

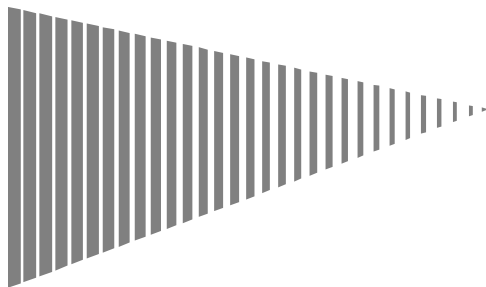
PRIVILEGED AND CONFIDENTIAL

City of Vancouver: Brenhill Land swap

Preliminary findings report reviewing the process
and economics of the land swap transaction

Draft for discussion purposes only

24 March 2015



Building a better
working world

Limitations

This is a preliminary report that represents the data and findings to date.

Nothing has come to the attention of EY that suggest the findings drafted herein are not representative of the data that will be included in our final report.

The data and findings are limited to the information and people available at the date of this report. Note that there was no representative from 127 Society available.

Executive Summary

Findings

EY conducted a two phased review of the City of Vancouver (“**COV**”) and Brenhill Developments Limited (“**Brenhill**”) land swap transaction. The following conclusions are based on document reviews, interviews and economic analysis:

Did the COV follow due process?

- ▶ Procedural aspects of the decision making process pertaining to the land swap transaction appear reasonable and supported and within the authority of municipal officers undertaking same

Executive Summary

Findings (cont'd)

Are the transaction economics supportable?

- ▶ Value attributable to City Lands (defined hereafter) reasonably comparable to the 2015 BC Assessment value (subject to appeal) and before consideration of the incremental value attributes aligned with the transaction, including COV policy considerations
 - ▶ A number of added value benefits were negotiated that support the COV's vision, including the Housing and Homelessness Strategy 2012-2021
- ▶ Value attributable to the Brenhill Lands (defined hereafter) by the COV exceeds the market value of the lands as at the date of the transaction; however mitigating factors exist that substantially mitigate this value differential.
- ▶ While there has been a marked improvement in the underlying value of the City Lands between 2012 and 2015 (estimated by EY at \$12 million); the monetization of this value would remain subject to a surrender of lease by 127 Society (defined hereafter) (which leased runs through 2046) and is therefore not subject to near term monetization.

Recommendations

- ▶ Improvement opportunities within the City's decision making, assessment and approval processes should be pursued to promote reliability, transparency and accountability:
 - ▶ Documented chain of command for initiating, negotiating, evaluating and delivering land transactions
 - ▶ Maintain sufficient documentation within the COV records, including third party resource materials supporting the evaluation and decision process
 - ▶ Maintain a permanent file record containing final transaction documentation, which should include, *inter alia*:
 1. final proforma analysis supporting all variables of the land transaction (signed / initialed / dated) by those involved in the transaction;
 2. final supporting documents for major assumptions associated with land transactions; and
 3. finalized approval document i.e. overriding recommendations to Council executed by Director of Real Estate Services and others in the documented chain of command.

Executive Summary

Key timeline

Late 2011	Brenhill approaches COV with a land exchange proposal
Oct 31, 2012	Council meeting approves Brenhill land exchange proposal
Feb 8, 2013	Brenhill applies to rezone City land at 508 Helmcken
Mar 13, 2013	Community Open House held on 508 Helmcken re-zoning
Jul 16 and 23, 2013	Public Hearing held for 508 Helmcken re-zoning application
Aug 12, 2013	Development Permit Board approves 1099 Richards development permit with increased 7.04 FSR subject to conditions
Feb 4, 2014	Council enacts by-law 10865 amending Downtown Official Development Plan
Mar 11, 2014	Council enacts by-law 10870 rezoning 508 Helmcken
May 6, 2014	CANY files petition before the Court
May 28, 2014	City issues Development Permit DE 416775 to Brenhill for 1099 Richards
Jan 27, 2015	B.C. Supreme Court finds public hearing process was inadequate, quashed rezoning by-laws 10865 & 10870 and cancelled development permit DE 416775
Mar 06, 2015	COV and the Development Permit Board appeal Jan 27, 2015 decision
Mar 11, 2015	New rezoning sign installed

Executive Summary

Sites

	City (Helmcken)	Brenhill (Richards)	Social (Future)
Proposal	Brenhill to develop on Brenhill acquired City Lands	Brenhill to develop on City acquired Brenhill Lands	
Land area (sf)	15,000 (land) 5,945 (lane)	12,000	GBA: 91,764 13 floors
FSR	5 (incl. lane 3)	3	7.6
Commentary	<ul style="list-style-type: none"> ▶ 110 secured market rental units ▶ 338 market strata units ▶ Private pre-school / kindergarten ▶ Retail ▶ Subject to: <ul style="list-style-type: none"> ▶ 127 Society assume control ▶ Residents <i>in situ</i> ▶ Structure to satisfaction of COV 	<ul style="list-style-type: none"> ▶ Subject to density restrictions based on adjacent development among neighbouring properties and limited corner to corner frontage 	<ul style="list-style-type: none"> ▶ 162 unit social housing facility <ul style="list-style-type: none"> ▶ 87 shelter rate units ▶ 75 low end market rate units ▶ Prepaid 60 year lease ▶ 127 Society surrendered existing lease at Jubilee House (expiry date of 2046) in favour of newly constructed facility

Executive Summary

Economic highlights

▶ Consideration to COV

	\$millions
Land value	15.0
CAC	25.0
Grand Total	40.0

▶ Consideration from Brenhill

	\$millions
Land consideration	8.4
Social housing facility – in kind	30.6
AHF contribution – cash	1.0
Grand Total	40.0

▶ COV contribution to the social housing facility

	\$millions
508 Helmcken Street land value	15.0
1099 Richards Street land value	8.4
City Proceeds	6.6
In-kind payment from Brenhill representing City proceeds of land exchange	6.6
CAC for 508 Helmcken Street	24.0
Value of Social Housing 1099 Richards	30.6

▶ Value of land divested by City

	Actual	BC Assess 2015
	\$millions	
Land	15.0	
Cost escalation (1)	7.2	
Residual land lift (2)	35.2	
	57.4	59.4
Less:		
Lift foregone (3)	(8.8)	
Cost escalate	(7.2)	
	(16.0)	
Net attributable	41.1	
Rounded	40.0	

1 Netted out of pro-forma in calculation of residual land lift; must be added back to assess 2012 estimate of value

2 Based on pro-forma calculation of residual land value

3 Represents 25% of land lift value (75% of land lift value accrues to benefit of COV)

Executive Summary

Economic highlights

Benefit to COV	+	-	Observation
	(\$M)	(\$M)	
Brenhill land purchase		- 2.5	The value of the Brenhill Land estimated at \$5.9M, which is \$2.5M lower than the COV valuation of \$8.4M
Residual Land Value		- 5.3	Estimated average selling price in 2014 approximated \$760 psf as opposed to \$730 psf estimated by COV in 2012
Housing costs (Altus Group peer review)	+ 4.2		A hard cost peer review by the Altus Group (October 2014) estimated social housing facility construction costs will exceed Brenhill estimated by \$4.2M, costs fully borne by Brenhill
Brenhill 3 rd party offer (opportunity cost)	+ 1.6		Brenhill opportunity cost for bona fide unsolicited third party offer (April 2012) for Brenhill Lands at \$10M
Total	+ 5.8	- 7.8	
Net		- 2.0	Other value drivers (both quantitative and qualitative) mitigate economic shortfall

Executive Summary

Other economic considerations

▶ Net economic shortfall to COV (\$M)	- 2.0
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Other economic value drivers (\$M):

▶ BC Social Housing maintenance and rehabilitation cost deferment ⁽¹⁾	2.0
▶ Early monetization of land value – based on NPV of COV portfolio returns	13.8
▶ Brenhill opportunity cost resulting from development of 110 secured market rental units vs. market strata	2.1
▶ Development Cost Levy (DCL) collected from new tower development	6.4
▶ Public Art Policy for Re-zoning Development	0.7
▶ Economic gains associated with social housing units	N/A
▶ Risk transference to Brenhill (timing, financial, development) ⁽²⁾	1.8

(1) BCH advised EY that maintenance and rehabilitation costs on the Jubilee House would approximately be \$2M absent a transaction.

