

## October 2018 – Government Relations Update

*The NAIOP Vancouver Government Relations Committee is a collective voice advocating on municipal and provincial policies that affect the commercial real estate industry. We communicate, monitor and take action to continue to ensure the voice of NAIOP Vancouver is heard and the needs and interests of our membership are being addressed.*

*The Government Advocacy Update is provided to inform you of the potential policy changes and the actions NAIOP Vancouver is taking. The key issues we are currently focused on include the following:*

### **Upcoming Policy Changes**

Please be aware of the following upcoming changes to policy across the region.

#### **BC Building Code Update:** *In effect December 10th, 2018*

- Changes to the BC Building code will effect applications made after December 10th of 2018. These changes are to align the BCBC with the 2015 National Building code. In addition, this change seeks to increase the seismic requirements of a number of building types, particularly with regard to soil classifications.

#### **DCC Rate Increases:** *Timing varies by municipality*

- At the end of this document you will find a table summarizing upcoming DCC rate increases for relevant municipalities. Please review for impact across the region's municipalities.

#### **Metro Vancouver TransLink DCC:** *Target effective date in 2020*

- A new region-wide DCC will be coming into effect in the coming years. This DCC is assessed at similar times to GVS&DD DCCs. For the majority of municipalities, this is on BP issuance.

### **NAIOP Advocacy Work**

#### **Intensive use of Industrial Land Committee**

Given the limited industrial land supply in the Lower Mainland, finding ways to increase land use efficiency is becoming a priority for both private and public sectors. As such, NAIOP has formed the "Intensive use of Industrial Land Committee".

- The purpose of the Intensive Use of Industrial Lands Committee is to seek and compile data and information relevant to the intensive use of industrial land, specifically regarding the implications of multi-level and mixed-use facilities.
- The desired outcome of the Committee is improved knowledge on the issues and opportunities of intensive use of industrial lands in the Lower Mainland.
- The information will be summarized in a power point presentation and used to raise awareness and educate government and industry stakeholders, including Metro Vancouver, municipalities, and others.



## **Regional Transportation Plan - TransLink Development Cost Charges (DCC)**

TransLink has outlined a 10-year vision of their regional multimodal transportation investment plan including;

- New rapid transit in Surrey, Langley and Vancouver
- Upgrades to SkyTrain and West Coast Express
- Increase in bus and HandiDART services
- Increased SeaBus frequencies
- \$200M for walking/cycling and 2,700km of new bike lanes
- \$330M for road upgrades and seismic investments

Metro Vancouver's transportation plan requires total annual revenue of \$29 million, an increase of \$5.5 million to DCCs annually covers the shortfall for Phase One and Two of the Mayor's 10 year Transportation Plan (2018-2027). The new DCC's are proposed to be implemented in 2020.

NAIOP has been in active correspondence with TransLink through the DCC process and assisted in determining the new DCC rates. NAIOP provided guidance regarding fair cost distribution among asset classes and, mitigate impact to NAIOP members. Going forward, NAIOP will strive to ensure that TransLink and the Mayors council adheres to commitments surrounding transparency and minimizing any further changes.

[Link](#) for more information on policy

## **Development Cost Levies (DCL), Community Amenity Contribution (CAC) Targets and Density Bonus Contribution Rates - City of Vancouver**

The City of Vancouver has increased its DCL's, CAC's and Density Bonus Contribution rates for inflation which came into effect on September 30, 2018. Development Cost Levies (DCLs) collected from development help pay for facilities made necessary by growth. Facilities eligible for DCL funding include: parks, child care facilities, replacement housing (social/non-profit housing), and engineering infrastructure. Note the City-wide Utilities DCL and the Cambie Corridor plan are not included in this year's inflation adjustment as they have been previously approved.

NAIOP will continue to monitor this topic as this source of revenue for the City of Vancouver is important but must be equitable, fair and transparent.

[Link](#) for more information on policy

## Community Amenity Contribution (CAC) Policy - City of Vancouver

The City of Vancouver is completing a review of the Interim Commercial Linkage Targets that were implemented in November 2017. The interim policy removed the requirement for CAC negotiation on commercial-only, non-stratified rezoning applications in the Downtown and Rest of Metro Core areas. The fixed Linkage target is currently set at \$15/sf in the Downtown area and \$10/sf in the remainder of the Metro Core area and applies only to the net additional density permitted through rezoning.

