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Resort Municipality of Whistler
4325 Blackcomb Way
Whistler, BC V8E 0X5

Attention: Mayor Crompton and Members of Council

Re: Proposed F&B spot down zoning

Dear Mayor Crompton and Members of Council,

The RMOW has proposed spot-zoning of existing F&B premises in the Village, Creekside and Upper Village for food and beverage use only. The stated objective is to create an optimal tenant mix that ensures F&B uses are strategically located to establish vibrancy and animation in important retail nodes. The need for the spot-zoning is based on the fear that retailers or other uses will takeover existing vibrant F&B locations which has not occurred in key locations and is not likely to.

Pre-2010 Olympic Games, there was a rumour that a fashion chain would be leasing Citta's space on Village Stroll to help brand their product during the games. Citta's and the 2010 games have come and gone and the premises has remained F&B, now The Beacon. The risk of a retailer taking over a restaurant/bar with a large patio and kitchen infrastructure is unlikely in high traffic, vibrant F&B locations. The economic reality is that a retailer has no use for and will not pay extra rent to obtain space with patio or restaurant infrastructure whereas a restaurant/bar greatly benefits from kitchen ventilation infrastructure and a patio.

The report to Council leads us to believe that impacts of the Covid-19 pandemic will see retailers take over existing important F&B locations, but this theory is not evidenced on the ground. At this point, the demand for F&B has been stronger over retail space demand. This is especially so for retailers catering to international tourism. It is more likely that we will see much more failure on the retail side than in F&B.

In the Thomas Consultant Report of June 28th 2010, all of the restaurant locations ranked medium to high are still F&B uses (while some have changed names) with the exception of:

1. PCH Prime Tapas Bar in Creekside (formerly Zen Sushi) ranked with a score of 17 out of 20, this restaurant premises lacked afternoon sun and failed twice as a restaurant. It is now Ski School Kids Camp, which in my view is a more animated, vibrant use than a failed restaurant or inevitable vacancy if it had been restricted to restaurant use only.
2. Players Chophouse in Creekside ranked with a score of 16 (originally Morgan's and subsequently Players Chophouse, then Dock Brannigans which all failed). This high visibility restaurant

premises with patio opportunity at the gateway to Whistler failed with 3 consecutive F&B operators and it is now Altitude Fitness. Altitude Fitness is a vibrant, locally owned and operated gym, providing a needed service to the community. In my view, Altitude Fitness is a much more positive first impression of Whistler than a chronic for lease sign at the gateway to Whistler.

3. Subway in Creekside ranked with a score of 16 (located next to the old Players Chophouse above), and has since moved across the street due to weak performance and visibility. Their space was replaced with a locally owned and operated bakery. This bakery is more in tune with the new Franz Trail owners' vision for the area, rather than a Subway/ fast food chain.
4. The former La Rua space was split into a restaurant/bar which uses the patio and a bike rental shop. I don't believe any vibrancy was lost with the change in this location.

Other relevant case examples include:

- Restaurant/pub premises in the Cheakamus Crossing neighbourhood. This space was created to give a restaurant/social gathering outpost for residents in the area and the premises had a large patio area. There was little interest from F&B operators, and the premises were subsequently leased to a daycare, which could utilize the outdoor area for required outdoor childcare space. In hindsight, the bar/restaurant with its patio, surrounded by apartments, would likely have had residential/bar noise conflict issues. If this space had been spot-zoned to only allow a bar/restaurant use, the needed daycare opportunity would have been lost.
- Original Milestones restaurant on Main St, which became the Elephant and Castle, both proven operators, yet were unsuccessful in that location. The premises were demised into office use and Brickworks, a smaller format restaurant. If spot-zoned F&B only, the original premises at its size would have likely sat empty and/or had chronic restaurant turn over. Size is an important criterion in evaluating viable restaurant locations, and spot-zoning would have restricted downsizing options with both the former La Rua and Milestones.

The collateral damage or other consequences of down zoning existing F&B premises in Whistler Village and Creekside include:

1. Spot down zoning of F&B premises by the RMOW to allow only F&B use and none of the other original allowable uses contained within the existing zoning will negatively impact Whistler as a place to invest. Investors and bankers/ lenders are very focussed on their downside or way out if a business fails. Spot down zoning F&B premises to that one singular use vastly impacts an investors ability to recover their investments if a F&B business fails. In my view, given all the uncertainty from the Covid-19 pandemic, Whistler should be working to encourage not discourage investment and financial support as we will certainly need it to get through the pandemic and its repercussions.
2. Disincentive for existing retail landlords to lease/convert retail units to F&B. Landlords or investors in existing retail space will not be motivated to convert existing retail to F&B if they are concerned that once the space is an F&B outlet their opportunity to convert all or part of the space to retail will be taken away. By way of example, in my view, the retail premises in both the former Eddie Bauer in the Larcos building and the existing Lululemon would be excellent for converting to restaurant spaces with patios but such conversion far less likely with the threat from restrictive spot down zoning. i.e.- if the restaurant failed, they would have lost the opportunity to return the space to retail.

In my view, the RMOW is addressing a problem that doesn't exist, based off a fear that hasn't materialized and is not likely to. Such a spot down zoning will have a negative impact on investments in Whistler and will constrain and disincentivize the creation of new F&B locations in premises that are

now retail. Rather than spot down zoning, I would suggest creating a process that allows for smoother and quicker conversion of retail to F&B at a municipal and permitting level. To get us through this pandemic we need to encourage not discourage investment in Whistler. F&B is a constantly evolving category and RMOW zoning protocols must be adaptable to evolve with the trends in this sector. At this time, I encourage the RMOW towards a policy of flexible positive support for all Whistler businesses which builds investor confidence rather than a policy of rigid restrictive down zoning.

Yours truly,

Steve Bayly

