption, the Owner sought financing for Phase 1 of the Project and subsequently discovered that a Phased Strata Plan Declaration would be too onerous of a commitment to secure favourable financing terms. The need to subdivide the Development from the remainder of the Site is outlined below in the *SUBDIVISION RATIONALE* section of this letter.

SUBDIVISION RATIONALE

Sechelt and the Sunshine Coast as a whole are established communities a short distance from Metro Vancouver. However, their isolation by virtue of ferry access has always insulated the Coast from the volatility of the metropolitan housing market. With pressure on Metro Vancouver at an all-time high and more young professionals and families taking advantage of part-time or full-time remote work options, interest in the Coast has increased in recent years. This is evidenced by increased development activity and a challenging housing market for owners and renters alike. Nevertheless, construction costs remain consistently high and sale prices are substantially lower than Metro Vancouver, which, coupled with high interest rates, creates a challenging financing environment. These conditions mean that few development projects actually prove viable by the time they become eligible for financing.

Beyond universal tightening for lender financing on larger construction projects, Sechelt's status as a tertiary market for lenders is further plagued by the lack of recent housing completions, particularly in multi-family typologies. This creates uncertainty for new multi-family products such as the proposed Townhouse units.

A phased development approach as originally proposed would require the Owner to commit and covenant to development plans for future phases which have not yet been designed. Specifically, [Form P – Phased Strata Plan Declaration](#) under the *Strata Property Act* requires that the Owner of a phased development identify the number of development phases, boundaries of each phase, construction timelines, unit entitlements, and unit typologies for all phases. Although the general goal is to be compliant with the adopted bylaws for the Site, the precise unit entitlements, typologies, and construction timelines for each phase cannot be determined at this stage without better market data to guide these parameters. It is expected that sales data from Phase 1, along with quantified construction costs, will increase market certainty and allow for more concrete plans to be developed for Phases 2 and 3 on the remainder parcel. However, at this time, lenders are skeptical to commit to financing a project with predetermined future phases, requiring the Development to be subdivided so that it can be considered as a standalone project. This step is critical to ensuring the financial viability of the Development and delivering this type of desperately-needed housing to Sechelt.

SUBDIVISION LAYOUT

The enclosed Sketch Plan of the proposed subdivision prepared by Bennett Land Surveying Ltd. shows two proposed parcels and one road dedication. The Development is proposed to take place on "Lot A" of the Sketch Plan, measuring 4,600 m² (49,514 ft²). A remainder parcel labelled "Rem Bk. 12" on the Sketch Plan would be 14,579 m² (156,924 ft²) in area. 974.2 m² (10,486.6 ft²) would be dedicated to the District of Sechelt (the "District") as an extension of Links Street to the south of the Site.

ZONING BYLAW COMPLIANCE

Since submission of the OCP and Zoning Amendment applications, staff have confirmed that the provisions of the RM-1 zone and associated site-specific regulations for the Site would be applied on the basis of Gross Lot Area, regardless of dedications or subdivision. This is

particularly important regarding the limit of 58 Units per Hectare (allowing 117 units), given that the dedications of Links Street and Fairway Avenue have always been known conditions for various phases of the Project and the determination of 58 UPH was calculated by staff based on the proposed 117 units and the Gross Lot Area (2.01 ha). As such, the Development's 28 units are compliant with *District of Sechelt Zoning Bylaw No. 580, 2022* (the "Zoning Bylaw") and will allow an additional 89 units to be developed on the remainder parcel, regardless of road dedications.

Recently, staff indicated that Lot Coverage, Setbacks, and FAR would be evaluated for Lot A on a standalone basis. While this is a departure from previous suggestions, the Development complies with the Zoning Bylaw with respect to all three parameters and we are satisfied that the evaluation of future development phases on the basis of Rem Bk. 12 as a standalone parcel will not adversely affect development plans for those phases.

AMENITIES

DPA #7 guidelines suggest a minimum of 10.0 m² of private useable outdoor space per bedroom, including no dimension less than 2.0 m. Similarly, section 1.6.10 of the Zoning Bylaw requires 18.0 m² of useable open space for each unit with fewer than three bedrooms, amounting to 504 m² for the Development. These requirements are met, with each unit having between 20.3-23.8 m² of private balcony and porch space, for a total of 632.1 m² in the Development.

