

July 23, 2020

RESORT MUNICIPALITY OF WHISTLER

4325 Blackcomb Way
Whistler, B.C.
V8E 0X5

Via E-Mail in PDF Format

Attention: Mayor Crompton, Members of Council & RMOW Staff

Dear Mayor, Council & Staff,

RE: RMOW PROPOSED ZONING INITIATIVE

Thank you for your time on our Monday call. This "Zoning Initiative" situation we discussed is of particular concern to us in terms of its impact on property ownership and infringement on landlord's rights. In this age of Covid 19, life has become more challenging for everyone and landlords are certainly no exception.

With significant government supports and summer season in full swing at Whistler in one of the continent's lowest Covid incident regions, the commercial real estate business is hanging on with very few tenants paying full rent, if any; and many coming up with only 25% on the CECRA program. Things could still get a lot worse with a continuance of the pandemic in slower seasons with limited or no external financial assistance. Not only do Landlords face reduced rents from successful tenants remaining in occupancy, but, inevitable vacancies as some business fail and lower rental rates that will most likely follow on lease renewals and new leases (for the lucky ones); ultimately this will lead to compression in valuations in commercial property which could be even further eroded by federal and provincial increased tax measures that are sure to come as public deficits balloon. **This rezoning proposed under any circumstances would be a harsh blow to village commercial property owners at any time, especially now it would be a brutal measure.**

The concern that we all together face now and moving forward should not be about specific uses for specific spaces, rather should be about keeping the Village commercial space occupied with any quality tenants whatever their use. The free market will sort itself out and if there is demand for restaurants (and staff availability), they will be there. Rather than impose usage legislations through this proposed rezoning, which is an expropriation of property owner rights, we urge that the municipality step up and find fair methods to incentivise food orientated uses. Below are a few areas we suggest that need attention in this regard:

- **Property Taxes / Tourism Whistler:** RMOW could provide better financial terms with discounts on municipal levies for food-oriented (or sit-down restaurants) or other financial incentives. Landlord and tenants already feel massive pain from this unfortunate situation that is nobody's fault and thus should be shared by all parties.

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- **Increased Physical Flexibility of Premises:** The resort should be more nimble and creative helping restaurants find ways to better perform such as patios in unique areas, possibly allowing restaurants to serve in different public areas around the village. Reduced bureaucracy in the approval process of such modifications, and any other creative measures that may help business prosper should be sought.
- **Employee Housing Shortage:** Some restaurants have closed during the best of high demand times at Whistler because they have been unable to find enough staff. That's a huge problem that needs to be tackled by the municipality and should not be put on commercial property owners. Imagine this scenario:
 - A Village Stroll restaurant tenant does not survive these times and shuts down
 - Alternative restaurants willing to accept the massive business risk realize that they won't be able to adequately staff the facility so stand down.
 - The Landlord, who must continue paying high operating costs is prohibited from leasing to an alternative user type suffers perpetual vacancy which results in negative value in owning that property.

With respect to our particular circumstance at Tyndall Stone North, we acquired the RETAIL property (as evidenced by our holdco name) in 2013 with a partially weak tenant roster taking on many risks that included:

- Significant building deficiencies, which we worked with the strata corp. and outside engineers and contractors to rectify.
- Leasing risk as we lost tenants early in our tenure.
- Risk as to all other conditions business, resort, and mountain related.

We participated in the post-Olympic doldrum Whistler committees to do our part in bringing the Village back to glory days, which no doubt happened in recent years. We acquired this property as a "retail" opportunity and certainly never envisioned having our hands tied on the potential for a variety of uses. Ultimately at the time of re-working and re-tenanting in 2014 we were thrilled to bring a CIBC branch and Arc'Teryx store to Village North. We contend that our two food-oriented users, DQ and Blenz, are effectively retail uses and should remain zoned as such whether they sell tee shirts, ice cream, ski gear or coffee. We vehemently argue that ALL of our strata lots should remain zoned retail no matter which direction the municipality goes with this proposal and no matter who our tenants are.

We appreciate your understanding of our concerns and look forward to better times ahead. Feel free to reach out to us if we can be of further assistance.

Yours truly,



Tony Kalla

ETAIL LTD.

TYNDALL STONE RETAIL LTD.