(2) BTY estimated (October 2014) that total development cost of the 162 social housing units would exceed budget by approximately 6 millions; whereas, Altus estimated that hard cost overruns on behalf of COV at \$4.2m

Contents

1. Engagement scope
2. Background
3. Approach and analysis
 - ▶ Objectives and scope
 - ▶ Phase 1: Procedural review
 - ▶ Phase 2: Transactional economics review
 - ▶ Transaction Summary
 - ▶ Assumption Validation - Financial
 - ▶ Assumption Validation – Policy (incl. risk)
 - ▶ Supporting Analytics – Non Supported Assumptions
 - ▶ New Social Housing Facility
 - ▶ Direct Transaction Mitigation Factors
 - ▶ Added Value Benefits
 - ▶ 2015 Market Economics Comparison
4. Conclusions and recommendations

1. Engagement Scope



1. Engagement Scope

- ▶ Phase 1: Procedural Review
 - ▶ Review COV materials and comment on reasonableness of the decision making process pertaining to the Transaction followed by the COV
- ▶ Phase 2: Transaction Economics Review
 - ▶ Assessment of value arising from the Transaction in favour of each of the COV and Brenhill
 - ▶ Comment on 2015 land development economies, generally
- ▶ Subject to change
 - ▶ Potential for change of scope based on consultation with the COV and professional judgment

2. Background



2. Background

Key parties to the transaction

Party	Role	Key Transaction Goal
COV	Municipal government and owner of City Lands	<ul style="list-style-type: none">▶ Receive fair value for City Lands and pay fair value for Brenhill Lands▶ Unlock, to extent possible, value of social housing lease via a new prepaid 60 year lease (contingent on mortgage financing by BCH)▶ Unlock the value of the City Lands prior to the expiry of the 127 Society lease in 2046▶ Progress COV's Housing and Homelessness Strategy 2012-2021▶ Shift entirety of risk (Financial, development and timing) to developer▶ Increase property tax base▶ Leave Council discretion unfettered

2. Background

Key parties to the transaction

Party	Role	Key Transaction Goal
127 Society for Housing (“127 Society”)	Social housing operator and incumbent tenant of Jubilee House	<ul style="list-style-type: none"> ▶ Increase number of units ▶ Reduce liabilities and increase efficiencies ▶ Enhance living experience for residents
BC Housing (“BCH”)	Provincial Government agency	<ul style="list-style-type: none"> ▶ Meet the housing requirements of those in need ▶ Reduce liabilities and increase efficiencies on social housing operating costs ▶ Enhance CMHC mortgage security ▶ Mitigate maintenance and rehabilitation costs associated with existing social housing facility
Brenhill	Developer and owner of 1099 Richards Street	<ul style="list-style-type: none"> ▶ Obtain land with greater density opportunity ▶ Maximise return (Brenhill Lands) and future development

2. Background

Other interested parties and third parties

Interested party	Activity
Community Association of New Yaletown (“ CANY ”)	<ul style="list-style-type: none"> ▶ Filed petition (May 6, 2014) before the Court challenging the process, including as related to disclosure of information by COV to the public. Preliminary issues: <ul style="list-style-type: none"> ▶ Density ▶ Social housing ▶ Green space
B.C. Supreme Court	<ul style="list-style-type: none"> ▶ Finds public hearing process was inadequate, quashed rezoning By-laws 10865 and 10870 and cancelled the development permit DE 416775 for the new social housing facility
Third party resource	Role
Altus Group	<ul style="list-style-type: none"> ▶ Social housing facility construction hard cost peer review
BTY	<ul style="list-style-type: none"> ▶ Cost escalation analysis
Burgess Cawley Sullivan & Associates LTD (“ BCSA ”)	<ul style="list-style-type: none"> ▶ Assessment and validation of sale price and transaction economic assumptions
Rennie Marketing Systems	<ul style="list-style-type: none"> ▶ Estimation and validation of selling price (CAC proforma)

2. Background

Context

- ▶ Land swap transaction
 - ▶ Commencing in late 2011, COV and Brenhill negotiated a land swap transaction. Business term sheet was entered into November 16, 2012
- ▶ Land swap involved lands bearing civic addresses
 - ▶ 508 Helmcken Street plus lane (“**City Lands**”)
 - ▶ 1099 Richards Street (“**Brenhill Lands**”)
- ▶ CANY
 - ▶ On May 6, 2014, subsequent to the commencement of construction of the social housing facility, CANY brought action, by way of petition, before the Court challenging the process on a number of grounds, including as related to disclosure of information by City to the Public
 - ▶ January 27, 2015, Court finds public hearing process was inadequate, quashed rezoning of Brenhill’s proposed tower, quashing by-laws 10865 and 10870 and cancelled the development permit (DE 416775) for the new social housing facility

2. Background Sites

- ▶ Brenhill to develop on COV acquired Brenhill Lands:
 - ▶ Currently 1099 Richards Street
 - ▶ 162 unit social housing facility, estimated construction cost of \$30.6M
 - ▶ GBA 91,764 sf (13 floors), FSR 7.6, Lease 60 years (prepaid)
 - ▶ Construction of facility to be completed prior to the commencement of the market tower:
 - ▶ Pursuant to operating agreement, 127 Society assumed control
 - ▶ Residents *in situ*
 - ▶ Structure to satisfaction of COV

- ▶ Brenhill to develop on Brenhill acquired City Lands:
 - ▶ Currently 508 Helmcken Street: Jubilee House and adjacent Lane

Land Size:		
Existing parcels	SF	15,000
Lane Site Area	SF	5,945
Total Site Area	SF	20,945
Mixed Use Tower Rezoned FSR	FSR	17.19
Gross Building Area	SF	360,045
Including:		
- 110 secured market rental units	SF	63,512
- 338 market strata units	SF	237,087
- Circulation	SF	52,688
- Private pre-school / kindergarten	SF	5,566
- Retail	SF	1,192
Total Gross Building Area	SF	360,045

2. Background

Actual timeline

Late 2011	Brenhill approaches COV with a land exchange proposal
Apr 19, 2012	Bona fide offer to purchase Richards Street for \$10M
Oct 22, 2012	In-camera Council meeting authorizing Conditional Lease Surrender (COV, Brenhill, 127); exclusive negotiations to be entered into with Brenhill; conditional land swap negotiations to commence; legal agreements to be entered into subject to final Council approval, re-zoning within a twelve month period
Oct 31, 2012	Council meeting approves Brenhill land exchange proposal
Nov 16, 2012	COV, Brenhill and 127 Society Business term sheet entered into
Jan 31, 2013	COV and 127 Society and Brenhill enter Conditional Lease Surrender
Feb 8, 2013	Brenhill applies to rezone City land at 508 Helmcken
Feb 26, 2013	Rezoning information sign installed on 508 Helmcken site and notification and application information, as well as an online comment form, was provided on the City of Vancouver Rezoning Centre webpage (vancouver.ca/rezapps)
Mar 13, 2013	Community Open House held on 508 Helmcken re-zoning
Apr 23, 2013	Revised re-zoning application submitted, website updated, and 107 notices sent
Jul 16 and 23, 2013	Public Hearing held for 508 Helmcken re-zoning application

2. Background

Actual timeline continued

Aug 12, 2013	Development Permit Board approves 1099 Richards development permit with increased 7.04 FSR subject to conditions
Feb 4, 2014	Council enacts by-law 10865 amending Downtown Official Development Plan
Mar 11, 2014	Council enacts by-law 10870 rezoning 508 Helmcken
May 6, 2014	CANY files petition before the Court
May 28, 2014	City issues Development Permit DE 416775 to Brenhill for 1099 Richards
Jan 27, 2015	B.C. Supreme Court finds public hearing process was inadequate, quashed rezoning By-laws 10865 and 10870 and cancelled the development permit DE 416775 for the new social housing facility
Mar 06, 2015	COV and the Development Permit Board appeal Jan 27, 2015 decision
Mar 11, 2015	New rezoning sign installed. Notification and application information, an online comment form, and links to additional information regarding the land exchange was provided on the City of Vancouver Rezoning Centre webpage (vancouver.ca/rezapps)

2. Background

Targeted construction timeline as at 2012¹

Jan 2014	Social housing site preparation, first building at 1099 Richards demolished
Aug 2014	Disclosure statements and sales centre (off-site) complete
Aug to Oct 2014	Commence pre-sale program for sale of strata market units
May 2015	Submit development permit application
Nov 2015	Development Permit Approval
Dec 2015	Date for delivery of social housing to 127 Society and COV
Jan 2016	Demolition Jubilee House (existing 87 units)
May 2016	Commence construction
Jan 2019	First occupation for residents

1. As estimated at inception date of agreement between COV and Brenhill

3. Approach and Analysis

- ▶ Objectives and Scope
- ▶ Phase 1: Procedural Review
- ▶ Phase 2: Transactional Economics Review

3. Approach and Analysis

Objectives and Scope



3. Approach and Analysis: Objectives and Scope

Objectives

- ▶ Phase 1: Procedural review
 - ▶ Comment on the reasonableness of the decision making process pertaining to the land swap transaction, including the procedural authority under which such transaction was negotiated and consummated
- ▶ Phase 2: Transaction economics review
 - ▶ Comment on the reasonableness of the consideration received by and given by COV in respect of the land swap transaction, include both quantitative and qualitative assessments of the providence of the transaction
 - ▶ Comment on 2015 land development economics, generally

3. Approach and Analysis: Objectives and Scope

Scope

▶ Interviews

▶ COV:

- ▶ Penny Ballem, Bill Aujla, Jean Billings, Michael Chin, Francie Connell, Danica Djurkovic, Jerry Evans, Randy Pecarski and Ping Ting

▶ BCH:

- ▶ Michael Flanigan

▶ Brenhill:

- ▶ Brent Kerr and Max Kerr

▶ 127 Society:

- ▶ No representative from 127 Society attached to this file and subsequently no interview conducted

3. Approach and Analysis: Objectives and Scope

Scope

- ▶ Review of documents:
 - ▶ COV sourced:
 - ▶ Real estate and facility services files; Contracts; 127 Society Lease; Proformas; Council reports, including in-camera; Filed Factum for Court appeal; 2012 Offer to Purchase; External appraisal reports, Altus peer report (October 2014)
 - ▶ COV by-laws and other governing documents, e.g. policies, pertaining to process
 - ▶ BCH:
 - ▶ BC Housing assessment of value
 - ▶ Social Housing appraisal information
 - ▶ Externally sourced:
 - ▶ Third party land economics review and appraisal
 - ▶ Rennie Marketing Systems
 - ▶ BTY Economic Analysis – 2011
 - ▶ MLS data and other real estate reference materials
 - ▶ BCSCA produced documents and analysis

3. Approach and Analysis

Phase 1: Procedural Review



Did the City follow due process?