ACCESS

CIVIC ADDRESSING

A referral response regarding the associated Development Permit application was received from the Sunshine Coast Regional District ("SCRD") on June 6, 2024. It notes that Phase 1 should be assigned a single house number in the 5900 range of Links Street, with unit numbers to be assigned from 1-28. We agree that this is the best solution for this strata development.

LINKS STREET EXTENSION

A westward extension of Links Street will provide access to the Development. This will include construction and dedication of a ±10 m half-road to the west property line of the Site. It is expected that the remaining ±10 m road width will be provided in the future by the owner(s) of lands to the south, namely 6028 Marine Way (PID: 015-471-837). The half-road design includes a sidewalk with curb and gutter on the north side of Links Street, as well as two lanes for vehicle traffic. No changes are proposed to the existing portion of Links Street.

FAIRWAY AVENUE ROAD RESERVATION

A southward extension of Fairway Avenue is proposed and will be covenanted under a Road Reservation Agreement to be constructed and dedicated during the future development of Rem Bk. 12. At staff's request, a preliminary road design was provided at the bylaw amendment stage which shows the proposed road alignment and grading on the Site. The southernmost half of the road extension would be acquired by the District from the owner of the property to the west (6005 Shoal Way; 004-778-898).

PATHWAY CONNECTION

On June 27, 2024, staff requested a 6 m dedication or road reservation agreement for a trail/pathway along the west property line connecting Links Street to Shoal Way/Fairway Avenue as a condition of subdivision. This was the first time that this request had been made since our initial bylaw amendment applications in April 2022. CityState and the Owner are opposed to this request for the following reasons:

1. The dedication of 6 m along the west property line of Rem Bk. 12 would severely limit the future development potential of this portion of the Site.
2. The Owner's commitment to construct and dedicate a full 20 m road ROW for the southward extension of Fairway Avenue already presents an opportunity for a public sidewalk connection, making any additional trail/pathway redundant.
3. There is already a pathway connection from Shoal Way to Links Street via St. Andrews Place, less than 50 m from the Site.

4. The cost associated with the future construction of Fairway Avenue is already immense and any additional financial burden imposed by the construction of a trail/pathway and associated limitations on future development would render the project unviable.

SERVICING

UTILITIES

A Site Servicing Plan has been prepared by Gwaii Engineering. Each lot (Lot A and Rem Bk. 12) will be serviced separately from Links Street such that no utility easements are required. The proposed storm main connecting Shoal Way to Links Street will be covered by a Statutory Right-of-Way (“SRW”) in favour of the District due to its through connection to two public streets.

STORMWATER MANAGEMENT PLAN

A Topographic Survey completed by Bennett Land Surveying identifies several areas of “water flow” on the site, describing areas of seasonal, surficial runoff—much of which comes from neighbouring properties. This includes one waterway that originates near the northwest corner of the site, south of Sunshine Coast Arena, and forms a “ditch” that straddles the east property line with neighbours on St. Andrews Place. Issues related to surficial runoff have been noted repeatedly by neighbours, some of whom have indicated that efforts to seek the District’s support for a solution have been unsuccessful. One neighbour described their rear yard as a “marsh” following heavy rainfall events. A final Stormwater Management Plan for the Development is enclosed. The Development will capture surface runoff and rainwater into an on-site stormwater system that terminates at a stormwater detention tank near the southeast corner of the site, which will alleviate flooding of neighbouring properties. An outlet into the drainage main along Links Street will avoid overflowing of the stormwater detention tank during extreme weather events.

Several French drains on Rem Bk. 12 will provide interim stormwater management and avoid drainage onto Lot A. This interim drainage system will discharge into the storm main along Links Street. A final Stormwater Management Plan will be provided for all future development on Rem Bk. 12.

CONCLUSION

The enclosed Subdivision application is critical to the delivery of 28 Townhouse units. Careful consideration has been taken to propose a development that responds meaningfully to Sechelt’s need for more attainable, family- and workforce-oriented housing. Support for this Subdivision application and timely advancement of the Development to the construction stage is of paramount importance to project viability. We appreciate your review of our application and are available to respond to comments or questions at any time. Correspondence related to this application can be directed to Aidan Shirley, Development Manager, at aidan@citystate.ca.