CITY OF PITT MEADOWS

COUNCIL REPORT

COUNCIL IN COMMITTEE MEETING

To:	Chief Administrative Officer	**File:**	3060-20-2009-05-P
Date:	November 16, 2009	**Bylaw No.:**	2440, 2009 and 2441, 2009
From:	Director of Operations and Development Services		

BARNSTON VIEW ROAD APPLICATION TO AMEND LAND USE BYLAW 1250 AND THE OFFICIAL COMMUNITY PLAN TO PERMIT LIVE / WORK SPACES AND TOWNHOUSES

RECOMMENDATIONS AND OPTIONS:

THAT Council:

A. Grant First and Second Reading to Bylaw No. 2441, 2009 to amend the Official Community Plan Bylaw No. 2352, 2007 to add a new Community Commercial / Mixed Use designation and to change the designation of 10973, 10974, 10995 and 10996 from Community Commercial to Community Commercial / Mixed Use to permit commercial and residential development within the same designation; and

B. Grant First and Second Reading to Bylaw No. 2440, 2009 to amend Land Use Bylaw No. 1250 to permit combined live / work spaces and to increase the maximum number of dwelling units permitted within the CD-11 Zone from 456 to 481 units; and

C. Authorize staff to notify surrounding property owners and schedule a Public Hearing for December 1, 2009; and

D. Amend the original Master Development Covenant to permit the construction of the townhouse and live / work dwelling units and secure 15 parking spaces, as outlined in the report; and

E. Authorize Staff to notify qualifying property owners that Council will consider approval of Development Variance Permit No. 2009-008 to reduce the minimum rear lot line setback in the CD-11 zone for the proposed multi-family project on the subject site at the December 1st, 2009 Council meeting; or

F. Other.

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

PURPOSE:

To request that Council consider an application to amend the Official Community Plan and the Land Use Bylaw No. 1250 in order to permit 25 townhouses accommodating live/work use and ten commercial units along Barnston View Road.

BACKGROUND:

Application Background:

Applicant/Agent:		Mosaic Homes
Owner		Mosaic Osprey Two Holdings Ltd.
Parcel 1		
Legal Description:		Lot 3, Plan 28560
Civic Address:		10973 Barnston View Road
Area:		932 m^2
OCP	Existing:	Community Commercial
	Proposed:	Community Commercial / Mixed Use
Zoning	Existing:	CD-11
	Proposed:	CD-11
Parcel 2		
Legal Description:		Lot 10, Plan 28560
Civic Address:		10974 Barnston View Road
Area:		932 m^2
OCP	Existing:	Community Commercial
	Proposed:	Community Commercial / Mixed Use (proposed new designation to be created by an OCP amendment)
Zoning	Existing:	CD-11
	Proposed:	CD-11

Parcel 3

Legal Description:		Lot 2, Plan 28560
Civic Address:		10995 Barnston View Road
Area:		735 m^2
OCP	Existing:	Community Commercial
	Proposed:	Community Commercial / Mixed Use
Zoning	Existing:	CD-11
	Proposed:	CD-11

Parcel 4

Legal Description:		Lot 11, Plan 28560
Civic Address:		10996 Barnston View Road
Area:		686 m^2
OCP	Existing:	Community Commercial
	Proposed:	Community Commercial / Mixed Use
Zoning	Existing:	CD-11
	Proposed:	CD-11

Adjacent Area

Direction	***Existing Use***	***OCP Designation***	***Zoning***
North	Townhouse / Single Family	Residential – Medium Density	CD-11
South	Municipal Park	Park	CD-11
East	Townhouse	Residential – Medium Density	CD-11
West	Townhouse	Residential – Medium Density	CD-11

Project information

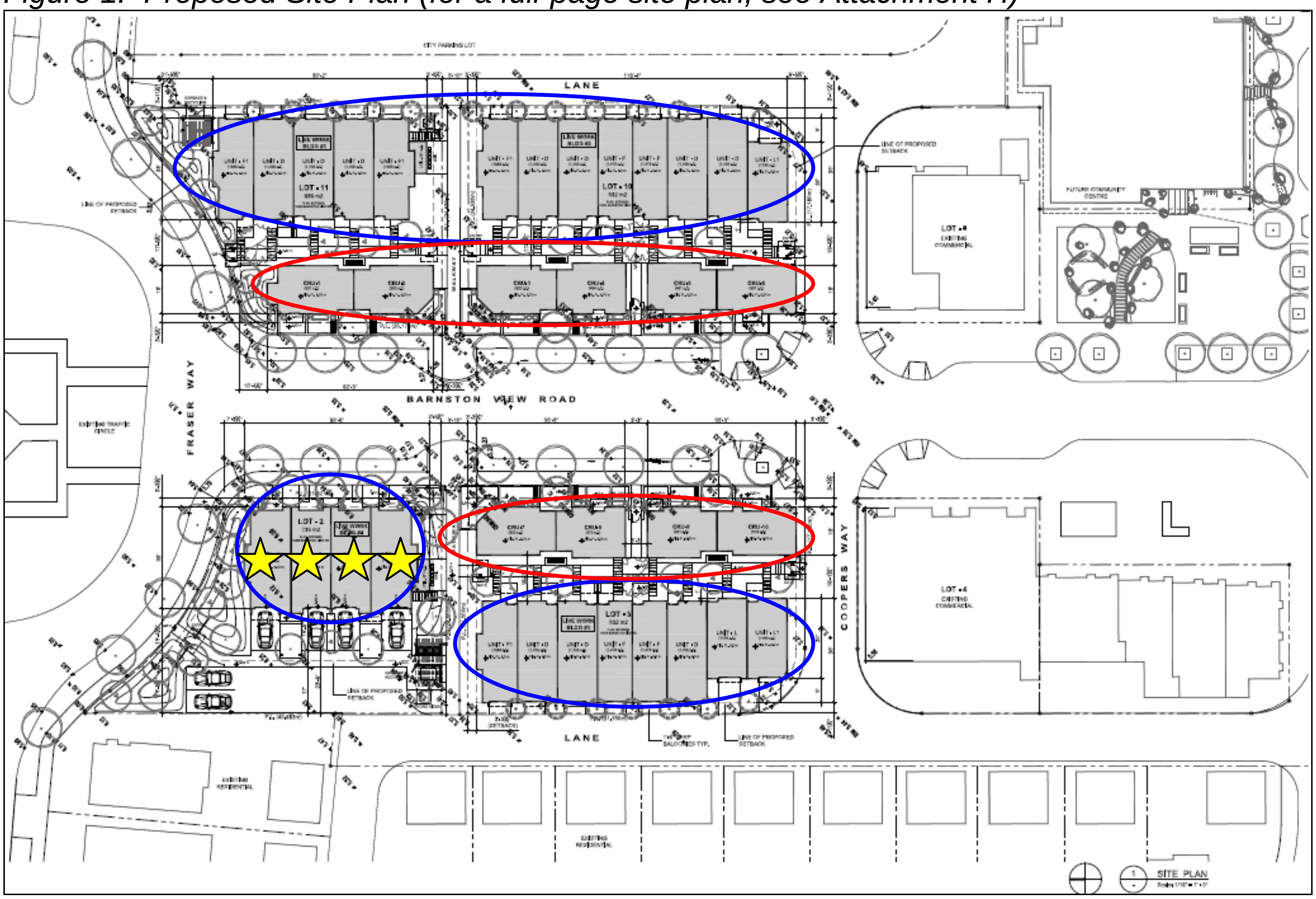
Proposed Density:	481 units total units
Access:	Barnston View Road / Fraser Way

Project Description

The applicant is proposing to amend the Official Community Plan and the Land Use Bylaw to permit the construction of 25 townhouses, of which four are exclusively live/work units and ten commercial units on the remaining lots along Barnston View Road. Three lots on Barnston View Road have been developed with commercial buildings. Current uses include a Montessori pre-school, a hairdresser, a yoga studio, and a pet grooming / dog daycare has just leased space. A community centre is scheduled to be constructed in the very near future at the south end of Barnston View Road. A pub and chapel are also planned. The Barnston View commercial area is surrounded to the east, west and north with townhouse development; a park and the Fraser River is located to the south.

The proposal builds out the commercial area on Barnston View Road to the north. The proposed commercial units, at 500 square feet each, are smaller than the existing commercial units which average 950 square feet each. However, the demising walls between each set of units are designed to be removable, creating a larger commercial space. Upon completion, Barnston View Road will have 15,000 square feet of commercial space (not including commercial space in the townhouse units).

Figure 1: Proposed Site Plan (for a full-page site plan, see Attachment H)



Proposed commercial units: circled in red
Proposed townhouse / live-work units: circled in blue
Townhouses required to have commercial space on the ground floor: starred

Figure 2: Barnston View Road Streetscape Elevation – East Side

A total of 25 dwellings are proposed to be constructed as follows: A four-unit, three-storey “live / work” building is proposed at the southwest corner of Fraser Way and Barnston View Road. This building will be able to accommodate a business in the 247 square foot studio space on the first floor of each unit. Since this space would be oriented to and accessible from the street, it could possibly accommodate retail space, such as an art gallery. Twenty-one three-storey townhouse units are proposed to be located along a public mews to the rear of the commercial units on either side of the street. Each unit would be accessed either from the mews, or from the lanes. Parking for the units would be accessed from the lanes as well. These townhouse units are designed to accommodate live / work uses or home occupation use.

Figure 3: View of Townhouse Units and CRU’s (Lot 11) from Fraser Way Traffic Circle

Figure 4: View of Live / Work Units (Lot 2) from Fraser Way Traffic Circle

Parking

Each townhouse unit would contain one enclosed parking garage space. The four live / work units would also contain one enclosed parking space and one outdoor parking space. Two additional parking spaces are proposed. It is intended that on-street parking, or the municipal parking lot, would serve the commercial units. No parking variances are required.

Vehicle and Pedestrian Access / Loading

Vehicles would access the commercial units primarily from Barnston View Road. Loading would also take place from the street. Residents would be able to access their own townhouse units from the back lanes that run parallel to Barnston View Road.

The project is intended to be pedestrian oriented. The commercial units and the live/work units are easily accessed and are highly visible from Barnston View Road. The townhouses, which would be accessed from pedestrian walkways from Barnston View Road and through mews located behind the commercial units. The applicant is proposing signs located at the corners of the lanes and Barnston View Road to help pedestrians find townhome addresses.

Landscaping

Landscaping, consisting of primarily ornamental trees, shrubs and perennials, as well as benches and gates, is intended to define the private, residential spaces from the public spaces, while at the same time allowing people access to any businesses that may reside within the townhouse units.

Garbage and Recycling

Garbage and recycling areas are located on both of the lanes that run parallel to Barnston View Road, in places that can be accessed by service trucks.

Amenity Contribution

In support of this proposal, the applicant is offering the following amenity contributions:

- Contribution of an additional $10,000 to the project's public art budget;
- Transfer of 15 of the 40 parking stalls that they presently control in the municipal parking lot to the City. The original development covenant created a parking easement in favour of Mosaic which provided for the use of 40 parking spaces to be used on a first-come, first-served basis; and
- Installation of an artist in residence / artistic co-op gallery in one of the proposed commercial units fronting on Barnston View Road for one-year; after the one-year is up, Mosaic will have the ability to lease the space as outlined in the letter from Mosaic dated October 23, 2009 (Schedule F).

POLICY:

Official Community Plan

According to the Official Community Plan, the subject property is designated Community Commercial. This designation allows retail and service uses, but does not permit residential uses. Other policies in the Official Community Plan that apply to this proposal are as follows:

4.7.1 a) Existing commercial areas are to be preserved rather than converted to other uses, except where mixed commercial / residential developments are proposed.

4.7.4 a) The primary features of the South Bonson Waterfront Village will be a pedestrian–oriented main street, village square, a waterfront park with pedestrian trail, a public amenity building, community pier and eating and drinking establishments.

Sawyer's Landing Section 219 Development Covenant

Sawyer's Landing Section 219 Development Covenant specifies, amoung many other things, the overall density and land use for the entire project. Section 315 states:

> "The Owner agrees that no more than 456 dwelling units shall be developed on the Land, not including any dwelling units on the ground level of buildings constructed within the Village Mixed-Use area shown on the Land Use Concept Plan."

Schedule A -1, the Land Use Concept Plan, identifies the subject area as "Village Mixed-Use".

DISCUSSION:

Proposed Use

The City's vision for the development of Barnston View Road embraced a unique pedestrian-oriented main street that would serve the local residents, and potentially have the character and charm to attract tourists to the neighbourhood. This vision included some residential development, perhaps on the second floor of the commercial buildings. The original development covenant designation for Osprey Village foresaw such a mix of uses and the Community Commercial designation in the Official Community Plan supports the commercial uses.

The proposed development would result in more residential units, and less commercial space, than envisioned for this project, and it also represents a change in the pattern of development from the existing commercial buildings on Barnston View Road. Being a live/work development, employment generation may likely be higher than for a commercial development. The proposed commercial units are half the floor area in size and are more shallow than the existing commercial spaces, although, as mentioned above, they may be joined together to create a larger space. The buildings will be one storey in height as compared to two storeys for some of the earlier commercial construction.

The applicant has submitted a study by Site Economics Ltd (see Schedule G) , which provides a rationale for the smaller commercial units, which are as follows:

- Mosaic, the owner of the existing commercial buildings, has had some difficulty leasing the existing commercial units in Osprey.
- Smaller spaces would be cheaper to lease, and therefore more suitable for artisans and other boutique uses that would make Osprey Village a unique attraction.
- There is minimal demand for commercial uses in the area because the local population is too small.
- No through traffic so the site is relatively isolated.