3. Approach and Analysis: Phase 1 - Procedural Review

Findings

Expertise

Finding:

- ▶ Substantial expertise within COV to review and assess the adequacy of the transaction assumptions including validation through independent third party advice

Approach: Interviewed key staff; reviewed decision making processes

3. Approach and Analysis: Phase 1 - Procedural Review

Findings

Documentation

Finding:

- ▶ Materials prepared in relation to the Transaction by COV (Department of Real Estate and Facilities (“DREF”)) did rely upon third party evidence and internal expertise

Approach: Assessed whether decisions were based on these materials

Finding:

- ▶ Council reports and recommendations do reflect final DREF working papers, and supporting materials

Approach: Reviewed and compared Council reports and supporting documents against DREF working papers and materials

Finding:

- ▶ Council reports and materials are consistent with the DREF materials

Approach: Compared content of Council reports and supporting documents against DREF working papers and materials

3. Approach and Analysis: Phase 1 - Procedural Review

Findings

Procedural

Finding:

- ▶ No evidence to suggest that the transaction negotiations and consummation were inconsistent with nor did not abide to Council's directions and approved motions

Approach: Reviewed Council decisions and directions; assessed consistency with transaction negotiations

Finding:

- ▶ By-laws enacted and no evidence that Vancouver Charter was not followed

Approach: Reviewed pertinent by-laws; Vancouver City Charter and policies; Mapped against COV and Council decision making timeline

3. Approach and Analysis: Phase 1 - Procedural Review

Findings

Procedural (cont'd)

Finding:

- ▶ Conclude that COV processes were consistent with by-law 9756; Adequacy of disclosure a question of law and before the Court (beyond the scope of this review)

Approach: Reviewed Procedure by-law 9756 section 18.7: Assessed posting of notices, time periods, materials on website of COV, public hearings before Council, resolutions of Council approving rezoning and development permits

Finding:

- ▶ Sole source transaction was appropriate and within COV policy; Acknowledge Transaction is a unique opportunity as lands adjacent

Approach: Vancouver Charter section 190(b) and COV policy review

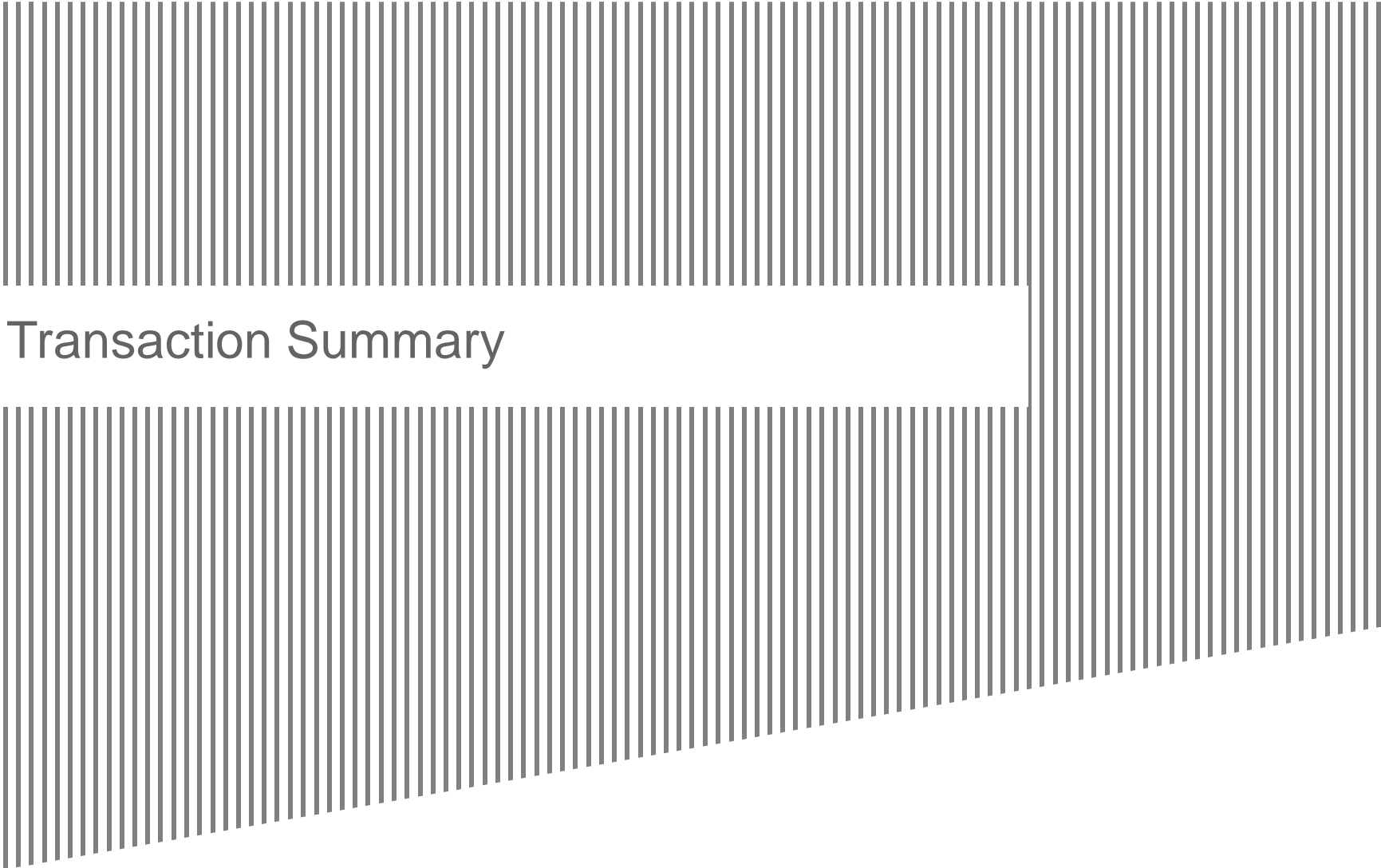
3. Approach and Analysis

Phase 2: Transactional Economics Review

Are the Transaction economics supportable?

3. Approach and Analysis

Phase 2: Transactional Economics Review



Transaction Summary

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Context

- ▶ The landscape for negotiations was motivated by direct economic outcomes and broader COV policy. Notable is the COV’s gap in meeting the Housing and Homelessness Strategy 2012-2021, before the inclusion of the land swap transaction:

City Housing and Homelessness Strategy (2011) targets as at May 6, 2013	Targets		Current Projects	Gap
	Long Term (2021)	Short Term (2014)	Proposed, In Progress or Completed	2014 Targets
Supportive Housing units	2,900	2,150	1,844	306
All other non-market housing units	5,000	1,500	1,377	123
Total non-market housing units	7,900	3,650	3,221	429

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Preliminary findings

Are the transaction economics supportable?

- ▶ Financially reasonable:
 - ▶ Value of City Lands, including lift value, reasonably comparable to the 2015 BC Assessment Value (which remains subject to appeal) considering COV estimates made in 2012;
 - ▶ Opportunity to unlock potential value of City Lands located through the surrender of the long term lease by 127 Society (31 years earlier than possible absent the land transaction);
 - ▶ Permits COV to offset financing costs related to the 162 unit purpose built social housing facility, through the Brenhill voluntary \$1M AHF cash contribution;
 - ▶ Value of Brenhill Lands exceeds EY's estimate of market value as at the date of the transaction (November 2012); however, differential fully mitigated by other value attributes.

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Preliminary findings (cont'd)

- ▶ Meets COV's strategic policy:
 - ▶ 272 affordable housing units, positively contributing to the Housing and Homelessness Strategy 2012-2021 approved by Council on July 29, 2011;
- ▶ Risk transferred:
 - ▶ Transfer of substantially all development, financing and timing risk to Brenhill; and
- ▶ Value added benefits:
 - ▶ An achievement of substantial value added benefits to the City (quantitatively and qualitatively) in the context of the overall transaction.