NAIOP has met with the City of Vancouver and its consultants and supported the ongoing transition away from negotiated CAC's but has advocated against material increases to the linkage targets in the future.

NAIOP will continue to monitor this topic as this source of revenue for the City of Vancouver is important but must be equitable, fair and transparent.

[Link](#) for more information on policy

## Mandatory Green Roofs Motion – City of Vancouver

A City of Vancouver councillor has put forward a motion that would require all new commercial, institutional, industrial and multi-family residential developments to incorporate green roofs and provide maximum opportunity for green roofs in renovations to older commercial, institutional, industrial and multi-family residential developments. Green Roofs are one strategy to mitigate climate change impacts, reduce peak storm water surges and overland flooding and support biodiversity. For the extra weight load, other forms of insulation are far more effective in the Vancouver climate at reducing the GHG intensity of buildings. Green roofs should be considered one route to reducing sewer, storm water surge and overland flooding, however alternative options that achieve similar outcomes should equally be supported.

NAIOP has submitted a letter strongly recommending the decision regarding the proposed Mandatory Green Roofs Motion be deferred by Council. NAIOP would, instead, support working with the City of Vancouver administration (staff) to examine the impacts with key stakeholders to advance this initiative in a more practical and informed manner. Roofing is a fundamental component of building structure and the proposed motion is too broad in an application to mandate an all-encompassing green roof policy without consultation. Working together we have the opportunity to create a framework that will generate a successful strategy on improving the sustainability of built form in Vancouver.

[Link](#) for more information on policy

## Fair Tax Coalition – City of Vancouver

The City of Vancouver is investigating how to address escalating costs to small businesses. Options to mitigate costs include:

- Changes to the BC Assessment Act to standardize the approach to split assessments related to sites with highest and best use that is redevelopment to multi-residential. Alternatives would need to be pursued at the provincial level.
- Limiting tenant's tax obligation to rented space.
- Tax deferral for owner/operators and landlords.

A motion was put forward for the Province to create a multi-governmental task force to engage stakeholders about changes for the 2019 tax year.

NAIOP attended several public consultation sessions and COV council meetings and provided general feedback in support of our membership which focussed on any proposed changes being limited.

## Urban Freight Council

The Greater Vancouver Urban Freight Council has been formed to advance the implementation of TransLink's Regional Goods Movement Strategy.

The new council's purpose is to help facilitate priorities identified in the Regional Goods Movement Strategy, coordinate related initiatives among partners, and exchange knowledge and information on urban freight issues. The final version of TransLink's Strategy is not yet public, but these actions may include, such things as developing a regional road network strategy and centralizing truck permitting across the region.

The new Urban Freight Council is also intended to complement the Greater Vancouver Gateway Council, which focuses on actions to support international trade through the region, whereas the Urban Freight Council will focus on actions to support the movement of local goods and services serving the regional economy.

The Greater Vancouver Urban Freight Council includes representatives from, among others, municipal, provincial and federal governments, Port of Vancouver, Vancouver Airport Authority, ICBC, local developers, the Metro Vancouver Alliance (a citizen group), academia, the Business Council of BC, the Greater Vancouver Gateway Council, the Retail Council of Canada, and TransLink (TransLink will serve as the Secretariat, providing ongoing administrative and staff support.)

NAIOP had a representative in attendance during the meeting on June 29th to review how the proposed mobility pricing models work and to represent the interests of our membership.

Highlights from the priorities established at the meeting are available [here](#).

[Link](#) for more information on Trans Link's policy from June 2017 regarding regional goods movement strategy for Metro Vancouver

## NAIOP Initiatives

### Permitting/Building Improvement Process

The City of Vancouver has solicited the help of NAIOP Vancouver regarding initiatives the City hopes to undertake to enable the Tenant Improvement permitting process to be more efficient. Several prominent NAIOP member companies met with the City to provide recommendations on how the City can issue permits on a timely basis. Amongst other recommendations, there have been calls to re-institute, and expand, the T.I.P.S (Tenant Improvement Permit System) program. The City of Vancouver is creating a committee to begin to address the issues.

### Round Tables

NAIOP Vancouver hosts two or three political and planning round tables each calendar year. Over the past several years, NAIOP has invited Directors of Planning, Mayors, City Managers and elected Officials to participate in an in-camera session with senior executives from NAIOP Vancouver member companies. The sessions are exclusively available to Platinum sponsors, and provide a platform for industry executives and invited guests to have frank discussions regarding the issues of the day. The in-camera nature, and smaller group format, allows for productive and open exchange of ideas.