The study concludes that continuing the same pattern of commercial development, as established by the existing commercial buildings, cannot be economically supported in this area. Mosaic also contends that the additional residential units will further help to support the businesses in Osprey Village, and will add to the vibrancy of the area.

Generally, the OCP discourages the conversion of commercially designated areas to residential uses, unless the residential component can be mixed in with commercial uses thereby allowing some jobs to be created.

Live / work units are defined as buildings that provide for the resident to live within the building, as well as allowing a separate unit for the operation of a business by that same resident. Typically, specific construction requirements are incorporated into the original design of the structure to accommodate commercial uses that have public access. The applicant is proposing to sprinkler all of the townhouse and live/work units to a commercial standard. This would permit, from a building code perspective, a variety of commercial activities to take place within these units.

The area will achieve this job creation objective as follows:

- live/work building at the corner of Barnston View Road and Fraser Way;
- potential live/work in the townhouses behind the commercial-only buildings; or
- potential home occupation in the townhouses behind the commercial-only buildings.

These uses would be permitted in the live/work units:

- Personal service use
- Retail store excluding convenience stores, secondhand stores and pawnshops and adult entertainment stores
- Business and Professional Office
- Medical and dental offices and clinics
- Cottage industry use
- Production of dance, live music, creative writing, painting, drawings, pottery or sculpture, video, moving or still photography, none of which involves amplified sound
- Commercial fine arts school.

The row of townhouses behind the commercial units are proposed to accommodate business uses on the bottom floor of the units but, because of their size, design and location, some units will simply accommodate home occupations because they are regarded as having less commercial potential, and some will have the potential and will be designed to be live/work units. Staff recommends that a covenant be registered on title requiring that a commercial business locate within each of the units of building block “G” (on the northwest corner of Barnston View Road and Fraser Way), to ensure the commercial vitality of the street. The occupants of the other townhouses would have the option of having a business or not having a business as a home occupation.

Parking

Enclosed parking spaces within the townhouse units and the live / work units will be protected from conversion to another use (e.g. storage) through a covenant.

- Parking to be prohibited along the back lane bordering on the western edge of the proposed development in order to ensure fire truck access.

Proposed Official Community Plan Amendment

According to the Official Community Plan, the subject property is designated Community Commercial. This designation allows retail and service uses, but does not permit residential uses. Therefore, the applicant is applying to amend the OCP designation to a new designation, “Community Commercial / Mixed Residential” to permit residential units, in addition to community and tourist – oriented business. See Attachment “B” for the proposed amendment bylaw.

Proposed Land Use Bylaw Amendments

In order to accommodate the proposed townhouses and the live / work use, the Land Use Bylaw is proposed to be amended (see the proposed amendment bylaw in Attachment “A”) to permit the proposed townhouses within the Barnston View Road area to have certain commercial uses, with conditions. These commercial uses would include:

- personal service use
- retail stores, excluding convenience stores, secondhand stores and pawnshops and adult entertainment stores.
- business and professional office
- medical and dental offices and clinics
- production of dance, live music, creative writing, painting, drawings, pottery or sculpture, video, moving or still photography, none of which involves amplified sound.
- cottage industry use
- commercial fine arts school

Conditions of use would include restricting the commercial use to no more than 30% of the overall floor area of the units and to require that businesses must be operated by the occupant of the units.

It is also proposed to amend Section 12.2.1, Density, to permit an additional 25 dwelling units, and to revise the ambiguous wording of the section.

<u>Proposed Amendment to Sawyer's Landing Section 219 Development Covenant</u>

As with the Land Use Bylaw, Sawyer's Landing Section 219 Development Covenant specifies, amoung many other things, the overall density and land use for the entire project. Section 315 states:

> "The Owner agrees that no more than 456 dwelling units shall be developed on the Land, not including any dwelling units on the ground level of buildings constructed within the Village Mixed-Use area shown on the Land Use Concept Plan."

Staff proposes to amend the contract to permit the additional townhouse units, provide clarity to this section of the covenant, and to secure an additional 15 parking spaces for the municipality as per the applicant's offer.

<u>Development Variance Permit</u>

The following variance is required for Lots 3, 10 and 11:

Rear Lot Line Setback for Multi-family:

Required - 6.0 metres (19.68')

Proposed – 0.946 metres (3'1 ¼")

Variance required: 5.054 metres

The effect of this proposed variance is to reduce the potential for vehicles to park on the driveways outside of the enclosed garages (see discussion under "Parking", above).

<u>INTERDEPARTMENTAL COMMENTS</u>

Building

- Depending upon the use, the live / work units may need to be designed to comply with Building Code requirements regarding fire separations, etc. It is recommended that this information be disclosed to potential purchasers.
- Commercial buildings must be equipped with fire sprinkler systems.
- CRU's to be designed to comply with barrier-free accessibility standards.
- Flood control elevation requirements will apply.

Engineering

- Additional servicing is required for the units proposed at the rear of the commercial lots. Additional mains will be will be required to be installed in the lanes east and west of Barnston View Road to service the proposed live / work units. This includes new storm sewer, sanitary and water mains. All of the mains are adequately sized to accommodate the additional flow from these units.

Fire Department

- Parking to be prohibited along the back lane bordering on the western edge of the proposed development in order to ensure fire truck access.
- All units that contain a business will be subject to inspection.
- Rough-in wiring required for emergency lighting.
- Alarm enunciation panel for buildings, strobe locations and access routes.
- Complex map locator to be installed.
- Flow Switches installed and sprinkler system to be monitored by a central station.
- Submission of a complete code analysis.

CONDITIONS OF APPROVAL

The following issues have been identified and need to be resolved:

Prior to Bylaw Adoption:

- Registration of a covenant requiring all live/work units to be constructed to fire and building code standards to accommodate identified commercial uses for these units;
- Registration of a covenant disclosing to potential purchasers the need for building upgrades in accordance with the Building Code, depending on the use;
- Submission of engineering drawings addressing servicing issues related to storm water management, road design and service upgrading or relocation;
- Submission of a comprehensive building and fire code analysis of the project;
- Agreement to secure the proposed amenities, as outlined in the report;
- Agreement from the applicant that all legal fees incurred for the preparation and review of the above documents will be borne by the applicant, not the City of Pitt Meadows;
- Agreement to construct commercial units either concurrently or before the construction of the townhouse units;
- Registration of a covenant requiring that a business be located in each of the units in building block “G” that conforms to Land Use Bylaw 1250;
- Registration of a covenant requiring that a commercial standard fire sprinklering system be installed in every unit throughout the proposed development;

- Agreement to register a covenant on the title of each townhouse unit a covenant prohibiting the conversion of enclosed garages to other uses;
- Agreement to include the following fire safety upgrades:
  - Alarm enunciation panel for buildings, strobe locations and access routes.
  - Complex map locator to be installed.
  - Flow Switches installed and sprinkler system to be monitored by a central station.
  - Submission of a complete code analysis.

SUMMARY/CONCLUSION:

Support for this application to permit additional townhouses and live/work spaces within Osprey Village is recommended for the following reasons:

- The marketing study concludes that the smaller commercial units have greater potential to attract boutique and artisan type businesses to Barnston View Road than the larger units. The smaller units have a better chance of being leased out to these types of businesses because of lower lease rates;
- Additional housing units would add more population, and hence, strengthen the local businesses;
- The live/work spaces would accommodate people who would stay in the neighbourhood throughout the day, rather than commuting out to other communities and potentially increase number of jobs in the community
- The proposed residential units would provide a greater variety of housing types in the area.
- Additional units would help to support transit services.

Respectfully submitted,

Dana K. Parr
Planner

Reviewed by:

Reviewed by:

Adrian Kopystynski
Manager of Development Services

Approved by:

Kim Grout
Director of Operations and Development Services

ATTACHMENTS:

A. Bylaw 2441, 2009, OCP Amendment
B. Bylaw 2440, 2009, Text Amendment to Land Use Bylaw 1250
C. Official Community Plan Urban Land Use Map
D. Zoning Map
E. Site Context Map
F. Letter from Mosaic dated October, 23, 2009
G. "Retail Development Opportunity, Osprey Village, Barnston View Road, Pitt Meadows, B.C.", Prepared by Site Economics, Ltd., October 2009.
H. Proposed Site Plan

#71516v2

ATTACHMENT A:

CITY OF PITT MEADOWS
OFFICIAL COMMUNITY PLAN AMENDMENT BYLAW
BYLAW NO. 2441, 2009

A Bylaw of the City of Pitt Meadows to amend the City of Pitt Meadows Official Community Plan Bylaw No. 2352, 2007, as amended

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WHEREAS, the Council of the City of Pitt Meadows is authorized to enact a bylaw pursuant to the Local Government Act R.S.B.C. 1996 c. 323, as amended;

AND WHEREAS, it is deemed expedient to amend the said bylaw; AND

NOW THEREFORE, the Council of the City of Pitt Meadows in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as the "City of Pitt Meadows Official Community Plan Amendment Bylaw No. 2441,2009".

2. Section 5, Land Use Designations, of Appendix A, of the City of Pitt Meadows Official Community Plan Bylaw No. 2352, 2007, as amended, is hereby further amended by:

   (a) inserting the following after the Land Use Designation "Community Commercial":

   "<u>Community Commercial / Mixed Use</u>

   Permits mixed commercial and residential uses appropriate to this distinct part of the community and does not include highway commercial uses."

   (b) revising Map Schedule 3A, Urban Land Use, by changing the land use designation of the area shown on Attachment A from "Community Commercial" to "Community Commercial / Mixed Use".

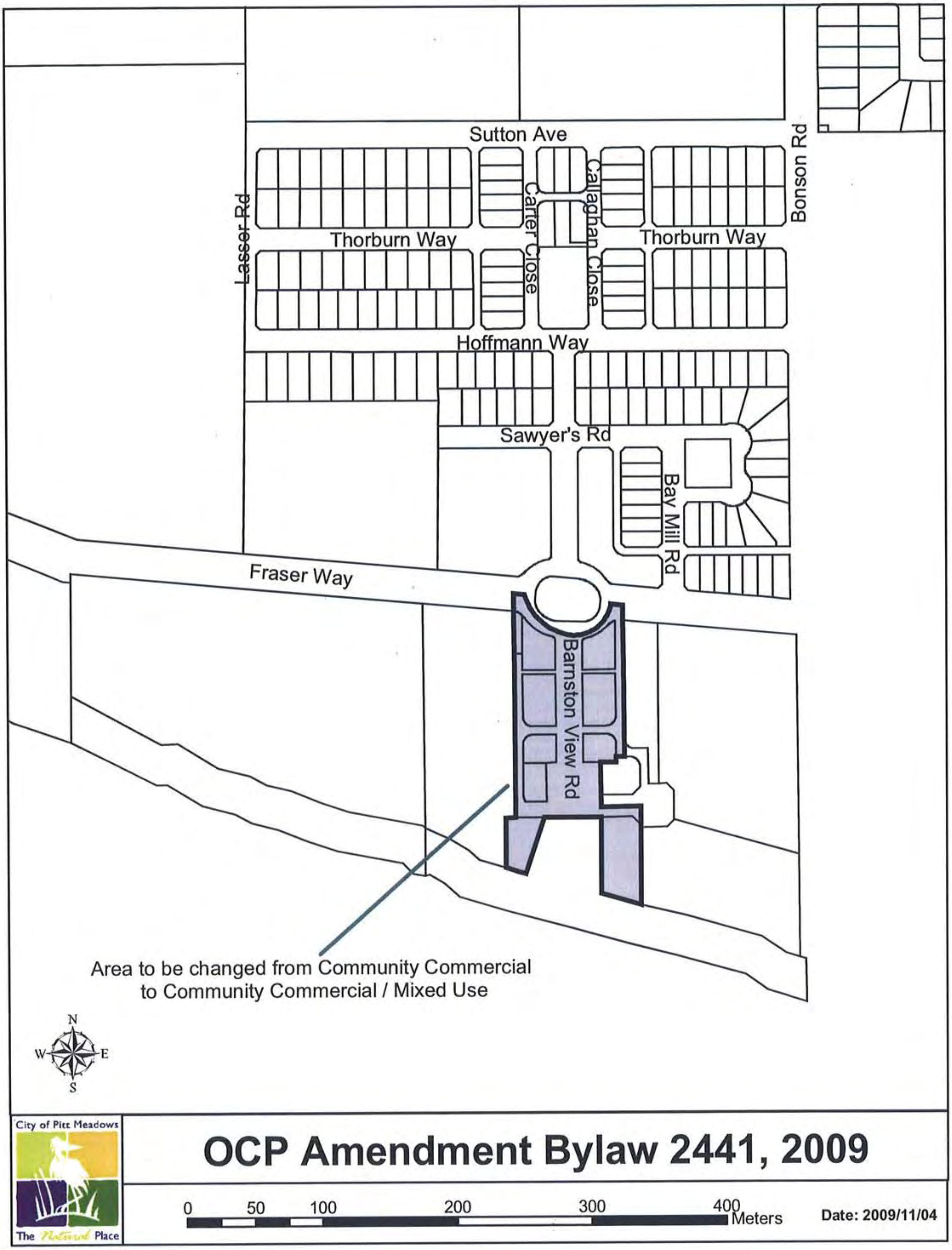
READ a FIRST and SECOND time the __day of ____, 20__.

PUBLIC HEARING held the __day of ____, 20__.

READ a THIRD time the __day of ____, 20__.

FINALLY CONSIDERED AND ADOPTED the __day of ____, 20__.

