

July 23 , 2020

Resort Municipality of Whistler

4325 Blackcomb Way

Whistler BC, V8E 0X5

By E mail

Attn: Mayor and Council

Re Proposed Zoning Amendment as Outlined in RZ1169 ; Use Specific designation for selected F and B selected locations

Dear Mayor and Council

I have reviewed the proposal outlined as well as the supporting documents and all though I understand the concept and supposed need (which in my experience is based on fear and not on any actual events) , and I agree that ground floor F and B locations are important to the tourist experience . I do not believe that spot zoning the identified locations is the right process.

This current initiative seems to be knee jerk reaction to current events which at this point have yet to play out. We have had many adverse economic periods in Whistler since I arrived in 1980, many I would suggest with as serious financial implications for business operators as this may end up being .

By the thinking outlined here supporting this proposal , there should be no F and B left on ground level and yet despite 3 to 4 recessions this has not happened . Where re -purposing has occurred it has done so because the type of operation could not succeed

The activities of a free market allow the adapting of the local economy to the challenges it faces, ie. it evolves in the face of consumer demands, financial requirement, and environmental framework . Any time government policy/or legislation is inserted into the operation of the marketplace there have been unforeseen and often negative outcomes . In this case I doubt that the loss of flexibility in adapting our experience , the reduction of future potential retail space and the consequent impact on lease rates , the loss of investor and lender confidence , and the impacts of the discriminatory nature of this policy has been adequately considered against the perceived benefit .

I have several concerns relative to the data and support documentation

- A) It assumes that landlords will always attempt to get the highest paying user (ie retail) if the opportunity exists . This is not true, landlords understand that a mix of uses are important to the

overall success of their investment , and operations that draw potential customers (like F and B) are important and are valued within their tenant mix . Where repurposing has occurred it has been because the location and size of the venue were inappropriate for a successful F and B location.

- B) It seems to not consider the actual costs and complications associated with repurposing larger spaces to be successful retail. This can be a significant barrier to re-purposing .
- C) The report was written over 10 years ago in an environment (I imagine regarding concerns related to the 2009 Financial crisis) that was greatly different than today, relying on this report as the basis of decision today is dangerous .
- D) The policy will have a measurable negative impact on the value of the impacted locations. This will impact both investor and lender confidence in Whistler and raise costs. This should not be marginalized as a concern. Investors/landlords need flexibility to best adapt to an always changing marketplace. Demonstrating a willingness to compromise a potential investment is not a measure that I think we should be considering during a pandemic when the outcome is still very unclear
- E) This will limit the supply of potential retail (unless some new commercial development is planned) and will cause lease rates to climb higher on existing/remaining retail and ultimately only make sense for the high margin operators and large national /international brands. Ultimately space will be unachievable for local business people in the village and perhaps elsewhere , an outcome that you are trying to avoid .
- F) Should a designated F and B location operation fail it may stay empty for a significant period of time(more so than retail) . The landlord may have specific requirements for a tenant and a rate. Zoning would not require a landlord to sign a lease just to fill the space . Black windows in high traffic areas are is not a look that says success (think Larco) . There is a high demand for F and B locations , particularly those with the necessary kitchen exhaust ,however there is nothing that requires the landlord accommodate any user who is interested
- G) This will disincentivize future developers from considering F and B locations in their buildings

Your report outlines a variety of other strategies that appear to work in other communities to achieve animation and its associated goals that do not involve the permanence of use specific spot zoning. I would hope that all of these are investigated in detail.

I also wonder where this ends; Is the next thing that we believe Art Galleries, Grocery stores or ski retailers can only be in certain locations. There is no guaranteed locational formula for retail or F and B success as any tour of a mall or shopping neighbourhood demonstrates.

Taking away potential opportunities and adding more regulation and rules does not contribute to a vital, vibrant and adaptable business framework that Whistler has become known for

Thank you for your consideration

Pat Kelly , President , The Whistler Real Estate Company