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Overall economics

▶ Consideration to COV

	\$M
Land value	15.0
CAC	25.0
Grand Total	40.0

▶ Consideration from Brenhill

	\$M
Land consideration	8.4
Social housing facility - in kind	30.6
AHF contribution - cash	1.0
Grand Total	40.0

▶ COV contribution to the social housing facility

	\$M
508 Helmcken Street land value	15.0
1099 Richards Street land value	8.4
City Proceeds	6.6

In-kind payment from Brenhill representing City proceeds of land exchange	6.6
CAC for City Lands	24.0
Value of Social Housing 1099 Richards	30.6

▶ Value of land divested by City

	Actual	BC Assess 2015
	\$millions	
Land	15.0	
Cost escalation (1)	7.2	
Residual land lift (2)	35.2	
	57.4	59.4
Less:		
Lift foregone (3)	(8.8)	
Cost escalate	(7.2)	
	(16.0)	
Net attributable	41.1	
Rounded	40.0	

1 Netted out of pro-forma in calculation of residual land lift; must be added back to assess 2012 estimate of value

2 Based on pro-forma calculation of residual land value

3 Represents 25% of land lift value (75% of land lift value accrues to benefit of COV)

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Lands overview

	City (Helmcken)	Brenhill (Richards)	Social (Future)
Land area (sf)	15,000 (land) 5,945 (lane)	12,000	GBA: 91,764 (13 floors)
FSR	5 (incl. lane 3)	3	7.6
Commentary	Subject to: <ul style="list-style-type: none"> ▶ 127 Society assume control ▶ Residents <i>in situ</i> ▶ Structure to satisfaction of COV 	Subject to density restrictions based on adjacent development among neighbouring properties and limited corner to corner frontage	162 unit social housing facility <ul style="list-style-type: none"> ▶ 87 shelter rate units replacing existing ▶ 75 low end market rate units Prepaid 60 year lease
BC Assessment	2012 – \$8.491M 2013 – \$9.409M 2014 – \$9.409M 2015 – \$59.431M (subject to appeal)	2012 - \$6.609M (only land, or \$6,942M incl. the improvement on 2 lots) 2013 – \$7.675M 2014 – \$7.5051M 2015 – \$12.1M	N/A
COV Real Estate Services valuation (in-camera Council meeting Oct 22, 2012)	\$15M (includes \$300k allocation for lane)	\$8.4M	

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Summary of variance and mitigation factors

- ▶ EY identified certain variances in Brenhill Land purchase and City Land residual land calculation totalling \$7.8M:

\$millions	COV	EY	Diff.	
Brenhill Land Purchase	8.4	5.9	(2.5)	Refer to Slide # 52
Residual Land Value ⁽¹⁾	129.8	135.1	(5.3)	Refer to Slide # 53
Total variance			(7.8)	

- ▶ These variances are partially offset by certain direct mitigation factors (before consideration of other intrinsic benefits), totalling \$5.8M:

	\$M
Brenhill Offer opportunity (Opp. Cost)	1.6
Housing costs (Altus Group peer review)	4.2
Total mitigation factors	5.8

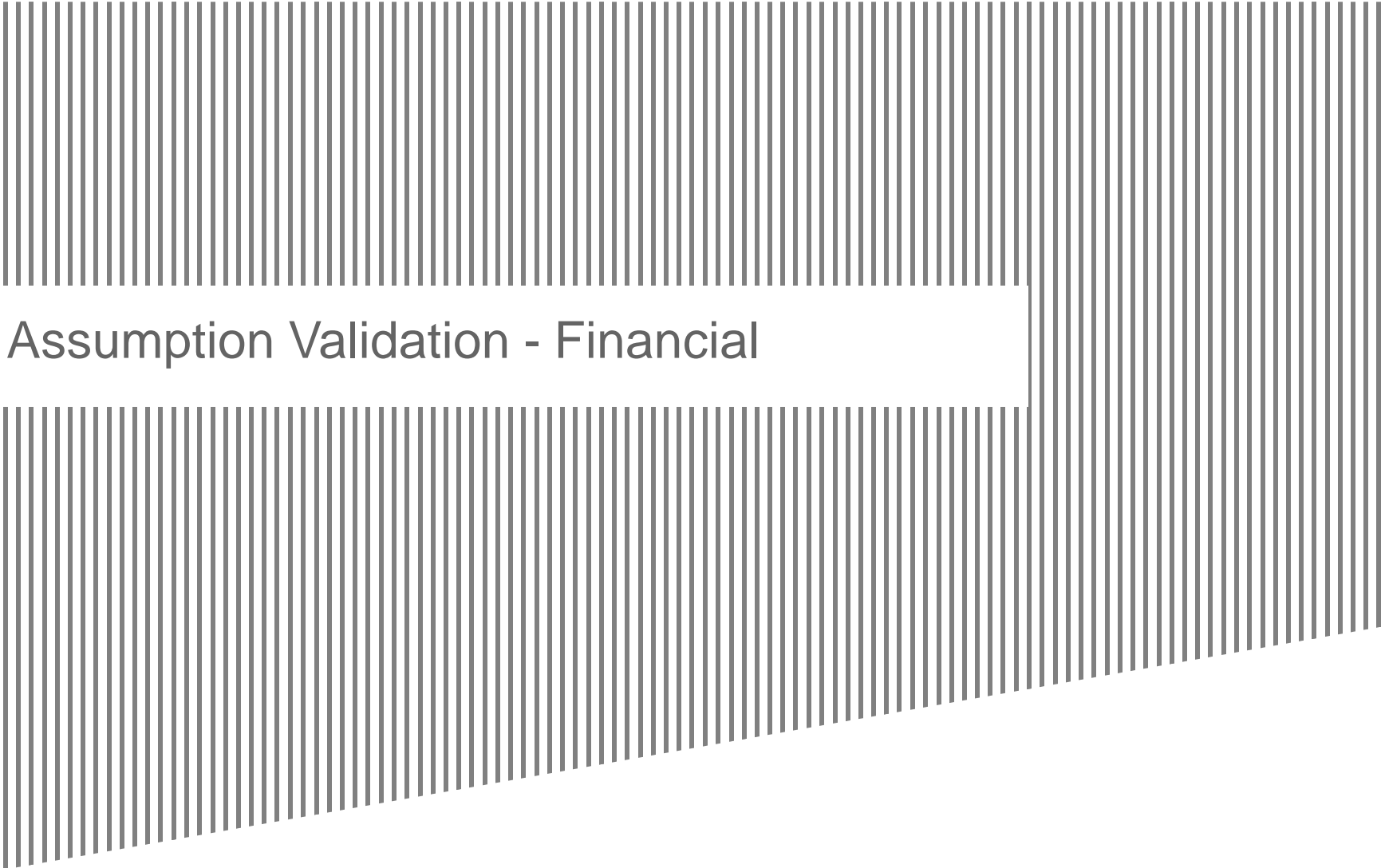
Refer to Slide # 59

- ▶ Other value drivers (both quantitative and qualitative) fully mitigate the net economic shortfall to the COV of \$2.0M

⁽¹⁾ Represents 75% of the estimated gross value of market rental strata revenue.

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial assumptions supported - Lands

Financial assumptions supported – City Lands

Finding:

- ▶ City Lands valuation fair and reasonable
 - ▶ \$200 psf supported by market transactions based on size (75,000 sf) at FSR 5 (exclusive of lane)

Approach: Market study of 2011 to 2013 land transaction comparables in the neighbourhood

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial assumptions not supported - Lands

Financial assumptions not supported – Brenhill Lands

Finding:

- ▶ EY estimates Brenhill Lands valuation at \$5.9M (\$165 psf); lower than COV valuation of \$8.4M (\$233 psf) based on size (36,000 sf) at FSR 3; difference of \$2.5M
 - ▶ Fair value estimated between \$160 and \$170 psf, with average of \$165 psf.
 - ▶ Limited opportunity to develop lands for market purpose use as a result of: (i) existing density on adjacent developments on city block; and (ii) size of land as permitted density with rezoning is capped at FSR 3.0 unless for social housing purpose
 - ▶ Land accumulation with adjacent lane way could impact FSR; however, beyond scope of review
 - ▶ COV was aware of competing offer for Brenhill Lands from bona fide purchaser on unsolicited basis at \$10M, resulting opportunity cost to Brenhill of \$1.6M from land transaction (considering only Brenhill Lands)

Approach: Market study of land transaction comparables in the neighbourhood

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial assumptions supported - CAC

Financial assumptions supported – Community Amenity Contribution (CAC)

Finding:

- ▶ Residual land lift value attributable to COV (CAC of 75%) consistent with other rezoning and development projects

Approach: Comparison with other development and rezoning projects

Finding:

- ▶ Cost escalation allowance of 8% of hard costs supported by 2011 third party report prepared by BTY (2%+3%+3% over 3 years) and MLS and deemed reasonable

Approach: Analysis of third party report

Finding:

- ▶ Capitalization rates used for operating income assets (including CRU units allocated to school and retail) at 4.25% consistent with expectations

Approach: Third party validated and consistent with land calculations

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial assumptions supported - CAC

Financial assumptions supported – Community Amenity Contribution (CAC) (cont'd)

Finding:

- ▶ The following were all found to be reasonable, with the exception of the selling price of the strata units as discussed below:
 - ▶ Efficiency rate, Construction costs, soft costs, finance allowance, contingency allowance, market rents, market rental operating expenses, and other allowances are all deemed reasonable

Approach: Third party validated and consistent with COV treatment for other CAC calculations