Mayor	Corporate Officer



OCP Amendment Bylaw 2441, 2009

Date: 2009/11/04

LAND USE AMENDMENT BYLAW
BYLAW NO. 2440, 2009

A Bylaw to amend applicable sections of Land Use Bylaw No. 1250

WHEREAS, it is deemed expedient to amend Pitt Meadows Land Use Bylaw No. 1250 as amended; and

NOW THEREFORE, the Council of The City of Pitt Meadows in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as the **"City of Pitt Meadows Land Use Amendment Bylaw No. 2440, 2009"**.

2. ***Part B, Zoning, Section 12, Comprehensive Development Zone XI (CD-11) is hereby amended as follows:***

    a) 12.1.1 (e), *Permitted Uses*, is amended by adding the words *"including townhouses",* so that the section reads as follows:

    "multiple-family residential use, including townhouses;"

    b) 12.1.1 is amended by adding*:*

    "(z) retail stores excluding convenience stores, secondhand stores and pawnshops and adult entertainment stores;
    (aa) business and professional office (only permitted within townhouse units as specified by Section 12.1.12);
    (bb) medical and dental offices and clinic (only permitted within townhouse units as specified by Section 12.1.12);
    (cc) production of dance, live music, creative writing, painting, drawings, pottery or sculpture, video, moving or still photography, none of which involves amplified sound (only permitted within townhouse units as specified by Section 12.1.12)."

    c) Section 12.1*, Permitted Uses,* is amended by adding the following immediately after Section 12.1.10:

    "12.1.11 Ground floor uses, excepting enclosed garages, fronting Barnston View Road within Area 1 shown on Schedule "G" shall be commercial uses.
    12.1.12 The following uses may be permitted in association with townhouses that are located within Area 1, as shown on Schedule "G" provided that the floor area occupied by such uses does not exceed 30% of the floor area of the dwelling units, including the garage, and further provided that such uses shall not be a singular use in the building and shall be operated by the occupant of the said dwelling unit:

a. personal service use;

b. *retail stores, excluding convenience stores, secondhand stores and pawnshops and adult entertainment stores;*

c. business and professional office;

d. medical and dental offices and clinics;

e. production of dance, live music, creative writing, painting, drawings, pottery or sculpture, video, moving or still photography, none of which involves amplified sound;

f. cottage industry use;

g. commercial fine arts school."

d) Section 12.2.1, *Density*, is amended by deleting and replacing subsection 12.2.1 by the following:

"The maximum number of dwelling units of all kinds permitted in this zone is 481."

READ a first and second time the day of , 2009.

PUBLIC HEARING held the day of , 2009.

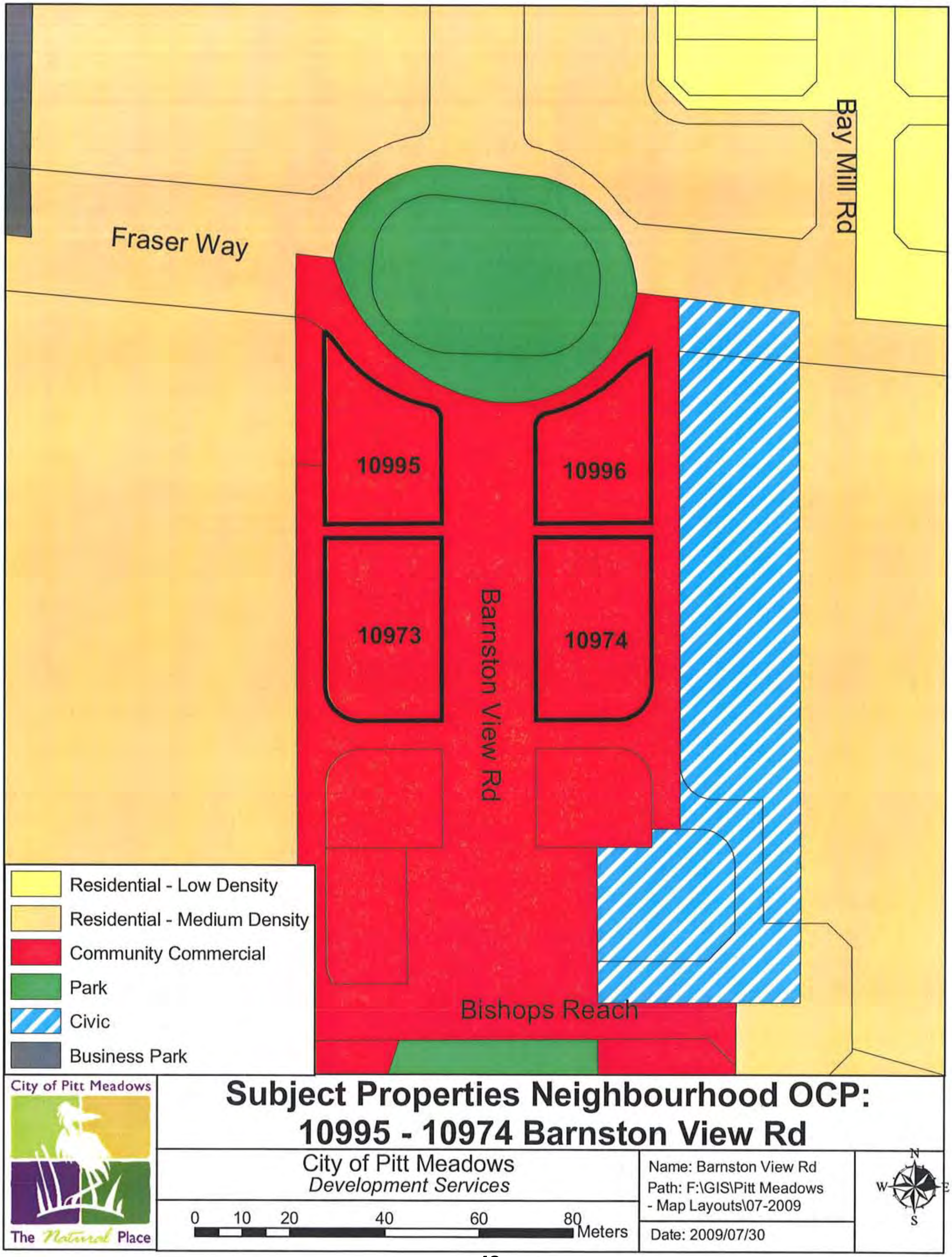
READ a third time the day of , 2009.

RECONSIDERED AND ADOPTED the day of , 2009.

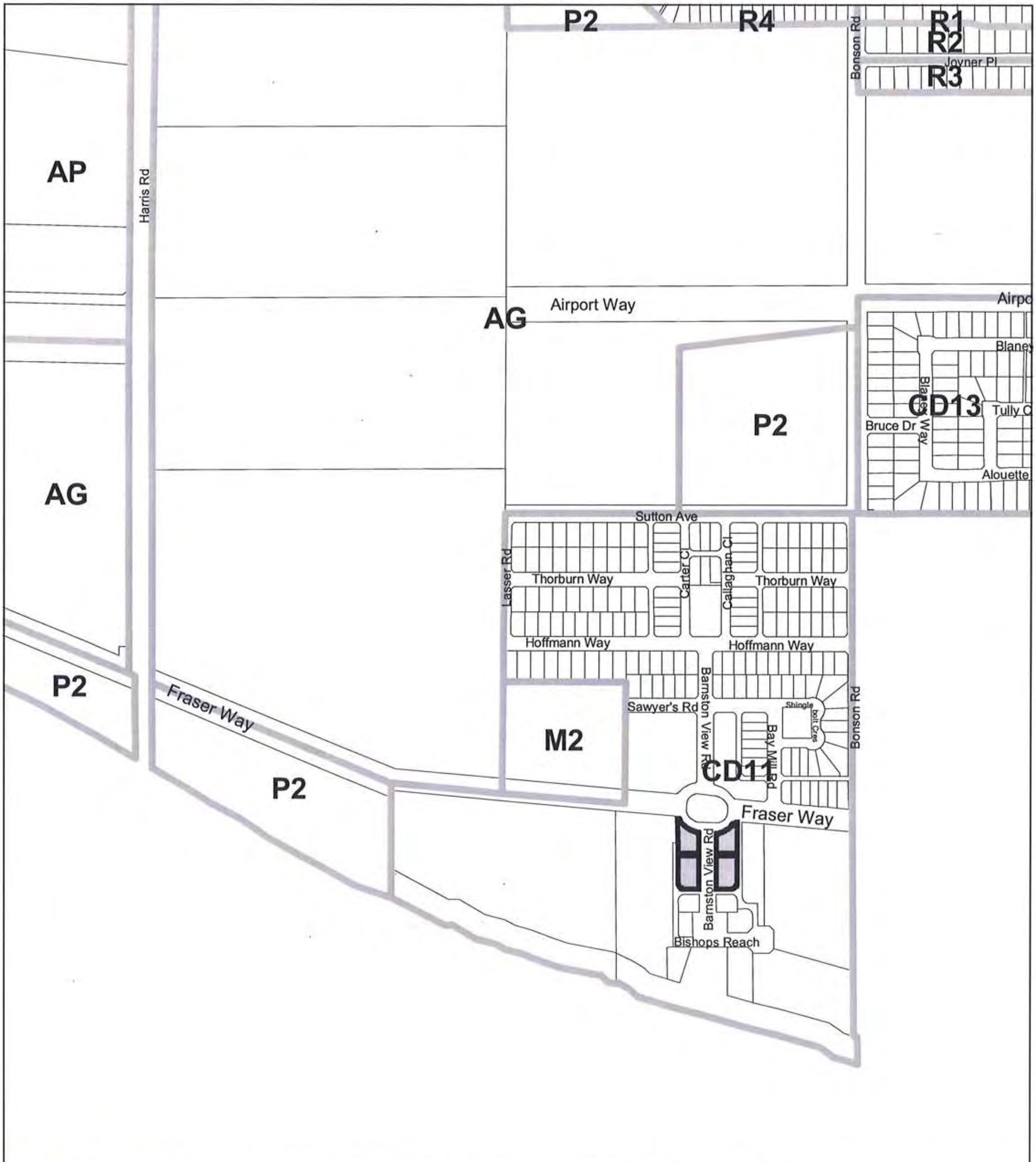
Mayor (Don MacLean)

Corporate Officer (Laurie Darcus)

ATTACHMENT C



ATTACHMENT D



City of Pitt Meadows

The Natural Place

Subject Properties Neighbourhood Zoning: 10995 - 10974 Barnston View Rd

City of Pitt Meadows
Development Services

0 62.5 125 250 375 500 Meters

Name: Barnston View Rd
Path: F:\GIS\Pitt Meadows - Map Layouts\07-2009
Date: 2009/07/30

N W E S

ATTACHMENT E

City of Pitt Meadows

The Natural Place

Subject Properties Context:
10995 - 10974 Barnston View Rd

City of Pitt Meadows
Development Services

0 50 100 200 300 400 Meters

Name: Barnston View Rd
Path: F:\GIS\Pitt Meadows - Map Layouts\07-2009
Date: 2009/07/30

N W E S

MOSAIC

ATTACHMENT F

City of Pitt Meadows OCT 2 7 2009

October 23, 2009

By Mail and e-mail

Dana Parr
City of Pitt Meadows
12007 Harris Road
Pitt Meadows BC
V3Y 2B5

Dear Ms Parr:

RE: Barnston View Road, Pitt Meadows, B.C.
Development Permit: Mixed Use Commercial/Live-Work Project
Proposed Amenity Contribution

Further to recent discussions regarding amenities to be contributed to the City of Pitt Meadows in connection with issuance of the above-noted development permit, we are pleased to write to confirm our proposal as follows:

1. Public Art

   We propose to double our budget for public art at Osprey Village from $10,000 to $20,000. Mosaic will work with staff to engage a local artist or arts group to produce a high quality, rich and enduring public art installation for placement in a visible location (or locations) in the Village. We look forward to working with the parties on this process and to bringing the design concept forward to Council for review and approval.

2. Contribution of Parking Stalls

   Mosaic presently controls 40 stalls within the Osprey Village public parking lot for the use of commercial tenants and their customers, as provided by the Master Development Covenant. With the City's agreement, we propose to amend the easement registered against title to the parking lot to transfer 15 stalls to the City for its use and control.

3. <u>Artist in Residence/Co-op Gallery</u>

Mosaic would like to increase the sense of community in the Village. A good way to do this will be to encourage the arts community to install an artist in residence/co-op art gallery in one of the commercial retail units fronting Barnston View Road. Mosaic will work with the arts community to establish a venue for local artists to work and/or display their work to the public. Mosaic will provide one of the CRU spaces in the proposed project for this purpose rent free for a period of two years in the hope that a co-operative art gallery will become established and be able to sustain itself. Following the end of two years the program will be reviewed. The artist in residence/co-operative gallery program will not be ended until acceptance of an offer to lease or purchase for the unit in which the gallery is located

We will be very excited to see this project go forward. We look forward to the completion of the Osprey Village and the increasing sense of community in the neighbourhood that is sure to follow. We trust that you will see our proposed amenity contributions as offering positive additions to this new community.

Yours truly,

MOSAIC AVENUE DEVELOPMENTS LTD.

David Jacobson.

ATTAHCMENT G:

Retail Development Opportunity
Osprey Village
Barnston View Road
Pitt Meadows, BC

October 2009

Prepared for:
Mosaic Homes

Prepared by:
Site Economics Ltd.

