



September 3, 2024

City of Kelowna
1435 Water St.
Kelowna, BC
V1Y 1J4

Attention: Kimberley Brunet, Planner Specialist

Dear Kimberley,

Re: Revitalization Tax Exemption for 3773 – 3795 Lakeshore Rd., DP21-0183-01 Westcorp on the Lake Inc., No. A75763, Lot 1 District Lot 134 ODYD Plan EPP 41204

Please find enclosed the following to support this application:

Application form

Cheque for \$390.00

Current state of title

Property Tax Certificate

Property Assessment Notice

Cover Letter with rationale and stats

Owner's Authorization

(Drawings not required because City of Kelowna already has digital copies)

An application for a revitalization tax exemption for the DP2 phase of the Ledge on Lakeshore project was submitted on January 20th, 2023. A building permit for the first phase of the parkade was issued in late December 2022. The building permit was for the parkade only, and to date, no building permit for the residential portions of DP2 has been issued. A Revitalization Tax Exemption Agreement for DP21-0183 was approved and entered into on July 25th, 2023.

Since last July, with the challenge of interest rates and high construction costs, we have experienced significant difficulties with feasibility and, as a result, a DP Amendment was sought to move some units from a later phase into the DP2 phase. This was not an increase in the

overall number of units in the project, but rather a change to the phasing in order to support feasibility.

As a means to lessen cost, we also eliminated one floor of amenity use from our amenity program. Detailed planning showed that 72,000sf of indoor amenity space was too large for the planned amenity program and a reduction down to 49,000sf worked much better for the programming. At 49,000sf, the indoor amenity program still vastly exceeds anything found in the local rental or condo market. Further, in addition to reducing cost, the reduction of podium height from 6 storeys down to 5 storeys feels better architecturally. These design changes were supported and approved by city staff on July 22, 2024.

Given that the existing rental agreement for DP21-0183 contains stats that have now been changed as a result of the recent amendment, it is necessary for us to enter into a new rental exemption agreement that reflects the updated stats. The stats for amended DP21-0183 are:

Gross Commercial Area:	824sqm
Gross Residential Area:	43,690sqm (Tower 3, Tower 6, Tower 7, Podium Townhomes)
Gross Parking Area:	44,154sqm (1266 stalls)
Total Gross Area:	93,220 sqm
Number of buildings:	Three - One 17 storey tower, and two 12 storey towers
Number of Units:	521 (Number of units in original DP was 446)
	Tower 3 – 124 units (increase of 3 units in amendment)
	Tower 6 – 196 units (increase of 36 units in amendment)
	Tower 7 - 183 units (increase of 36 units in amendment)
	18 townhomes (no change in unit count)
	Total increase in number of units – 75
Unit Breakdown per tower:	Tower 3 – 28 studio, 26 1-bed, 70 2-bed
	Tower 6 – 80 studio, 40 1-bed, 76 2-bed
	Tower 7 – 79 studio, 31 1-bed, 73 2-bed
	Townhomes – 18 3-bed
Total Unit Breakdown:	187 studio, 97 1-bed, 219 2-bed, 18 3-bed (521 units)
Indoor Amenity Space:	4,552sqm (Elimination of Level 4 Amenity – reduced podium height from 6 storeys to 5 storeys)


Construction value for the updated project improvements related to the amended DP21-0183 is estimated to be \$180,000,000. Occupancy dates for the three towers are: Tower 7 – early 2026, Tower 3 – late 2026, and Tower 6 – 2027.

We acknowledge that this application is being submitted after issuance of a building permit (albeit for the parkade-only), but the extenuating circumstance is that we had already received a prior approval for the exemption and the new application is required only because we have changed the unit count and stats of our existing approved DP. The previous use of the property was a mobile home park and RV park.

We confirm that this proposal does not include a building listed on the City of Kelowna Heritage Register. We also confirm that the proposal is consistent with the zoning and future land use designation for the property. Lastly, we confirm that the subject property is not currently receiving a municipal tax exemption.

We thank you for your consideration of this rental exemption application which will create a new agreement to reflect the updated stats of DP21-0183-01. Please let us know if there are any questions, or if more information required.

Sincerely,



Gail Temple
Chief Operating Officer
Westcorp
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