	Strata	Rental	School
Efficiency rate %	84.60%	84.60%	84.60%
Strata Units Price \$ / SF	730.00	-	-
Market rental \$ / month / SF	-	2.45	1.67
Cap rate	-	4.50%	6.25%
Construction costs	236.00	225.00	240.00
Vacancy (% Revenue)	-	3.00%	0.00%
Operating costs (% Revenue)	-	28.50%	-
Market escalation	8.00%	8.00%	8.00%
Soft (% Hard Cost)	25.00%	25.00%	25.00%
Financing (% Hard Cost, Soft)	10.00%	10.00%	10.00%
Contingency (% Hard Cost, Soft, Financing)	5.00%	5.00%	5.00%
Development Profit (% Total Cost)	15.00%	15.00%	15.00%



3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial Assumptions not supported - CAC

Financial Assumptions not supported – Community Amenity Contribution (CAC)

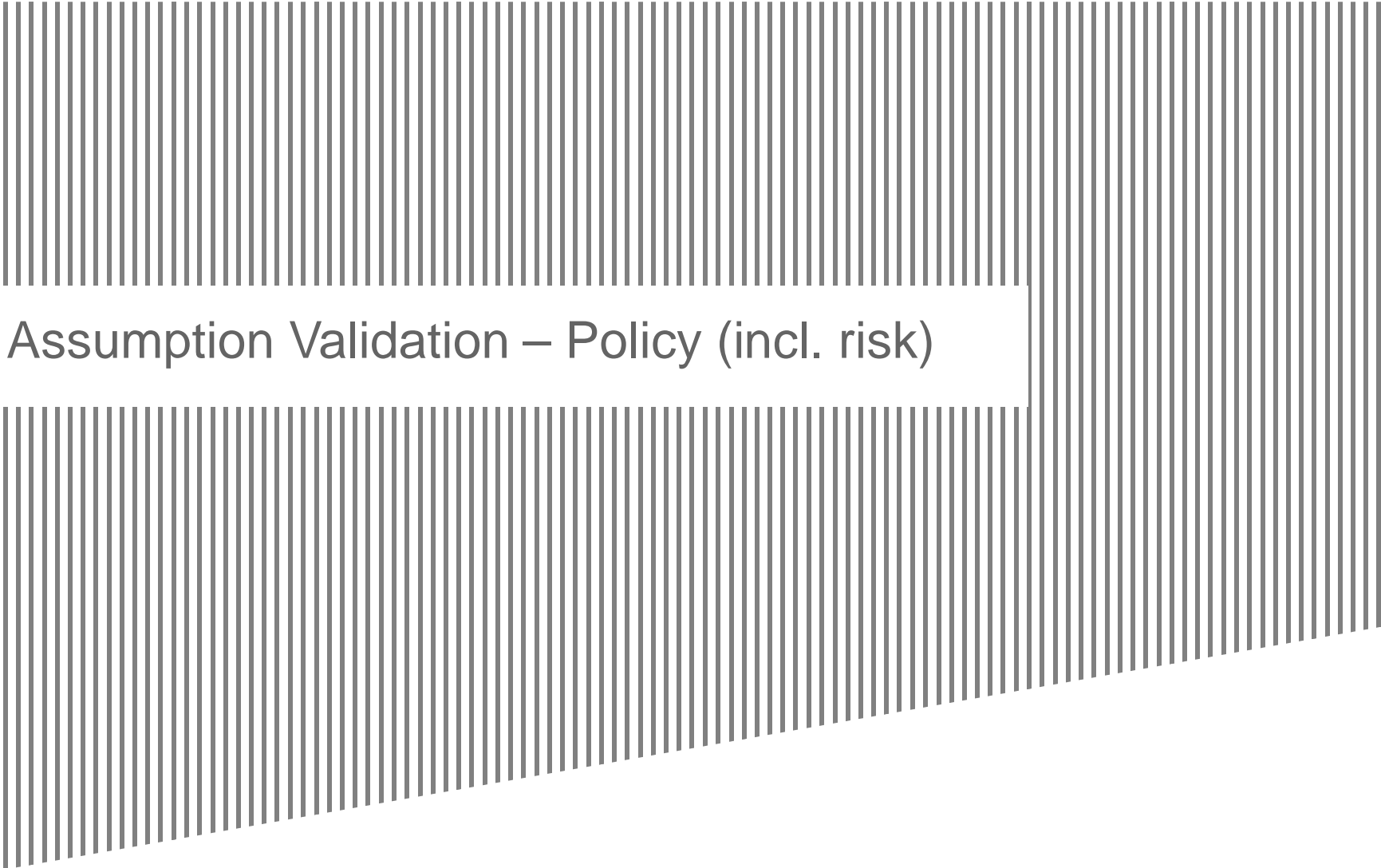
Finding:

- ▶ Reasonable expectation of higher selling price (\$760 psf) compared to the pre-sale market (Aug to Oct 2014) estimated selling price by COV (\$730 psf in 2012), equates to value difference attributable to the COV of \$5.3M.
 - ▶ The average selling price per SF in 2014 (escalation based on MLS Housing Price Index) on 2012 base of \$730 psf is \$760 psf.
 - ▶ For consistency purposes with hard costs it is a fair assumption to escalate selling price from 2012 base price (\$730 psf) consistent with BTY cost estimates for 2013 and 2014 of 2% and 3% respectively, resulting in a 2014 selling price of \$768 psf.

Approach: Comparison with other downtown residential sales

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

Policy assumptions supported

Policy assumptions supported

Finding:

- ▶ Contribute to COV's Housing and Homelessness Strategy 2012-2021 targets through:
 - ▶ 110 additional market rental units, secured by 60 year covenant. Note the longer of 60 years and life of building
 - ▶ 75 additional social housing units and replacement of 87 ageing social housing units

Approach: Document review

Finding:

- ▶ Residual land lift value contribution to the benefit of the public (75%) consistent with other rezoning and development projects. CAC value is used to fund construction of non-market social housing units, consistent with purpose and policy. COV receiving less than 100% of land lift:
 - ▶ Creates incentive for developer to develop in municipality
 - ▶ Recognizes costs of development that may not be accounted for in pro-forma
 - ▶ The land swap transaction represents a complex transaction requiring substantial non-traditional legal work
 - ▶ Inducements to 127 Society (to surrender lease), including cost of relocating residents and fixturing estimated at between \$750,000 and \$1M

Approach: Third party validated and consistent with policy and process

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Policy assumptions supported

Policy assumptions supported (cont'd)

Findings:

- ▶ Land lease with 127 Society through 2046 renders monetization of City Lands at nominal value absent creative monetization strategy. Surrender of lease by 127 Society permits early monetization of value and only possible via alternative site proposal and land transaction
 - ▶ The net present value of this benefit to COV, calculated as the return on deployed capital by COV based on avg 2014 portfolio return and discounted back at COV cost of capital estimated at approximately \$13.8M

Approach: Review of lease terms; Financial returns and costs of capital from COV

Findings:

- ▶ Redevelopment of Brenhill Lands with social housing allows BCH to:
 - ▶ Avoid significant maintenance and rehabilitation costs estimated by BCH at an amount of between \$1.5M and \$2.0M
 - ▶ Reduce future maintenance and rehabilitation costs on replacement units to approx. 50% of the costs expected at existing Jubilee House

Approach: Review of Jubilee House condition report; discussions with BCH

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Policy assumptions supported

Policy assumptions supported (cont'd)

Finding:

- ▶ Risk associated with delayed construction of market for sale units, market rental units, school and commercial space until completion and turnover of social housing to COV and 127 Society (estimated as Dec 15, 2015 (extended to May 31, 2016)) and rezoning borne exclusively by Brenhill. Risks include, *inter alia*:
 - ▶ Pricing of market for sale units
 - ▶ Rental rents on market rental units
 - ▶ Interest rates / affordability factor
 - ▶ Demand for product / including nature and size of product
 - ▶ Cost escalation beyond 8%
 - ▶ General market conditions

Approach: Document review and third party validated

Finding:

- ▶ Voluntary \$1.0M AHF contribution by Brenhill will fund COV costs associated with redevelopment, legal and other for the 127 Society

Approach: Budget for funds reviewed

3. Approach and Analysis

Phase 2: Transactional Economics Review

A decorative background consisting of numerous vertical lines of varying heights, creating a textured, barcode-like effect. The lines are dark gray and set against a white background. The overall shape of the lines is roughly rectangular, with a slight upward curve on the right side.

Supporting Analytics – Non
Supported Assumptions

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Brenhill Lands supporting analysis – Land value

Assumption:

Is the Brenhill Lands valuation of \$8.4M or \$233 psf reasonable?