701 West Georgia Street – Suite 1500
Vancouver, BC V7Y 1C6

604-224-1369

File (9-41)

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EXECUTIVE SUMMARY

The objective of this study is to provide a summary of the retail market and how economic conditions and development trends might impact the retail opportunities at Barnston View Road (Osprey Village) in the far southern portion of Pitt Meadows, BC. The study can be outlined as follows:

- Location and Site Plan
- Retail Supply and Demand
- Tenant Mix and Development Opportunity

A small Phase 1 retail component of approximately 10,000 sq ft was added to this large residential development in 2008. This very small commercial street oriented project has been leasing its 5 or 6 rental units for over 2 years. The agent reports great difficulty leasing or finding market acceptance as the project is being used only by local residents. As demand is composed of a static number of local residents there is no growth in demand. As demand is not expected to change then new supply should be added with extreme caution.

The central issue is how much retail should be added in Phase 2 and what the ideal tenant mix would be. The current development proposal suggests the addition of 5,000 sq ft of new retail space fronting Barnston View Road, consistent with overall vision for this commercial “main street”.

Retail trends as they relate to the Barnston View Road commercial area are:

- There is only limited demand for retail space as only local residents use this area and the local population is not growing.
- Given minimal demand only minimal space should be added. This could be home based business space with their commercial premise facing the street.
- There will be demand for a stand alone restaurant eventually as employment related uses are developed nearby and persons seek local lunch locations.
- The commercial space is far too small to be a destination and the amenity of being close to the water benefits only the restaurant. There is little reason for local residents to patronize this facility except for convenience and it is convenient only to a small and very local trade area.
- Customer traffic is and will remain very moderate as there is no through traffic. The location is relatively isolated and would not be typical for any form of retail space. If Pitt Meadows was to have retail waterfront space it should have been located at an accessible location such as the southern foot of Harris Road and it should have extended out onto the river like the dockside retail in the Steveston area of the City of Richmond.
- In summary, the market could support at most an additional 5,000 sq.ft. Based on the location, minimal demand and ample supply, a small retail option is strongly recommended. This will lease to viable tenants and be occupied in the near term since a variety of small and efficient premises would provide a cost effective option for tenants who will operate their businesses in this relatively limited sales environment.

1.0 LOCATIONAL ASSESSMENT

1.1 INTRODUCTION

This study was commissioned by Mosaic Homes in October 2009 and was carried out in October 2009 by Site Economics Ltd. The work was undertaken to assess the economic context of the recently developed Phase 1 retail project at Osprey Village in Pitt Meadows, BC. The analysis would be applied to the issue of whether or not the proposed Phase 2 of additional retail space is appropriate in scale given the aspects of the location, supply and demand conditions and of course the evidence provided by the very disappointing performance of Phase 1.

Specifically, the study considers the local retail factors for the South Bonson Waterfront Village (Osprey Village) area and far southern Pitt Meadows. In order to complete this study, the market was assessed, as well as retail development trends and local retail demand generated by the community.

1.2 LOCATION

The City of Pitt Meadows is a small municipality in the northeastern quadrant of Metro Vancouver. The area is approximately a 45 minute drive from central Vancouver. Pitt Meadows, and Maple Ridge to the immediate east, are physically separated from the rest of the Lower Mainland by the Fraser and Pitt Rivers. Connection is provided by the Lougheed Highway and the Pitt River Bridge to Port Coquitlam to the west, and the new Golden Ears Bridge connecting to Langley and Surrey to the south. These two huge recent transportation projects, which cost over $1 billion, have greatly improved access to and from the community.

The study area is the City of Pitt Meadows, and more precisely the South Bonson Waterfront Village (Osprey Village) area located on Barnston View Road at Bonson Road and Fraser Way, in south-east Pitt Meadows. The Barnston View Road area is south of the Lougheed Highway and can be accessed by turning right on Harris Road and left on Fraser Way.

The study site is located along the Fraser River, east of the Pitt Meadows airport, south-east of the town centre, and west of the new Golden Ears Bridge and Maple Ridge. The area is largely newly developing residential, with industrial designations to the west near the airport. The new Osprey Village area developed as expected in the form of over 400 residential units, and some very limited local retail.

FIGURE 1.1

THE REGIONAL STUDY AREA

Figure 1.1 illustrates Metro Vancouver and part of the Fraser Valley while Figure 1.2 provides more detail on the road network and urban area of the City of Pitt Meadows.

The site is accessed via Lougheed Highway from the east or west and then south on Harris Rd. and then via the local roads. There is now access to the Golden Ears Bridge via Bonson and Airport Way.

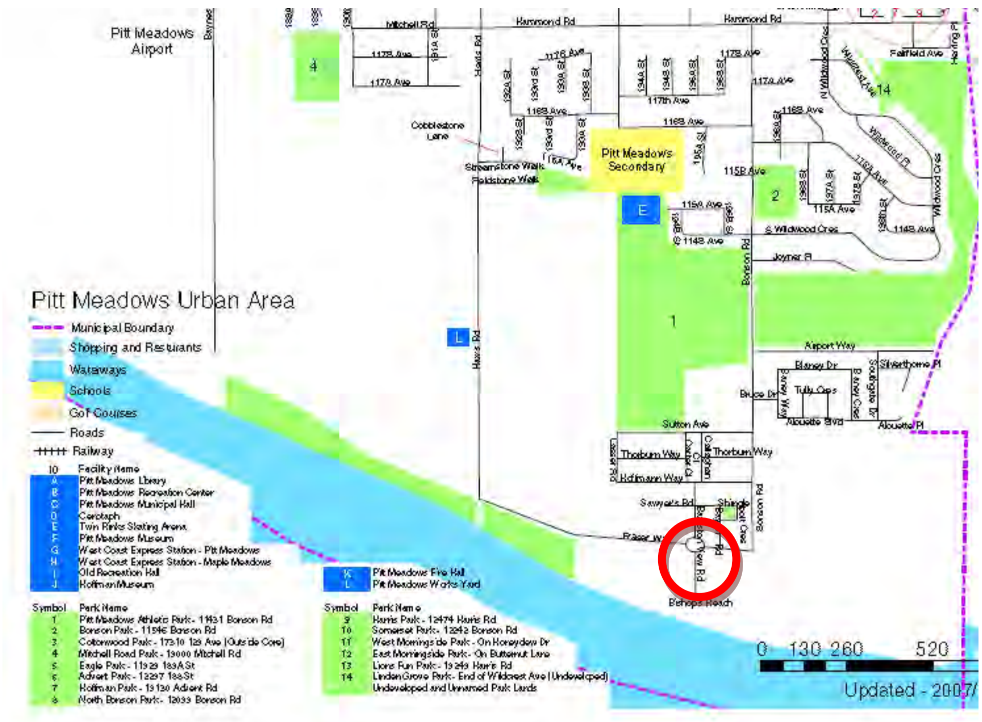
The location on the north shore of the river is excellent and the area connects up to the bike trails which circle the community on the local dykes.

FIGURE 1.2

PITT MEADOWS MAP

FIGURE 1.3

NEIGHBOURHOOD MAP



It is clear from this street map that the subject site is relatively isolated and the trade area is a small residential community living south of Airport Way. This limited population base has a very significant impact on potential retail sales.

1.3 LAND USE PLANNING

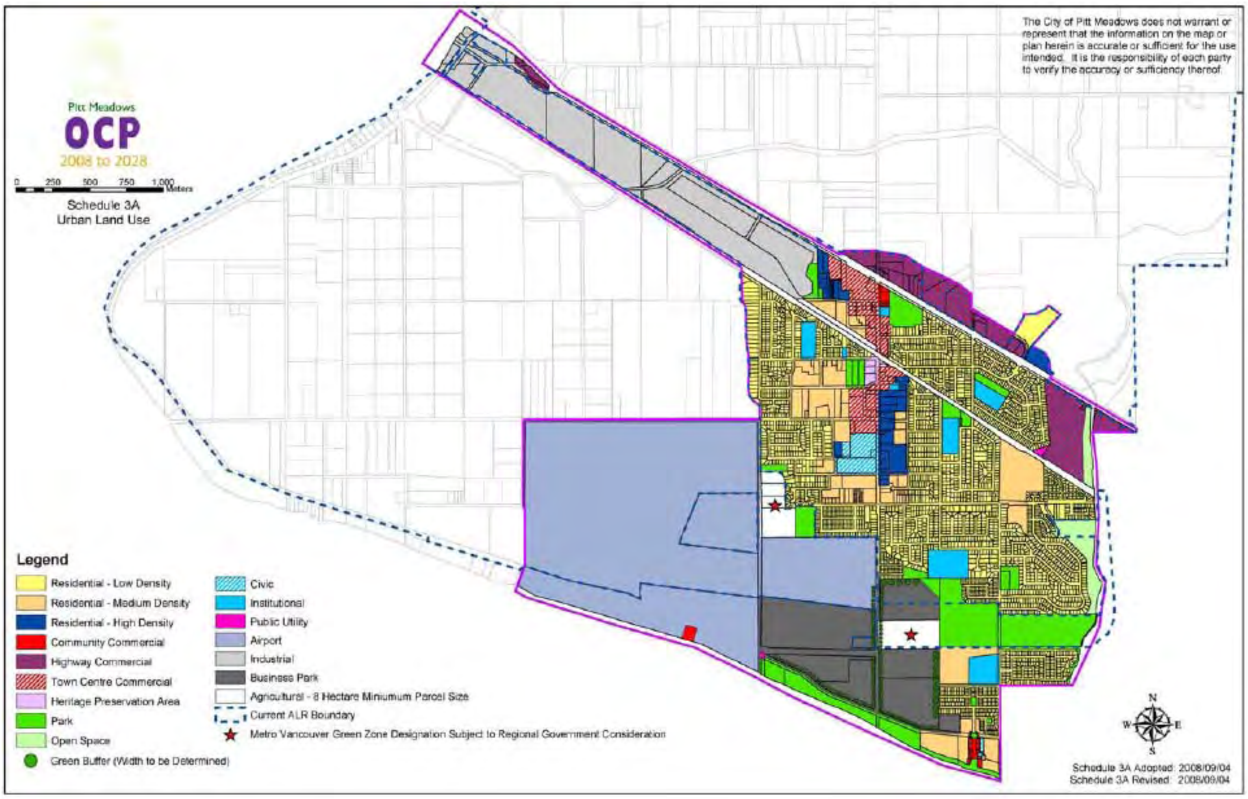
Figure 1.3 shows the 2008 Official Community Plan (OCP) long range land use designations for the City of Pitt Meadows urban area. The designated Town Centre Commercial provides for most of the retail / commercial in the core downtown area at Harris Road and Loughheed Highway. Other commercial areas are Community Commercial identified in the South Bonson Waterfront Village area, which is surrounded by Residential Low-Density designation. The OCP definitions for these land use designations are as follows:

- **Town Centre Commercial** - Permits high density mixed commercial and residential uses appropriate to the community's central area and does not include highway commercial uses.
- **Highway Commercial** - Permits auto-related retail and service, accommodation, food service and hospitality, building supply and recreation facility uses.
- **Community Commercial** - Permits retail and service uses intended to serve the needs of distinct parts of the community and does not include highway commercial uses.

- **Residential - Medium Density** - permits medium density residential use generally in the form of townhouses and low rise apartments at a density of 31 to 100 units per net hectare. Ground oriented units are encouraged where possible.

FIGURE 1.4

PITT MEADOWS OCP LAND USE DESIGNATIONS



The OCP also states the following with regards to the amount of retail space in the community and the current inventory of retail space, recognizing that a significant amount of shopping is satisfied outside of the community through leakage:

A 2006 study undertaken for the City estimated that the retail and service commercial floor space per capita in the City was about 35 sq. ft. (based on a retail and service commercial inventory of about 600,000 sq. ft.). This was lower than the regional average of 41 sq. ft. per capita and suggests that consumer spending dollars are flowing out to nearby retail concentrations in Maple Ridge, Coquitlam and Port Coquitlam.

Given the relatively small size of Pitt Meadows this is a very good ratio of commercial space to population. It would be almost impossible to achieve a 1 to 1 ratio as there would always be outflow to downtown or very large big box stores in larger cities.

The South Bonson Waterfront Village area is the most significant commercial area designated outside of the downtown core. The following text excerpts are from the City of Pitt Meadows OCP relating to local retail:

The City encourages a limited amount of waterfront commercial development for the enjoyment of both residents and visitors to the community:

- *The primary features of the South Bonson Waterfront Village will be a pedestrian-orientated main street, village square, a waterfront park with pedestrian trail, a public amenity building, community pier and eating and drinking establishments;*
- *The principal commercial uses in the South Bonson Waterfront Village shall be retail and personal services intended to meet the needs of neighbourhood residents as well as to attract tourists and users from other areas;*

A wide range of commercial businesses is encouraged, but a distinction should be maintained between the types of retail and services that are permitted in established commercial areas:

- *Commercial uses which serve regional population and require greater parking considerations are encouraged to locate in areas adjacent to Lougheed Highway and major arterial roads;*
- *Small retail, office, medical, professional and personal service uses are encouraged to locate in Town Centre Commercial areas with increased residential densities and close to public transit;*
- *Commercial uses that serve a local or neighbourhood population are encouraged to locate in Community Commercial areas.*

Overall, the OCP recognizes the difference between local daily retail requirements and regional commercial functions. It encourages local retail to satisfy local requirements, however this should be balanced again the actual demand and level of retail that can be supported by the local population. The local retail is an effort to reduce the amount of retail leakage from the community.

1.4 AREA DEVELOPMENT ACTIVITY

As part of the South Bonson Waterfront Village / Osprey Village, Mosaic Homes has recently developed a collection of rowhomes and waterfront duplex homes marketed as the Turnstone project. The Osprey component, townhomes and village commercial space in the riverfront village, is currently under development.