NAIOP organizes and hosts the round tables to garner feedback from the sponsors to be able to represent the group's interests in larger advocacy meetings.

### Energy Building Labeling

Energy building labelling facilitates a transparent marketplace for renters and purchasers and provides visibility to owners about whether how their building compares to others and the scale of opportunity. Energy building labelling has worked well in Europe and Australia, mandatory energy disclosure is common in many US cities, is coming to Canada and makes sense for Vancouver. NAIOP will work to try to ensure; local requirements are aligned with the North American standard of using Energy Star Portfolio Manager for the data and benchmarking, phasing in requirements over multiple years will start with the largest buildings, and the government will provide local training and resources.



## New Taxation Measures

In early 2018, there have been several new taxation policy changes that were brought forth by the Province of BC, which included increases to the foreign buyer's tax, property transfer tax (PPT) and the introduction of a new speculation tax. As well, there is additional concern that the Province of BC will be considering broader changes that could involve the application of the PPT to beneficial transfers. As part of review, we did submit on behalf of NAIOP membership a letter to the Minister of Finance and Deputy Premier early in 2018 regarding our concerns on proposed changes to the PPT as well as Bare Trusts.

We are actively monitoring the impact of these taxation changes as they relate to commercial property and will continue to advocate for NAIOP membership on the basis that taxation change be limited and that any adverse impact to the commercial property market from these changes are proactively identified to government practitioners.

## UBC & BCIT Scholarship Program

NAIOP is a longstanding supporter of all of BC's post-secondary institutions as we recognize many of tomorrow's real estate leaders will build their foundation at these great institutions. By continuing to foster strong partnerships in conjunction with the Developing Leaders dedication to engage real estate professionals under 35 and with less than 5 years' experience, we will continue to support specifically the University of British Columbia and British Columbia Institute of Technology. NAIOP has approved scholarships to UBC and BCIT totalling \$10,000 per year for 3 additional years until 2022.

[Link](#) for more information

*The NAIOP Vancouver Board and Government Relations Committee consists of volunteers from the commercial real estate industry. We welcome your feedback and additional support on general advocacy issues. Please contact the NAIOP Vancouver Office to participate in future initiatives.*

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COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

VANCOUVER ★ CHAPTER

## DCC Update Information

Municipality	Current DCC (per sqft)	Proposed (per sqft)	Effective
<a href="#">City of Abbotsford</a>	1.01	N/A	N/A
<a href="#">City of Burnaby</a>	0.00	N/A	N/A
<a href="#">City of Coquitlam</a>	3.16	N/A	N/A
<a href="#">City of Delta</a>	0.93	0.95	6-Feb-19
<a href="#">City of Delta - Annacis</a>	0.61	0.49	6-Feb-19
<a href="#">City of Langley</a>	3.84	N/A	N/A
<a href="#">Township of Langley</a>	1.86	TBD	2019
<a href="#">City of Maple Ridge</a>	Infill - 1.22 (Rural - 0.76)	2.12	Upon Adoption
<a href="#">City of North Vancouver</a>	3.59	N/A	N/A
<a href="#">City of New Westminister</a>	0.48 (Queensborough - 1.03)	N/A	N/A
<a href="#">City of Pitt Meadows</a>	1.20	1.69	September 2018
<a href="#">City of Port Coquitlam</a>	0.40 (Riverwood - 1.50)	N/A	N/A
<a href="#">City of Richmond</a>	11.33	11.58	14-May-18
<a href="#">City of Surrey</a>	2.11	TBD	May 2019
<a href="#">City of Vancouver - City Wide</a>	5.55	7.84	30-Sep-18
<a href="#">City of Vancouver - False Creek Flats</a>	5.89	6.17	30-Sep-18
<a href="#">City of Vancouver - South East False Creek</a>	2.91	3.05	30-Sep-18
<a href="#">City of White Rock</a>	5.96	N/A	N/A

\*Both Richmond and Port Moody are additionally proposing an annual update to the Development Cost Charges (DCC) Imposition Bylaw to reflect the inflationary increases based on the Vancouver Consumer Price Index. Please note that municipalities each use their own measuring methodology, the above rates represent either GFA or GSA for the respective municipalities, please find details in attached links.