Findings

- ▶ Third party comparison based on similar land sales in the neighbourhood.
- ▶ Period of reference is 2012
- ▶ Selected sample comparable to COV, adjusted for considering permitted density capped at FSR 3.0 (limited potential for assembly/develop). Land value appraised at \$160-\$170 psf, average \$165 psf

Sample summary in 2012	Land Value \$/SF
710 Pacific Street	152
711 Beach Avenue	172
1300 Richards Street	164
1320 Richards Street	170
1396 Richards Street	217
1251-1271 Homer Street	147
1102-1116 Hornby Street	196
1107 Seymour Street	185
920 Davie Street	\$180-\$200
1055 Seymour Street	143
916 Davie Street	157
1111 Seymour Street	162
Land Value \$/SF	\$160-\$170



Land value comparison		COV	EY	Diff.
PSF buildable	\$/SF	233.0	165.0	(68.0)
Land area	SF	12,000	12,000	-
FSR	FSR	3	3	-
Land value	\$millions	8.4	5.9	(2.5)

Difference in land value of \$2.5M. However this variance is offset by certain mitigation factors as presented in this report.

3. Approach and Analysis: Phase 2 - Transactional Economics Review

City Lands supporting analysis – Selling price

Assumption: Estimated selling price of \$730 psf in August 2014 (pre-sale date) reasonable?

Findings

- ▶ Third party comparison with similar downtown residential sales in south locations, some samples closer to downtown, other closer to Yaletown
- ▶ Performed analysis by floor levels, the sample has been adjusted for size, quality and unit layout
- ▶ Period of reference is 2012, then selling price escalation to 2014 based on MLS Housing Price Index, Vancouver Condos

Sample summary in 2012

Level	Selling Price \$/SF
Levels 9-18	696
Levels 19-34	740
Levels 35-36	850
Townhome	650
Average Selling price	731



Selling price escalation to 2014

	2012	2013	2014
MLS Housing Price Index,		-0.7%	4.7%
Selling Price per SF	731	726	760
	2012	2013	2014
Inflation Rate BTY Report		2.0%	3.0%
Selling Price per SF	731	746	768

Selling price
\$760 SF
per EY

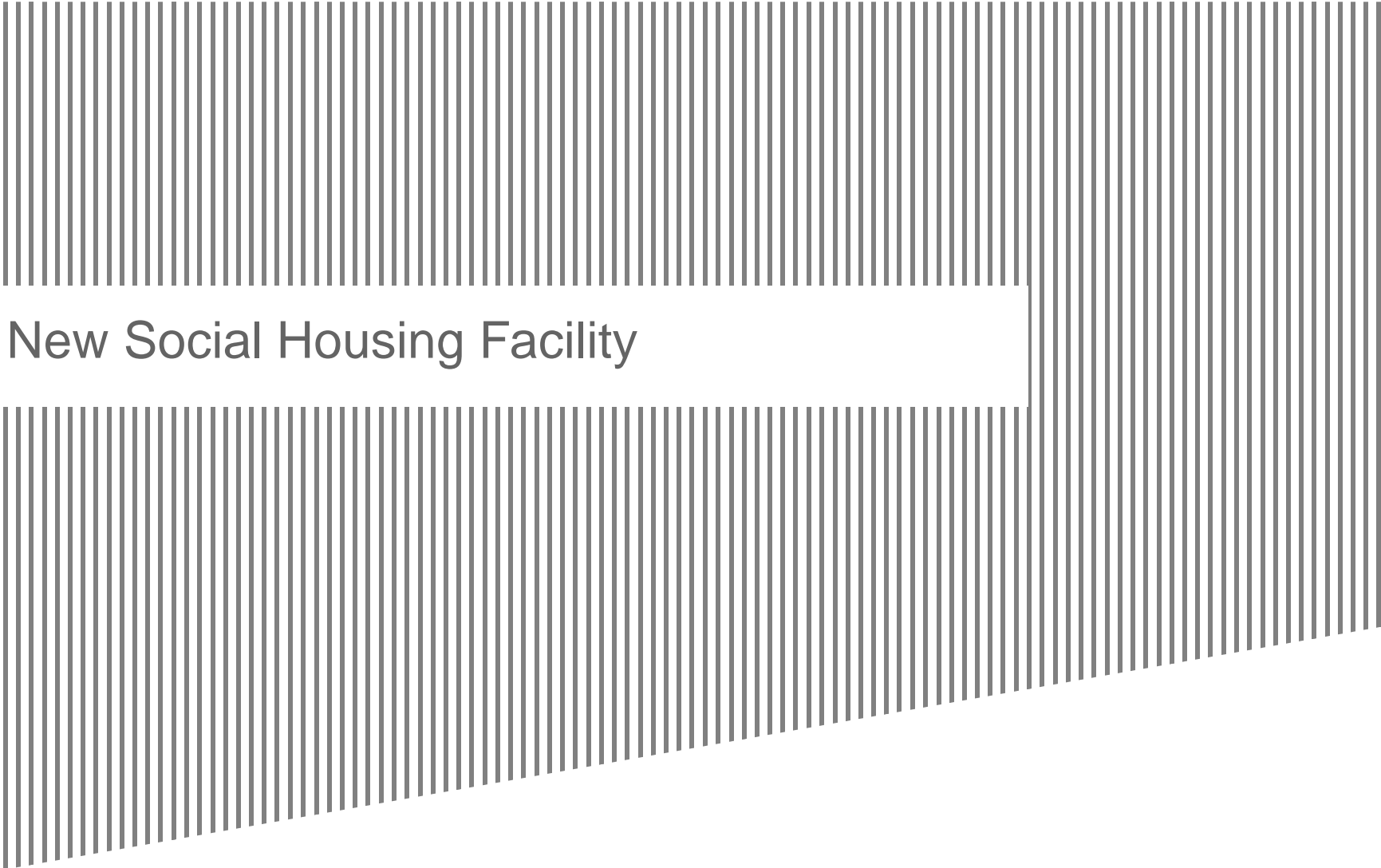
Selling price comparison COV vs. EY

	COV	EY	Diff.
Selling price \$/SF	730.00	760.00	(30.00)
Net Strata Units (SF)	237,087	237,087	-
Strata Units Value \$m	173.1	180.2	(7.1)
CAC Value (75%) \$m	129.8	135.1	(5.3)

Residual land value has a difference of \$5.3M due to lower selling price.

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

New social housing facility

- ▶ Recap:
 - ▶ 162 unit purpose built social housing facility, estimated construction cost of \$30.6M
 - ▶ GBA 91,764 sf (13 floors), FSR 7.6, Lease 60 years (prepaid)
 - ▶ Construction of facility to be completed prior to the commencement of the market tower:
 - ▶ Pursuant to operating agreement, 127 Society assumed control
 - ▶ Residents *in situ*
 - ▶ Structure to satisfaction of COV
 - ▶ Anticipated completion and turnover date:
 - ▶ At inception date of agreements (Nov 2102) – December 2015
 - ▶ Amended date – May 15, 2016

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Financial assumptions - Social housing

Financial assumptions supported

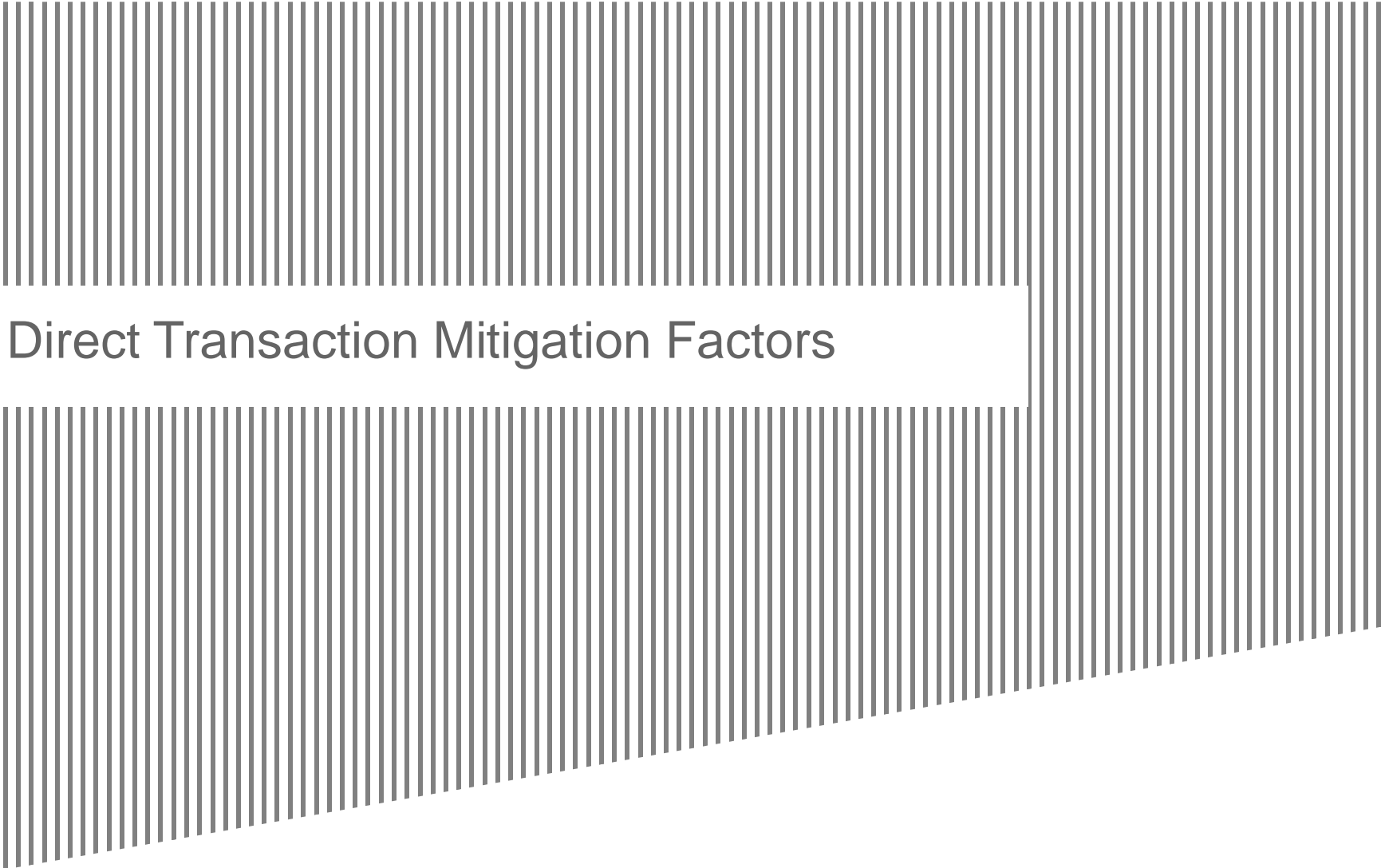
Finding:

- ▶ Social housing construction costs fair and reasonable.
 - ▶ Costs consistent with development in 2012.
 - ▶ Facility construction cost third party peer review - Altus Group (October 2014) estimated hard costs under-budgeted by Brenhill by \$4.2 million (\$27.8M v \$23.6M), whereas BTY (October 2014) estimated total cost of social housing construction at \$36.6M, \$6M over budget
 - ▶ Brenhill assumes all risk associated with timing, development and financial risk
 - ▶ Cost of \$188k per unit (\$30.6M for 162 units) appears reasonable based on comparable builds and QS validation within COV. EY advised cost per unit (excluding land) typically exceeds \$200k

Approach: Third party validated, development agreement review and COV QS advice

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

Mitigation factors

Benefit to COV	+	-	Observation
	(\$M)	(\$M)	
Brenhill land purchase		- 2.5	The value of the Brenhill Land estimated at \$5.9M, which is \$2.5M lower than the COV valuation of \$8.4M
Residual Land Value		- 5.3	Estimated average selling price in 2014 approximated \$760 psf as opposed to \$730 psf estimated by COV in 2012
Housing costs (Altus Group peer review)	+ 4.2		A hard cost peer review by the Altus Group (October 2014) estimated social housing facility construction costs will exceed Brenhill estimated by \$4.2M, costs fully borne by Brenhill
Brenhill 3 rd party offer (opportunity cost)	+ 1.6		Brenhill opportunity cost for bona fide unsolicited third party offer (April 2012) for Brenhill Lands at \$10M
Total	+ 5.8	- 7.8	
Net		- 2.0	Other value drivers (both quantitative and qualitative) mitigate economic shortfall

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Mitigation factors

► Mitigation factors, totalling \$5.8M:

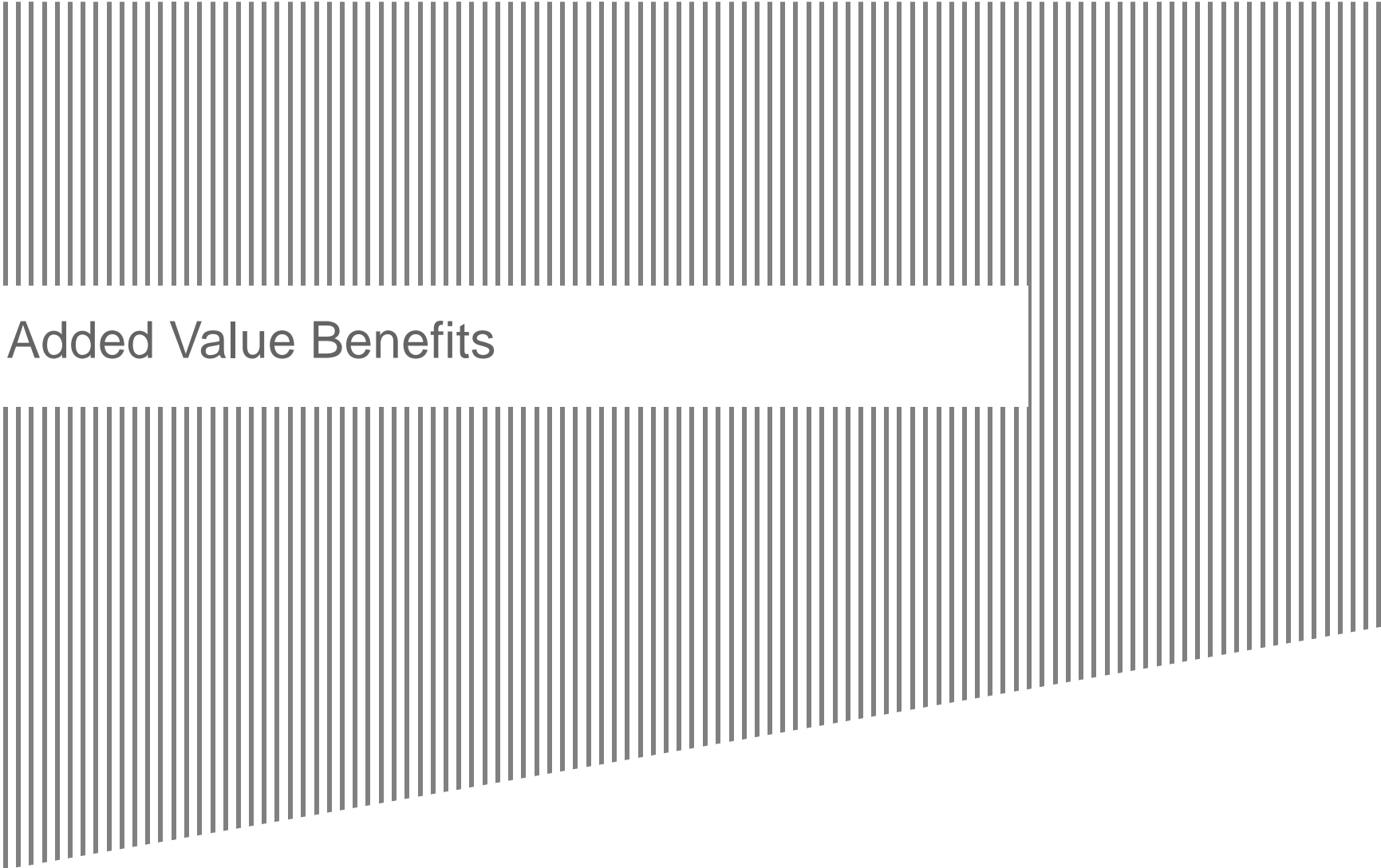
	\$M
Brenhill opportunity cost	1.6
Facility construction cost Altus Group peer review	4.2
Total mitigation factors	5.8

1 \$1.6M: Brenhill opportunity cost (Bona fide 3rd party offer for Brenhill Lands of \$10M)

2 Facility construction cost third party validation - Altus Group, finding \$4.2M hard costs under-budgeted by Brenhill (\$27.8M v \$23.6M)

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

Added Value Benefits

▶ Net economic shortfall to COV (\$M)	- 2.0
---------------------------------------	-------

Other economic value drivers (\$M):

▶ BC Social Housing maintenance and rehabilitation cost deferment ⁽¹⁾	2.0
▶ Early monetization of land value – based on NPV of COV portfolio returns	13.8
▶ Brenhill opportunity cost resulting from development of 110 secured market rental units vs. market strata	2.1
▶ Development Cost Levy (DCL) collected from new tower development	6.4
▶ Public Art Policy for Re-zoning Development	0.7
▶ Economic gains associated with social housing units	N/A
▶ Risk transference to Brenhill (timing, financial, development) ⁽²⁾	1.8

(1) BCH advised EY that maintenance and rehabilitation costs on the Jubilee House would approximately be \$2M absent a transaction.