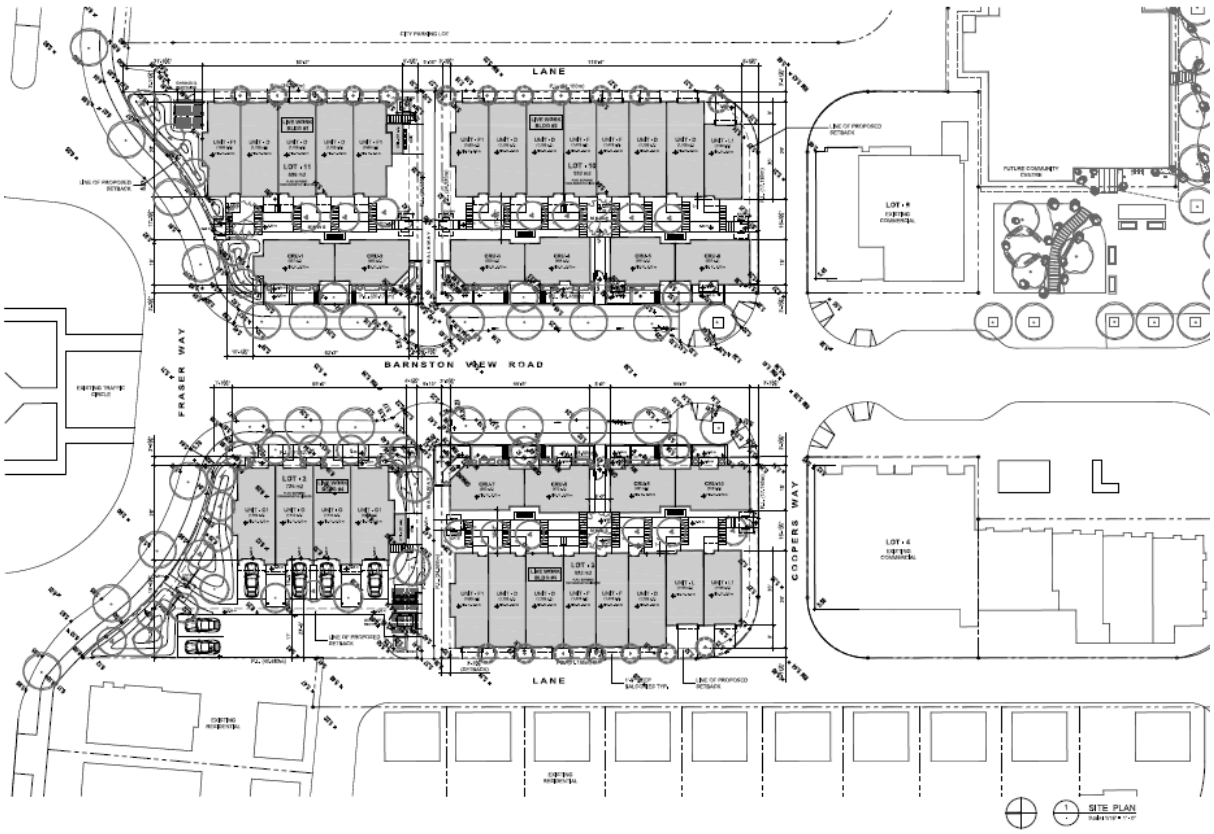
The development area is a 55-acre former industrial site (Bay Lumber mill site) which was re-zoned by Equitas Development Corp to accommodate approximately 450 homes and a Main Street pedestrian marketplace. Upon completion of rezoning and site remediation, International Forest Products sold a portion of the site to Mosaic Homes.

1.5 THE PROPOSED PHASE 2 COMMERCIAL SITE PLAN

In general, retail requires high visibility locations with excellent access. The site plan which follows concentrates the limited amount of retail on the commercial street. This new retail space would be very shallow, perhaps 18 ft deep, and it would be separated from residential units by a pedestrian walkway and landscaping.

FIGURE 1.5

BARNSTON VIEW ROAD PHASE 2 REVISED SITE PLAN



The current list of existing or potential tenants in Phase 1 are: a yoga studio, massage therapy, a beauty salon, a tanning studio, and a day care. Only the beauty salon and tanning studio are typical of normal retail space. The other tenants are not typical of retail space and are more often located on lower value second level retail – office space. Their presence at the commercial centre indicates that the retail space is very weak and rents are very low.

The typical size of a small convenience shopping centre only includes 5 to 7 tenants. There are very few examples of convenience centres with more than 10 tenants. If Phase 2 were to proceed as per the proposal then this small commercial strip would have over 15 tenants. This is likely the maximum that can viably be supported by the local population.

2.0 RETAIL INDUSTRY TRENDS

2.1 INTRODUCTION

Pitt Meadows is a small community in terms of population, with under 20,000 residents in a region of over two million. Historically, there has been a limited amount of significant retail in the community, with much of this need satisfied through shopping in other communities. The retail that does exist in Pitt Meadows is generally located along Lougheed Highway at the Harris Road intersection the Golden Ears Way Intersection. The community was subject to a great deal of retail outflow to large scale retail facilities in nearby municipalities. As in many cities, the last 20 years has seen a lot of local development and Pitt Meadows now accommodates two substantial shopping centres. In addition there are major malls nearby and large scale and very attractive new malls being developed on the Port Coquitlam side of the Pitt River Bridge and on the Langley side of the Golden Ears Bridge.

Retail development trends are very important in any development study. This section of the report outlines various trends and standards within the retail development industry. The key issue to note for Pitt Meadows is that shopping is being dived into two main categories, very large scale and local. Pitt Meadows has ample local shopping and it has ample very large scale shopping nearby. Another key point it that commercial streets are making a strong comeback and are seen to be more attractive than traditional malls. This is why many new malls are trying to mimic street front retail.

Pitt Meadows has limited retail and that which exists is focused on neighborhood and community oriented centres such as supermarkets, drugstores, food service, food retail, personal and financial services, etc. These are typical of residents' everyday needs. There is a lack of regional retail which sells comparison goods appliances (Future Shop) or department stores (Wal-Mart) that are common to enclosed regional shopping malls. There is a cinema and a large clothing store.

The main development implications of retail industry trends are:

- The City should encourage more street front retail at locations with substantial drive by traffic, specifically Harris Road.
- The City should take steps to allow more and larger scale retail so residents can shop locally.
- There should be more local restaurants either on the water or on busy streets.
- Local retail which is not on a major arterial and has only a small trade area and minimal drive by traffic should not be too large or long term vacancy can result. Persistent vacancy can damage a commercial buildings competitive position and sense of identity within the community. It is often better to have fewer healthier and more successful stores than too many stores and tenants who are doing only marginal sales and having trouble staying in business.

2.2 CLASSIFICATION OF SHOPPING CENTRES

It is important to have an understanding of the basic nature of retail areas and shopping centres. Recent retail development trends have focused on open shopping centres, street-front retail, high density mixed use centres and freestanding large scale stores. In general, 50% of each centre's floor space is occupied by the anchor tenant and 50% by small shops and store. The ratio is lower for busy locations such as downtown and higher at remote locations which need the anchors to act as a destination and bring customers to the site.

An anchor tenant is a large scale typically chain store which has a AAA covenant (a solid financial firm where there is little or no risk of default) and generates extra customer traffic for nearby stores (i.e. a supermarket chain).

It is important to note that Pitt Meadows is limited to convenience oriented centres and a power centre but could not support a larger retailer. For the South Bonson Waterfront Village area, the proposed development and ultimate population can only support a limited amount of very local convenience retail activity. The standard retail classifications are as follows:

- **Strip Centre**: A strip centre is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking conveniently located in front of the stores. **This is essentially the same retail facility as the subject project only the configuration is different.**

- **Neighbourhood Centre**: This centre is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighbourhood and is typically anchored by a supermarket.

- **Community Centre**: A community centre typically offers a wider range of apparel and other soft goods than does the neighbourhood centre. It is anchored by a supermarket and small proportional department store. The problem with this type of project is that it is not focused. It is not convenient yet and it is not large enough to be a destination. Most of these centres have been redeveloped into smaller retail facilities with only a supermarket and the surplus land turned into housing.

- **Lifestyle Centre**: A centre that generally imitates a traditional street front retail district with sidewalks, streets and pedestrian areas. This is typical in new suburbs where consumers want alternatives to standard power centres and large unattractive parking lots. These centres try to offer a more appealing shopping destination with interesting stores and architecture. They mix food, personal services and convenience shopping with apparel and accessories. There are few of these in Canada to date, such as a small portion of Park Royal Shopping Centre in West Vancouver. There is a new one planned for Port Coquitlam and the new Pitt River Bridge.

- **Regional Centre**: This centre type provides general merchandise (a large percentage of which is made up of apparel retailers) and services in full depth and variety. The anchor tenants are typically full-line department stores, promotional department stores, supermarkets and various big box tenants. Residents of Pitt Meadows can typically access Coquitlam Centre or Willowbrook.

- **Super-regional Centre**: Similar to a regional centre, but because of its larger size, a super-regional centre has more anchors, a deeper selection of merchandise, and draws from a larger population base. This type of centres resembles Guildford Mall in Surrey or Metrotown in Burnaby.

- **Fashion/Specialty Centre**: A centre composed mainly of upscale apparel shops, boutiques and craft shops carrying selected fashion or unique merchandise of high quality and price. These centres do need to be anchored, although sometimes restaurants or entertainment can provide the draw of anchors. The physical design of the centre is very sophisticated, emphasizing a rich decor and high quality landscaping.

- **Power Centre**: A centre dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers". Meadowtown Mall is a power centre due to its wide range of tenants and large size.

- **Theme/Festival Centre**: These centres typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their selection of merchandise. The biggest appeal of these centres is for tourists, as restaurants and entertainment facilities can anchor them. These centres, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. The locations tend to have some sort of natural feature such as water, or a tourist attraction. Granville Island in Vancouver is an excellent example.

- **Outlet Centre**: Usually located in rural or, occasionally, in tourist locations, outlet centres consist mostly of manufacturers outlet stores selling their own brands at a discount price. These are not a factor in Canada as such malls have not been established.

In terms of street-front retail districts they tend to be in the following general categories:

- **Historic Heritage District and Retail Area**: These tend to be tourist-oriented such as Gastown in Vancouver.

- **Neighbourhood Commercial Street**: These retail centres are typical of urban areas across North America, and are where local residents obtain most of their food, services and other convenience needs. This is often the dominant form of commercial development in the older parts of Vancouver. These businesses require a location on a busy street so they can serve both local residents and drive by traffic.

- **Fashion District**: These areas have overcome the initial negative competitive impact of enclosed malls and many are now thriving. It is the strength of these street front retail areas which inspires Lifestyle mall developers who are trying to emulate the best elements of streetscapes in a single master planned project.

- **Entertainment District**: Precinct with cinemas, restaurants/cafes, and nightclubs.

- **Business-Serving Retail**: Areas such as on many downtown streets. These areas are dominated by restaurants and personal or business services.

In summary, Pitt Meadows has convenience centres, neighbourhood centres, commercial districts and a Power Centre. It does not have a department store or larger scale shopping centre. This is unusual for a community of this size. There is clearly very significant retail leakage to other parts of Metro Vancouver

The following figure provides an overview of each type of shopping centre. Neighbourhood centres have an average size of 90,000 sq.ft. across North America, including the United States where most centres are larger. They never exceed 150,000 sq.ft. in size including all office space.

There are no industry standards for very small convenience centres however they are typically five premises in size, anchored by a convenience store and under 10,000 sq ft in size. They are not often larger as more space is often a problem for such a small retail facility with such a narrow role and function. These convenience commercial facilities are also typically located on busy traffic intersections.

Each commercial property has a role and function and fits within a certain category. This hierarchy is important as it clearly shows Pitt Meadows has a substantial amount of retail for such a small community.

FIGURE 2.1

SHOPPING CENTRE TYPES AND CATEGORIES – NORTH AMERICA

				TYPICAL ANCHOR(S)			
TYPE	CONCEPT	SQ. FT. (Inc. Anchors)	ACREAGE	NUMBER	TYPE	ANCHOR RATIO*	PRIMARY TRADE AREA**
NEIGHBORHOOD CENTER	Convenience	30,000 - 150,000	3 - 15	1 or more	Supermarket	30 - 50%	3 miles
COMMUNITY CENTER	General Merchandise; Convenience	100,000 - 350,000	10 - 40	2 or more	Discount dept. store; super-market; drug; home improvement; large specialty/discount apparel	40 - 60%	3 - 6 miles
REGIONAL CENTER	General Merchandise; Fashion (Mall, typically enclosed)	400,000 - 800,000	40 - 100	2 or more	Full-line dept. store; jr. dept. store; mass merchant; disc. dept. store; fashion apparel	50 - 70%	5 - 15 miles
SUPERREGIONAL CENTER	Similar to Regional Center but has more variety and assortment	800,000+	60 - 120	3 or more	Full-line dept. store; jr. dept. store; mass merchant; fashion apparel	50 - 70%	5 - 25 miles
FASHION/SPECIALTY CENTER	Higher end, fashion oriented	80,000 - 250,000	5 - 25	N/A	Fashion	N/A	5 - 15 miles
POWER CENTER	Category-dominant anchors; few small tenants	250,000 - 600,000	25 - 80	3 or more	Category killer; home im-provement; disc. dept. store; warehouse club; off-price	75 - 90%	5 - 10 miles
THEME/FESTIVAL CENTER	Leisure; tourist-oriented; retail and service	80,000 - 250,000	5 - 20	N/A	Restaurants; entertainment	N/A	N/A
OUTLET CENTER	Manufacturers' outlet stores	50,000 - 400,000	10 - 50	N/A	Manufacturers' outlet stores	N/A	25 - 75 miles

* The share of a center's total square footage that is attributable to its anchors
**The area from which 60 - 80% of the center's sales originate

Source: International Council of Shopping Centers

2.3 NEIGHBOURHOOD SHOPPING CENTRES

Neighbourhood shopping centres provide merchandise for daily living needs. They include convenience goods such as food, drugs, financial service (banks) and personal services (beauty salons). A supermarket is the principal tenant in this type of shopping centre and is often complemented by a drugstore. This is the most important type of retail in the area.

The following table represents the average operating results and other data for 21 Canadian neighbourhood shopping centres. The average Canadian neighbourhood centre is 61,452 sq.ft. with the largest one being 86,775 sq.ft. and including office space. It is neither advised, nor possible for a neighbourhood centre anywhere in the region to exceed 80,000 sq. ft. in size.

A typical neighbourhood centre is approximately 60,000 sq.ft. in size and generates sales of just over $500 per sq.ft. of gross leasable area.

Food stores such as supermarkets comprise almost half (46.5%) of neighbourhood shopping centre floor space. Other categories are food service (9.0%), personal service (8.4%), drugstores (6.5%), other miscellaneous retail (5.9%), and general merchandise stores (4.7%).

2.4 TYPES OF RETAIL TENANTS

Below is a list of the typical anchor tenants and unit sizes for retailers in Canadian malls. This gives an indication of the type and required space anchor retailers typically occupy. These types of retailers are not appropriate for the South Bonston Waterfront Village, however they provide a size comparison for the proposed 5,000-10,000 sq.ft. Phase 2 retail facility. Without a high traffic location and no anchor to make it a destination the subject retail facility could struggle.

FIGURE 2.2 RETAIL ANCHOR TENANTS BY NAME

A&B SOUND	15,000
BEST BUY	45,000
BUY LOW	26,000
CANADIAN TIRE	80,000
CHAPTERS	30,000
CINEPLEX	110,000
COSTCO	140,000
CRATE AND BARREL	20,000
EXTRA FOODS	38,000
FAMOUS PLAYERS	110,000
FIELDS	16,000
FUTURE SHOP	30,000
H & M	10,000
HMV	8,000
HOME DEPOT	120,000
HOME HARDWARE	8,000
HOME SENSE	28,000
IGA	35,000
IKEA	140,000
J. CREW	10,000
JYSK	20,000
LINEN AND THINGS	30,000
LONDON DRUGS	30,000
MIKASA	30,000
OFFICE DEPOT	30,000
OLD NAVY	16,000
PETCETERA	20,000
PETSMART	20,000
PIER ONE IMPORTS	15,000
PLAYDIUM	30,000
R.C. SUPERSTORE	120,000
RONA	80,000
RESTORATION HARDWARE	20,000
SAFEWAY	45,000
SAVE ON FOODS	44,000
SEARS	120,000
SEARS HOME CENTRE	30,000
SHOPPERS DRUG	16,000
SPORT CHEK	20,000
SPORTS MART	10,000
STAPLES OFFICE	22,000
THE BAY	120,000
THE BRICK	40,000
THRIFTY FOODS	35,000
TOYS R US	30,000
URBAN BARN	10,000
URBAN OUTFITTERS	8,000
WAL-MART	130,000
WILLIAMS SONOMA- POTTERY BARN	16,000
WINNERS FASHION	30,000
ZARA	15,000
ZELLERS	120,000

In addition to specific anchor tenants the following provides an entire list of all possible retail tenants.

FIGURE 2.3 - TYPICAL RETAIL AND SERVICE TENANTS BY CATEGORY

FOOD AND DRUG RETAIL
SUPERMARKET
GROCER/PRODUCE
GROCER SPECIALTY/ETHNIC
CONVENIENCE STORE
FISH MARKET
MEAT MARKET
BAKERY
PHARMACY
DRUGSTORE
FOOD SERVICE
LICENSED RESTAURANT
FAST FOOD
RESTAURANT / CAFÉ
RESTAURANT ETHNIC
SPECIALTY COFFEE/TEA
OTHER FOOD RETAIL
SERVICE
BARBER + BEAUTY SALON
TRAVEL AGENCY
VIDEO RENTAL
SHOE REPAIR
DRY CLEANER/LAUNDROMAT
PRINTING / COPY
ENTERTAINMENT
FITNESS CENTRE / YOGA
VETERINARIAN/PET GROOMING
OTHER
OFFICE/FINANCIAL
STREETFRONT MEDICAL/DENTAL
INSURANCE/REALTOR/INVEST. BROKER
FINANCIAL/BANK/CREDIT UNION
ACCOUNTING/LEGAL/NOTARY
BUSINESS SERVICES
OPTOMETRIST
OTHER
GENERAL MERCHANDISE
JUNIOR DEPARTMENT STORE
GENERAL STORE
GENERAL STORE ETHNIC
VARIETY/DOLLAR STORE
APPAREL AND ACCESSORIES
MEN'S APPAREL
MEN'S APPAREL HIGH END
MEN'S APPAREL ETHNIC
LADY'S APPAREL
LADY'S APPAREL HIGH END
LADY'S APPAREL ETHNIC
UNISEX
UNISEX ETHNIC
CHILDRENS" APPAREL
CHILDREN'S APPAREL ETHNIC
FABRIC
BRIDAL
MATERNITY
THRIFT/SECOND-HAND MERCHANDISE
UNIFORMS
OTHER APPAREL
JEWELLERY
SHOES
HOUSEHOLD / FURNISHINGS
HOUSEWARES

SMALL APPLIANCES
LARGE APPLIANCES
HARDWARE STORES
GARDEN SUPPLIES
ELECTRONICS / HOME ENTERTAINMENT
FURNITURE / HOME FURNISHINGS
DURABLE GOODS/PAINT & WALLPAPER
AUTOMOTIVE
GAS STATION
TIRES/PARTS/ACCESSORIES
SERVICE
AUTO / MOTORCYCLE SALES
SPECIALTY RETAIL
SPORTING GOODS
BICYCLE SHOPS
BOOKSTORES
TOYS/HOBBIES
OFFICE SUPPLIES
HEALTH & BEAUTY ITEMS
CARDS & STATIONARY
BEDDING & LINEN
ART GALLERY/FRAMING
CAMERAS / FILM / PHOTO
ANTIQUES
GIFTS
OPTICAL
PETS & PET SUPPLIES
LIQUOR STORE / BEER AND WINE
FLORIST
RECORD & TAPE STORES
MUSICAL INSTRUMENTS
CELLULAR TELEPHONES

It is important to note that there are very few pure retail tenants which could locate at the subject site. The ones who could would typically be related to food service and food retail or personal services. This is similar to the existing tenants however they do tend to be more of a service nature and most could locate in office rather than street front retail space.

The existing and potential tenants are: yoga studio, massage therapy, a beauty salon, a tanning studio, a day care, dog grooming and a coffee shop. As mentioned previously, only the coffee shop, beauty salon and tanning studio are typical of retail space.

The typical size of a small convenience shopping centre only includes 5 to 7 tenants. There are very few examples of convenience centres with more than 10 tenants. If Phase 2 were to proceed as per the zoning then this small commercial strip would have over 15 tenants. As can be seen from the list above there are not 15 types of tenants which could locate here.

2.5 RETAIL DEVELOPMENT TRENDS

As with any retail market study, it is important to address a number of important retail development trends influencing the study area.

- Regional enclosed malls have lost retail market share over the past 15 years. They tend to be costly to operate and inconvenient to shop at for the majority of customers. This is due to such factors as their lack of convenience for many residents within the mall's large regional trade area. This is a declining form of retail development and very few have been built in North America since 1990. Despite this they have maintained dominance over some segments of the industry, particularly apparel. Without a large apparel selection, this type of retail development is not effective. Without full line department store anchors, this type of development is inconvenient without the end benefit of shopping there. Regional malls can rely on infrequent but substantial shopping trips by rural residents in the same way Pitt Meadows residents shop at larger retail centres in Maple Ridge and Langley.

- Malls can be ineffective premises for retailers due to their inconvenient locations and/or inconvenient space within mall area plans. Internal-only locations with weak exposure to major arterials do not offer sufficient visibility for retailers seeking the maximum exposure to potential consumers. Weak locations tend to become relatively weaker over time, while strong locations tend to increase in strength. This trend is benefiting some street-front commercial areas and at the same time highlighting the inherent weaknesses in other areas. Internal mall corridors and mall entrances should make tenant premises convenient to consumers, not inconvenient. Stand alone anchors or anchors with just a few ancillary stores are becoming ever more common. They are typically not found in malls, but each store unit is built by the end users such as home centres and department stores.

- Commercial streets are increasingly attractive locations for retailers as they offer maximum customer convenience and independence from mall landlords. They also allow retailers to become an integral part of customers' ever more differentiated lifestyles. Mass marketing is growing less effective than in the past and customers seek more unique and socially diverse experiences.

- Street-front retailing is making a major comeback, in part, because it is convenient and it offers a number of unique and interesting owner-operator tenants. The large chains are all trying to get locations on good, high traffic streets in order to get closer to their customers, both physically and in terms of their lifestyle. This trend is only expected to grow as it gains its strength from the ever more pressing need for convenience with respect to the local population base. It is important to note that commercial streets in general have to have busy traffic in order to be viable.

- There is strong demand from supermarkets for in-fill sites in inner-urban areas. The supermarkets tend to thrive with the associated denser population base and higher traffic volumes that such locations provide. This would spin off benefits to the immediate area and make related businesses viable. The major drawback is that there are few large vacant sites in the downtown areas.

- Big-box specialty retail anchors which sell product lines such as: books, crafts, toys, office supplies, computers, electronics, sporting goods, shoes, pet supplies, home furnishings and furniture, and home improvement merchandise, have grown to dominate shopping centre development. The big-box stores now seek out some street-front retail locations in urban markets and can modify their floor plans. These tenants tend to locate on their own stand alone sites when possible. These stores typically have only minimal competition with downtowns as they sell very different merchandise.

- Modern malls have high anchor-to-CRU (commercial retail unit) ratios. This trend is evident in virtually every recent development. Street-front commercial districts, with their more numerous, finer grain retail, are being differentiated from malls, and offer a favourable and complementary shopping alternative. Dozens of retail impact studies have been conducted when large new stores enter older communities and in general there has not been any measurable impact.

- Neighbourhood centres anchored by supermarkets and drugstores play a very strong role within the local community. They generate high and consistent rental revenue and have low associated leasing risk. These are a very popular form of retail development and the region will need another one of these with a little more growth.

- Most new retail projects are inner urban, mixed use and high density. Many new urban projects have a substantial multi-family component. In general, retail is ever more specialized and should be focused on specific customer needs. There is less speculation building than in the past.

- The wholesale to retail industry, typified by stores such as Costco, is still doing very well.

- The large discount chains are doing better than full price chains in the recession. Wal-Mart has done relatively well and taken major steps to “improve” and “green” their practices and image.

- Internet shopping is still growing steadily and is serving an even bigger function in the market.

The retail component of Osprey Village correctly effects all of the trends and industry standards in retail development except the location is not a busy arterial and the proposed second phase would push the retail commercial component to it maximum capacity. The additional 5,000 sq ft will round out the merchandise mix and complete the commercial street and make the overall project much more attractive without requiring overbuilding.

It is clear that this project needs more directional signage to draw more local residents to the site. The city should be asked to permit such signage.

3.0 RETAIL SUPPLY

3.1 INTRODUCTION

This section of the report outlines the scale of retail supply in Pitt Meadows. The subject site is so small that virtually all of the competitive retail is vastly larger and completely dominant. The only advantage the subject site offers is that it is convenient to some residents of southern Pitt Meadows who live in the immediate vicinity of the commercial street.

3.2 AREA SHOPPING CENTRES

Pitt Meadows has a number of important shopping centres.

- **Meadowtown Mall:** This shopping centre is over 300,000 sq.ft. in size and is anchored by a Real Canadian Superstore, Cinema, Reitmans, Winners, Home Sense Petcetera and several other medium sized box stores. It has an excellent location at Golden Ears way and the Lougheed Hwy. the location and large diverse tenant mix have allowed this centre to completely dominate retailing in Pitt Meadows.

- **Meadowvale Mall:** This shopping centre is anchored by IGA and Shoppers Drug Mart. It is a local neighbourhood serving centre with some high profile tenants such as CIBC, McDonalds, and Starbucks. It has endured some vacancy due to the competitive impact of Meadowtown Mall. This centre has a good location at Harris Road and Lougheed Hwy however even though it is convenient most residents still drive past it to larger shopping centres to do most of their shopping.

- **Lougheed Highway Anchor Tenants:** In addition to these two Pitt Meadows shopping centres, there are numerous free standing anchor tenants located on the Lougheed Highway in Maple Ridge. These include: Canadian Tire, Staples, Safeway and a number of other smaller tenants.

- **Save-On-Foods:** This shopping centre is located at 203th and Lougheed Highway. It is anchored by Save-On-Foods and a BC Liquor Store. While some distance away this centre still serves some Pitt Meadows residents.

- **Downtown Maple Ridge:** This area is in the Haney portion of Maple Ridge. There is a substantial commercial area; however it tends to be underperforming and sparsely patronized. It is anchored by Haney Place Mall and a small SuperValu supermarket.

- **Port Coquitlam Dominion Triangle**: This is located on the Lougheed Hwy and Ottawa just west of Pitt Meadows. There are shopping centres and a number of big box stores including, Save On Foods, Costco, Home Depot and others.

- **Miscellaneous Small Commercial Centres:** There are strip mall and street-front retail of various types along Harris Road and other arterials such as the Lougheed Hwy. The Pitt Meadows Mall near Ford St. is relatively strong and is anchored by a 7-11.

- Planned retail developments include a large new very attractive mixed use Lifestyle shopping centre in Port Coquitlam. This street front retail project will be beside the new Pitt River bridge and attract large numbers of residents from Pitt Meadows. The proposed anchor tenants is Wal-Mart.

- Other planned developments are the expected small retail restaurant components being added to the business park being developed at the foot of Harris Road and eventually on the airport lands.

- As the subject property is very weak it does not need too much extra retail space or competition. As such the planned community centre should be restricted from having any commercial sales of any kind.

4.0 RETAIL DEMAND AND DEMOGRAPHICS

4.1 INTRODUCTION

The focus of this study is the City of Pitt Meadows, the primary the south-east urban area. In economic terms however, the entire region functions like one large market where residents can shop anywhere. They are more inclined to drive further for items where there is a wide selection and price variability such as for apparel or appliances. Consumers travel shorter distances for most perishable food items and convenience goods. It is clear that the trade area for most goods is the eastern part of Metro Vancouver.

4.2 POPULATION GROWTH PROJECTIONS

Future population for the Metro Vancouver region, based on draft projections from Metro Vancouver, indicate 53% growth between 2006 and 2041. The region is expected to grow by 1.2 million people to 3.4 million by 2041, an annual average of approximately 35,000. Of this, 34% will be located in town centres.

However, within this large region, Pitt Meadows is a very small market. The population as of 2006 was approximately 17,000 and is forecast to increase to 24,000 by 2041 according to Metro Vancouver. This growth of 7,000 residents over 35 years (200 annual average), represents a relatively modest growth rate (42%) which is lower than the regional average. Additionally, compared to the Maple Ridge projected growth rates (83% / 61,000 increase) located to the immediate east, the Pitt Meadows rate in terms of percentage and actual numbers is very low.

The 2008 Pitt Meadows OCP projects a population of 20,000-21,000 and 8,000 households in 2021. According to the OCP this would necessitate approximately 2,700 new housing units to accommodate a 2021 population of 21,000. This would suggest a rather low person per household rate; instead the number of required new housing units may be lower or the population growth may be higher.

The projected growth for Pitt Meadows necessitates approximately 100-200 new households / homes per year. As most of Pitt Meadows is agricultural and rural, most of the development and population growth will need to occur within the Urban Containment Boundary. A scarcity of land and high housing prices have led to an ever increasing proportion of new housing units being multi-family.

Most of the future population growth is not expected to be in the far south near Osprey Village but rather in central Pitt Meadows and closer to the Lougheed Hwy.

FIGURE 4.1

METRO VANCOUVER POPULATION PROJECTION BY MUNICIPALITY

Total Population	2006	2021	2031	2041	2006 -2041
Metro	**2,215,000**	**2,800,000**	**3 ,146,000**	**3,406,000**	**100.0%**
Anmore	1,900	2,800	3 ,600	4,400	0.0%
Belcarra	700	900	1 ,000	1,000	0.0%
Burnaby	212,100	278,000	317,000	348,000	11.0%
Coquitlam	120,100	179,000	2 14,000	229,000	9.0%
Delta	102,100	114,000	1 23,000	130,000	2.0%
Langley City	24,600	31,500	3 3,200	37,900	1.0%
Langley Dist	97,700	154,000	1 94,000	211,000	10.0%
Lions Bay	1,400	1,440	1 ,470	1,520	0.0%
Maple Ridge	72,900	96,000	1 15,000	134,000	5.0%
New Westminster	61,800	82,000	9 6,000	105,000	4.0%
North Van City	47,900	56,000	6 3,000	68,000	2.0%
North Van Dist	88,100	99,000	1 06,000	115,000	2.0%
Pitt Meadows	16,800	22,000	2 3,000	24,000	1.0%
Port Coquitlam	55,200	72,000	8 3,000	95,000	3.0%
Port Moody	28,800	39,000	4 4,000	48,000	2.0%
Richmond	182,800	225,000	2 52,000	272,000	7.0%
Surrey	415,000	578,000	6 69,000	739,000	27.0%
Vancouver	607,100	678,000	7 09,000	739,000	11.0%
West Vancouver	46,800	49,000	5 2,000	54,000	1.0%
White Rock	19,700	24,000	2 6,000	28,000	1.0%
Electoral Area A	11,300	18,300	2 0,500	22,100	1.0%

Source: Metro Vancouver

4.3 EMPLOYMENT PROJECTIONS

Similar to population growth projections, employment growth projections for Pitt Meadows are also expected to be modest, increasing from 5,000 to 9,000 between 2006 and 2041. Meanwhile, the level of employment in Maple Ridge is expected to increase by 26,000 to 49,000. This projection reflects very favourable assumptions and takes into account expansion of the employment land base.

FIGURE 4.2

METRO VANCOUVER EMPLOYMENT BY MUNICIPALITY

Total Population	2006	2021	2031	2041	2006 -2041
Metro	**1,169,000**	**1,465,000**	**1637000**	**1,762,000**	**100.0%**
Anmore	300	600	970	1,250	0.2%
Belcarra	90	160	190	230	0.0%
Burnaby	137,000	170,000	190,000	204,000	11.3%
Coquitlam	47,000	72,000	87000	95,000	8.1%
Delta	56,000	65,000	71000	76,000	3.4%
Langley City	17,000	21,000	23000	25,000	1.3%
Langley Dist	49,000	74,000	91000	101,000	8.8%
Lions Bay	320	350	370	390	0.0%
Maple Ridge	23,000	34,000	42000	49,000	4.4%
New Westminster	28,000	38,000	40000	48,000	3.4%
North Van City	29,000	34,000	38000	40,000	1.9%
North Van Dist	27,000	33,000	36000	40,000	2.2%
Pitt Meadows	5,000	8,000	9000	9,000	0.7%
Port Coquitlam	22,000	29,000	34000	39,000	2.9%
Port Moody	8,000	13,000	15000	17,000	1.5%
Richmond	131,000	156,000	169000	181,000	8.4%
Surrey	144,000	218,000	259000	289,000	24.4%
Vancouver	397,000	444,000	467000	484,000	14.7%
West Vancouver	22,000	23,000	25000	26,000	0.7%
White Rock	7,000	9,000	10000	11,000	0.7%
Electoral Area A	19,000	23,000	25000	26,000	1.2%

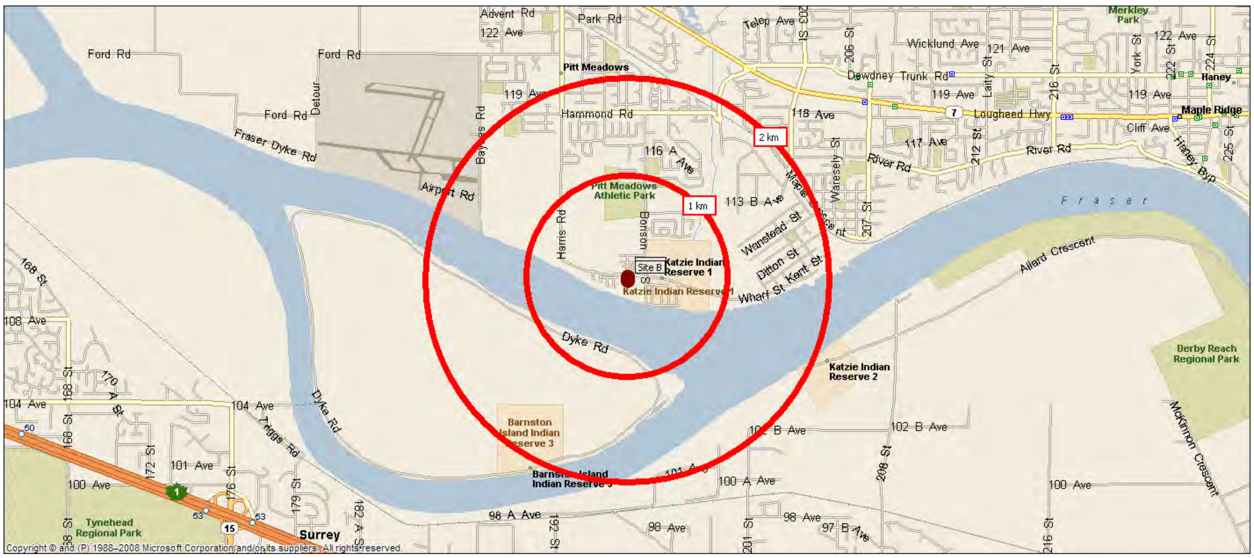
Source: Metro Vancouver

4.4 TRADE AREA

The trade area is essentially limited to a 1 km ring and the residential area south of Airport Road.

FIGURE 4.1

BARNSTON VIEW ROAD 1 AND 2 KM RINGS



The One Kilometer Radius

The residential population within a one km radius of the site was only 1,128 persons in 2006. This is now expected to be closer to 2,500 as of late 2009. There will be only moderate growth in this area amounting to at most 25 to 50 people per year for the next ten years after which the area will be built out.

The population has a large young age demographic (5-19 years) and middle aged people (25-44 years old) following closely behind. The median age is significantly lower than the provincial average at 33.1 years, compared to 39.7 years. This indicates a substantial younger adult component that does more retail shopping and is less cautions about prices than the average consumer. This area of Pitt Meadows has a particularly young population base.

Household average income is higher than the provincial average, at $92,493 (compared to $63,000).

The average number of members in a family is 3 with the vast majority of families (90%) being two parent families.

The majority of dwellings, 84%, are owner occupied, indicating a well established community. There are few young renters.

The Two Kilometer Radius

The population has a large young age demographic (5-19 years) and middle aged people (25-44 years old) following closely behind very similar to the One Kilometer radius with only a slight increase in older residents. The median age is slightly lower than the provincial average at 37 years, compared to 39.7 years.

Household average income is slightly higher than the provincial average, at $77,860 (compared to $63,000).

The average number of members in a family is 3 with the vast majority of families (92%) being two parent families.

The majority of dwellings, 89%, are owner occupied, indicating a well established community. There are few young renters.

The following demographic tables and charts are derived from the 2006 Canadian census and MapInfo.

FIGURE 4.4

PITT MEADOWS (TRADE AREA) DEMOGRAPHIC PROFILE

2006 Census Census Snapshot	Site B 0 - 1 km		Site C 0 - 2 km	
Total Population	1,128		7,136	
Males	538	48%	3,548	50%
Females	590	52%	3,588	50%
2006 Population by Age	1,128		7,136	
0 to 4 years	86	8%	486	7%
5 to 19 years	252	22%	1,588	22%
20 to 24 years	73	6%	435	6%
25 to 34 years	212	19%	846	12%
35 to 44 years	194	17%	1,365	19%
45 to 54 years	174	15%	1,214	17%
55 to 64 years	106	9%	722	10%
65 to 74 years	50	4%	334	5%
75 to 84 years	16	1%	168	2%
85 years and over	0	0%	45	1%
Average age of population	34.6		35.8	
Median age	33.1		37	
Families	344		2,125	
Persons per family	3		3.1	
Two-parent families	308	90%	1,950	92%
With no children at home	136	39%	766	36%
With children at home	173	50%	1,175	55%
Lone-parent families	31	9%	150	7%
Children per family	1.1		1.2	
Households	389		2,489	
Persons in private households	1,132		7,128	
Persons per household	2.9		2.9	
Average household income	$92,493		$77,860	
Occupied Dwellings	384		2,478	
Owned Dwellings	322	84%	2,212	89%
Rented Dwellings	37	10%	238	10%
Dominant building type	detached		detached	
Dominant period of	2001 - 2006		1971 - 1980	
Average value of dwelling	$399,869		$391,289	
Average gross monthly rent	$0		$560	
Top 5 visible minorities	Chinese	60%	Chinese	44%
	Filipino	40%	South Asian	29%
	South Asian	0%	Korean	10%
	Black	0%	Filipino	8%
	Latin American	0%	Japanese	5%
Dominant Demographics				
Official Home Language	English		English	
Non-official Home Language	(Filipino)		Chinese	
Recent Immigrant Places of			Eastern Asia	

4.5 RETAIL EXPENDITURE POTENTIAL

Retail demand has been calculated to determine whether the market is in balance or is undersupplied or oversupplied. Retail demand is calculated based upon average spending per capita multiplied by the trade area population. Based on this simple formula, retail demand for the trade area was over $30 million in 2009, and it is expected to grow to $32 million by 2011. Each category by store type is listed below in Figure 4.5.

By dividing retail demand by the average sales per sq. ft. for each type of store the appropriate level of supply can be matched with demand.

The retail outflow is greatest for the large scale items where price and selection are very important and worth the drive. These include the auto, furniture, appliance, electronics, and home centre categories and also the apparel category. It is very difficult for a moderate sized community in relatively close proximity to a large city to stop the retail outflow for these store categories.

The scale of convenience oriented retail demand generated by such a small population base, of perhaps 2,500 residents, is very moderate if there is no additional drive by traffic to supplement sales. The current level of demand is insufficient to support a chain convenience store like 7-11, which happens to be located well to the north, in the middle of Pitt Meadows.

FIGURE 4.5

TRADE AREA RETAIL DEMAND PER CAPITA AND IN TOTAL BY STORE CATEGORY

RETAIL SALES PER CAPITA - BC	2009	2011	2016
New car dealers	$1,901	$1,920	$1,969
Used and recreational motor vehicle and parts dealers	$437	$441	$452
Gasoline stations	$1,538	$1,554	$1,593
Furniture stores	$253	$256	$262
Home furnishings stores	$208	$210	$215
Computer and software stores	$51	$51	$53
Home electronics and appliance stores	$444	$449	$460
Home centres and hardware stores	$645	$651	$668
Specialized building materials and garden stores	$218	$220	$226
Supermarkets	$2,267	$2,290	$2,347
Convenience and specialty food stores	$224	$226	$232
Beer, wine and liquor stores	$695	$702	$720
Pharmacies and personal care stores	$658	$665	$681
Clothing stores	$515	$520	$534
Shoe, clothing accessories and jewellery stores	$154	$156	$160
General merchandise stores	$1,375	$1,389	$1,424
Sporting goods, hobby, music and book stores	$381	$385	$394
Miscellaneous store retailers	$357	$360	$369
Total	**$12,321**	**$12,445**	**$12,759**

Source: Site Economics, Stats Canada

Retail Expenditure Potential -Trade Area	2009	2011	2016
New car dealers	$4,752,703	$4,896,356	$5,266,073
Used and recreational motor vehicle and parts dealers	$1,091,554	$1,124,547	$1,209,460
Gasoline stations	$3,846,059	$3,962,308	$4,261,496
Furniture stores	$632,432	$651,548	$700,746
Home furnishings stores	$519,144	$534,836	$575,220
Computer and software stores	$127,365	$131,215	$141,122
Home electronics and appliance stores	$1,110,529	$1,144,096	$1,230,485
Home centres and hardware stores	$1,612,387	$1,661,123	$1,786,552
Specialized building materials and garden stores	$545,439	$561,925	$604,356
Supermarkets	$5,667,173	$5,838,467	$6,279,321
Convenience and specialty food stores	$560,586	$577,530	$621,138
Beer, wine and liquor stores	$1,738,514	$1,791,061	$1,926,302
Pharmacies and personal care stores	$1,644,932	$1,694,651	$1,822,612
Clothing stores	$1,288,063	$1,326,995	$1,427,195
Shoe, clothing accessories and jewellery stores	$386,092	$397,762	$427,797
General merchandise stores	$3,437,387	$3,541,284	$3,808,682
Sporting goods, hobby, music and book stores	$952,083	$980,861	$1,054,924
Miscellaneous store retailers	$891,273	$918,212	$987,545
Total	**$30,803,716**	**$31,734,774**	**$34,131,024**

Source: Site Economics, Stats Canada

Another way to view the retail demand within the trade area is to assess household expenditures, as shown in the figure below. It is interesting to note that expenditures at restaurants equal approximately $600 per capital or $1800 per household. For the trade area of 2,500 population this is equal to $1.5 million in restaurant expenditures.

FIGURE 4.6

TRADE AREA HOUSEHOLD EXPENDITURES BY COMMODITY

	2009 Average	**Market Expenditures Households**
	$	833
Total expenditure	**$73,347**	**$61,122,675**
Total current consumption	$53,928	$44,939,950
Food	$7,822	$6,518,708
Shelter	$15,207	$12,672,133
Household operation	$3,391	$2,825,475
Household furnishings and equipment	$2,056	$1,713,633
Clothing	$2,846	$2,371,817
Transportation	$9,995	$8,329,133
Health care	$2,199	$1,832,308
Personal care	$1,146	$955,292
Recreation	$4,623	$3,852,308
Reading materials and other printed matter	$235	$196,108
Education	$1,227	$1,022,625
Tobacco products and alcoholic beverages	$1,640	$1,366,867
Games of chance (net amount)	$225	$187,692
Miscellaneous	$1,316	$1,096,692
Personal income taxes	$13,430	$11,191,642
Personal insurance payments and pension contributions	$3,889	$3,240,417
Gifts of money and contributions	$2,101	$1,750,667

Source: Statistics Canada, Site Economics Ltd.

5.0 CONCLUSION

The primary conclusion is that the subject site should not have a significant commercial area and cannot support one.

- The Osprey Village is an inappropriate location for a significant amount of retail space. The immediately surrounding population (mostly within walking distance) is adequate to support at most 15,000 sq ft of retail space. Limiting development to 15,000 sq ft will not oversupply the market and there should be economically viable tenants for most of the premises. .

- The site plan should accommodate only an additional 5,000 sq ft of commercial space. This would allow a commercial 'feel' to the area while recognizing the limited scale of commercial demand.

- The townhouse units behind the commercial space would be able to accommodate ground oriented home offices and work spaces and support home based businesses. Over time these new residents and home businesses would create more demand for the commercial space.

- There is only limited demand for retail space as only local residents use this area and the local population is not growing significantly.

- There will be demand for a stand-alone restaurant eventually as employment related uses are developed nearby and persons seek local lunch locations.

- The commercial space is far too small to be a destination and the amenity of being close to the water benefits only the restaurant. There is little reason for local residents to patronize this facility except for convenience and it is convenient only to a small and very local trade area, south of Airport Way.

- Customer traffic is and is expected to remain very moderate as there is no through traffic. The location is relatively isolated and would not be typical for retail space. If Pitt Meadows was to have retail waterfront space it should have been located at an accessible location such as the southern foot of Harris road and it should have extended out onto the river like the dockside retail in Steveston in Richmond.

- In summary the market could support at most an additional 5,000 sq.ft. of commercial space at Osprey Village, lining and completing the "main street". Based on the location, minimal demand and ample supply this small retail option is strongly recommended. This cost efficient space will eventually lease and be occupied whereas a larger commercial development program would lead to over-supply and years of vacancy for at least some of the premises.

6.0 APPENDIX 1 - ASSUMPTIONS & LIMITING CONDITIONS

1. This market, economic, land use or development report / study has been prepared at the request of the client for the purpose of providing an estimate of economic feasibility or impact, development strategy or range of possible market values. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.

2. This report has been prepared at the request of the client, and for the exclusive (and confidential) use of the recipient as named herein and for the specific purpose and function as stated herein. The client has provided much of the site information and has represented that such material, such as ownership, rents, size, etc. is reliable. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference.

3. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

4. If an estimate of economic, market or financial value of the real property / subject site which is assessed in this report is provided then it pertains to the approximate and general range of possible values of the freehold or fee simple, or leasehold or leased fee estate in the real property, based on vacant possession or subject to terms and conditions of the existing tenancy as described in this report. The property rights exclude mineral rights, if any.

5. An estimate of economic, market or financial value, if any, contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this report. Certain inquiries were outside the scope of this mandate. In addition any economic or financial estimates in this report are approximations only and may vary from final and actual market values. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following contingent and limiting conditions.

6. The property has been assessed on the basis that title to the real property is good and marketable.

7. The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters which

might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.

8. The legal description of the property and the area of the site were obtained from sources which are deemed to be reliable. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

9. The property, if any, has been described on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as any be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.

10. The property if any, has been described on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

11. The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of these contractual agreements, which may appear in the Addenda, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.

12. The property, if any, has been described on the basis that the real property complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the reporting process.)

13. Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

14. The property, if any, has been assessed and possibly valued in a general analysis on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are fully enforceable

notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this reporting, unless such conditions have been identified and noted in this report.

15. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

16. Any estimated economic or market or financial value does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value if any does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.

17. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.

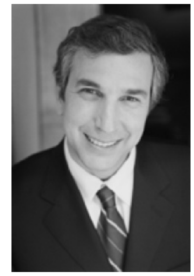
18. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest or leasehold interest in the real property, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

19. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this report, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required. However, neither this nor any other of these contingent and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

20. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this report, cannot necessarily be relied upon as any other date without the subsequent advice of the author of this report. All macro economic data has been obtained from reliable sources however major changes in the economy are possible which could move entire markets and a reported value, if any, would move up or down with that market. The report typically assumes stable background economic conditions.

21. If any economic, market or financial value or measure has been expressed herein it is in Canadian dollars.

7.0 APPENDIX 2 - PROFESSIONAL RESUME



SITE ECONOMICS LTD.

Richard Wozny, Principal

Experience

Richard has conducted over 300 development and financial studies of shopping centres and commercial districts. He has worked on the development of thousands of acres of residential and industrial projects, and over 400 store location and feasibility studies for retailers. Richard combines a creative and worldly project vision with pragmatic and detailed analysis.

Past Employment

Richard's past work experience includes: Vice President and Manager of Advisory Services, Cushman & Wakefield LePage Inc., from 2000 to 2009; Principal, Site Economics Ltd., from 1990 to 2000; Manager of Retail Development for Western Canada, Marathon Realty Company Ltd., from 1987 to 1990; and Senior Consultant for Shopping Centre Developments, Thomas Consultants Inc., from 1984 to 1987.

Education

Richard completed a Masters Degree in Regional Science at the University of Pennsylvania, Philadelphia, PA, in 1984, a Masters Degree in Religion at Temple University, Philadelphia, PA, in 1982, and a Bachelors Degree in Philosophy at the University of British Columbia, Vancouver, BC, in 1978.

Strategic Real Estate Services

- Market Analysis
- Financial Analysis and Site Valuation
- Highest and Best Use Studies
- Development Feasibility Studies
- Development Strategies and Optimization
- Supply and Demand Assessments
- Absorption and Price Assessments for Major Developments
- Proforma / Discounted Cash Flows
- Property Acquisition and Disposition Strategies
- Strategic Review of Redevelopment Options
- Shopping Centre / Downtown Revitalization
- Market Impact Studies for Major Developments
- Market Input for Land Use Planning
- Site Selection and Location Assessment for Retailers and Landowners

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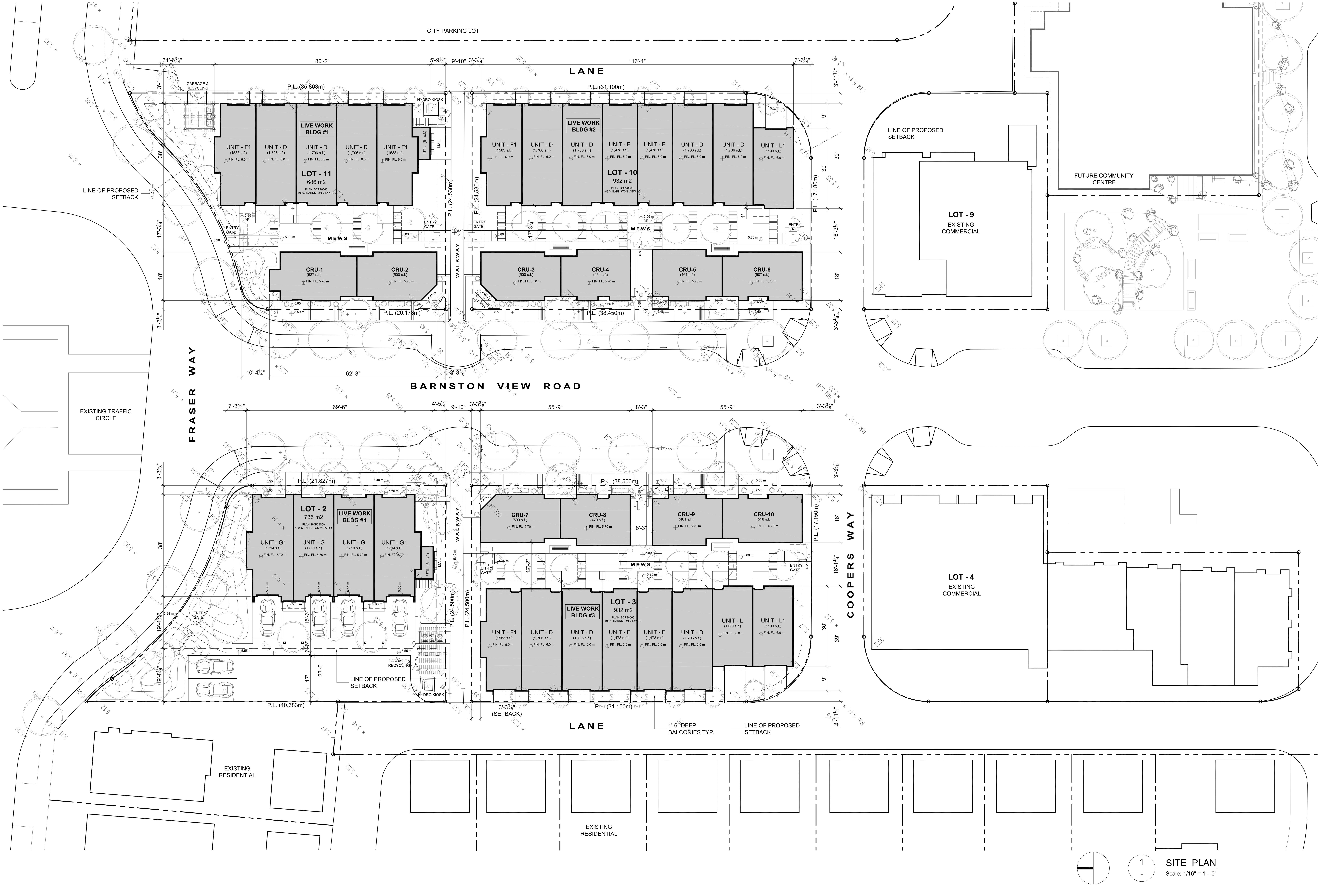
email: @siteeconomics.com / website: .siteeconomics.com

ATTACHMENT H:

arris ARCHITECTURE



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REVISIONS	
1	

ISSUES	DATE
8	
7	
6	
5	
4	
3	
2	
1 DEV. PERMIT	JULY 22, 2009

PROJECT NUMBER	DB-09
DRAWN BY	DW
CHECKED BY	MB
DATE CHECKED	
CONSULTANT	

PROJECT

OSPREY VILLAGE

BARNSTON VIEW ROAD
PITT MEADOWS, BC

DRAWING TITLE

SITE PLAN

DRAWING No.

A1.1