(2) BTY estimated (October 2014) that total development cost of the 162 social housing units would exceed budget by approximately 6 millions; whereas, Altus estimated that hard cost overruns on behalf of COV at \$4.2m

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Added value benefits

- ▶ Early monetization of lands generates a benefit of unlocking City Lands value prior to expiry of Jubilee House lease in 2046
- ▶ The benefit to the COV is estimated at \$13.8M
 - ▶ represents the net present value of deployed capital based on 2014 portfolio returns (includes active and dormant lands) discounted at COV cost of capital (based on 40 year bonds)

	\$M
Total City value for COV \$M	40.000
COV average rate of return 2014	1.9%
Return per year \$000	760.0
Total return until leasing expiry date 2046 \$M (31 years)	23.560
Cost of Capital 2012 (40 years bond)	3.75%
NPV \$M - Benefit of unlocking the value	13.793

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Added value benefits

- ▶ Brenhill opportunity cost for developing 110 secured market rental units vs. market strata on City Lands:

	\$000
<i>Market Rental:</i>	
Value of market rental	29,905
Hard Cost (225 \$/SF)	(14,290)
Margin	15,615
Soft (25% Hard Cost)	(3,573)
Financing (10% Hard Cost, Soft)	(1,786)
Contingency (10% Hard Cost, Soft, Financing)	(982)
Net profit Market Rental (A)	9,274
<i>Strata Units:</i>	
Grossed up Market Rentals Area SF	63,512
Net Market Rentals Area (84.60%) SF	53,731
Strata Units Price / SF	730
Value of Strata Units	39,224
Hard Cost (225 \$/SF)	(14,989)
Margin	24,235
Soft (25% Hard Cost)	(3,747)
Financing (10% Hard Cost, Soft)	(1,874)
Contingency (10% Hard Cost, Soft, Financing)	(1,030)
Net profit Market Strata (B)	17,584
Difference (B-A)	8,310
Brenhill Rental Units vs. Market Strata (Opp. Cost, 25%)	2,077

3. Approach and Analysis: Phase 2 - Transactional Economics Review

Added value benefits

- ▶ Additional financial considerations
 - ▶ \$6,354,000 (approx): Development Cost Levy (DCL) collected from new tower development will help pay for facilities made necessary by growth including parks, childcare facilities, replacement (social/non-profit) housing and engineering infrastructure
 - ▶ \$651,600: Public Art Policy for Re-zoning Development required that rezonings involving a floor area of 9,290 m² (100,000 SF) or greater allocate a portion of their construction budgets to public art as a condition of rezoning. Based on the current rate (1994; last amended 2004), approximately \$651,600 contributed by Brenhill towards the COV's public art budget

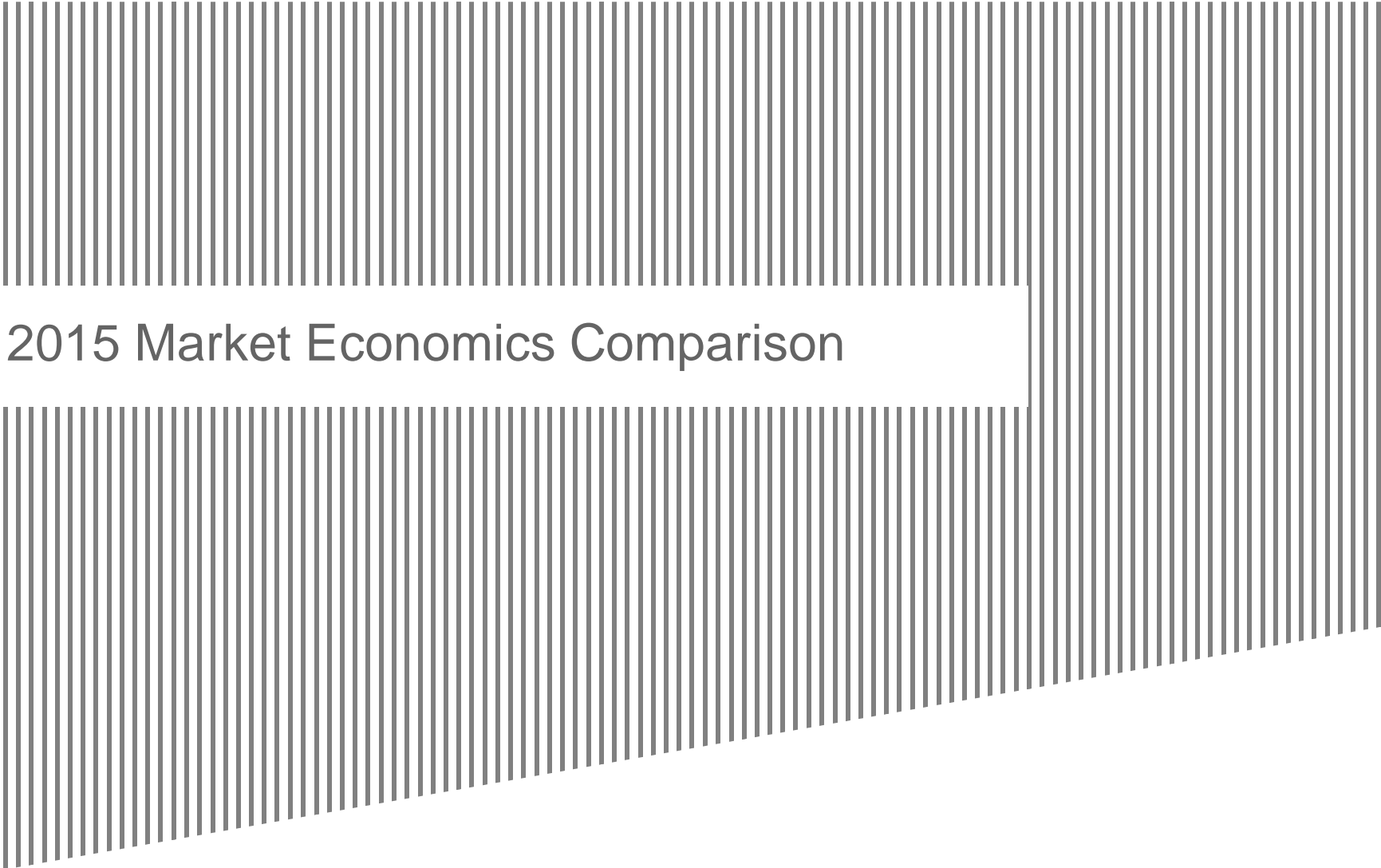
3. Approach and Analysis: Phase 2 - Transactional Economics Review

Added value benefits

- ▶ Social housing and secured market rental supports COV's Housing and Homelessness Strategy 2012-2021:
 - ▶ Incremental 75 social housing units on Brenhill Lands provides much needed 162 unit social housing stock (87 at shelter rate (53%) and 75 at low end market rate (47%)) assists in reducing homelessness and addressing the insufficient supply of rental housing, particularly that which is affordable to low and modest income households with families
 - ▶ 110 market rental units: Secured by covenant, assists in addressing rental stock to meet the needs of low and modest income households and the youth
 - ▶ Encourages a housing mix to enhance quality of life and choice in the neighbourhood, increasing the availability of well-maintained and suitable housing types and tenures for a diverse population
 - ▶ Reinvestment and renewal of existing social housing. Many buildings are older and in need of investment or renewal. It will be a challenge to increase the social housing stock, renew or maintain the affordability of the existing social housing for the next generation without senior government subsidy
- ▶ Supports Greenest City 2020 Action Plan: Green belt extension through acquisition of lane
- ▶ Supports City's Heritage Conservation program: Preserve heritage building (Brookland Court)
- ▶ LEED Gold standard for new building

3. Approach and Analysis

Phase 2: Transactional Economics Review



3. Approach and Analysis: Phase 2 - Transactional Economics Review

2015 market economics comparison

▶ Considerations

- ▶ Market conditions in Vancouver, generally, and Yaletown, specifically, for develop lands have improved from 2012 to 2015
 - ▶ Applicable to both City Lands and Brenhill Lands, albeit Brenhill Lands value limited somewhat because of FSR density cap
- ▶ City Lands, absent transaction, remain constrained by the Jubilee House lease until 2046 rendering the value at nominal amount
- ▶ Brenhill Lands remain subject to FSR 3 density restriction, impacting land value
 - ▶ Brenhill Lands value further impacted by on-site works to date

3. Approach and Analysis: Phase 2 - Transactional Economics Review

2015 market economics comparison

- ▶ There has been an improvement in the underlying value of the City Lands between 2012 and 2015, driven by the growth for develop lands in Vancouver, generally, and Yaletown, specifically
- ▶ This land lift has been estimated by EY based on the sensitized assumption below:

City Lands 2015 Assumptions COV vs. EY

Land lift:	COV	EY	Diff.
	2012	2015	
Strata Units Price \$ / SF	730.00	800.00	70.00
Strata Construction costs \$ / SF	236.00	256.00	20.00
Land Sale \$ / SF	200.00	250.00	50.00
Rental Cap rate	4.5%	4.0%	-0.5%
Market rental \$ / month / SF	2.45	3.00	0.55
Rental Construction costs \$ / SF	225.00	245.00	20.00
CRU Construction costs \$ / SF	240.00	260.00	20.00

Land Value 2015 COV vs. EY

Land value (FSR 5)	COV	EY	Diff.
	2012	2015	
Land value \$ / SF	200.0	250.0	50.0
Density SF	75,000	75,000	-
Land \$M	15.0	18.8	3.8

City Lands 2015 value COV vs. EY

	COV	EY	Diff.
Strata Units Value	182.3	199.9	17.6
Rental Value	29.8	41.2	11.4
School Value	2.5	2.5	-
Value All Components	214.6	243.6	29.0
Strata Units Cost	(70.6)	(76.6)	(6.0)
Market Rental Cost	(17.6)	(19.1)	(1.6)
School Cost	(2.0)	(2.0)	(0.1)
Mother's Centre	(0.5)	(0.5)	-
Market Escalation	(7.2)	(7.8)	(0.6)
Construction Cost	(97.8)	(106.1)	(8.2)
Soft, Financing, Cont., Profit	(66.8)	(72.8)	(6.1)
Total All Cost	(164.6)	(178.9)	(14.3)
Land Lift - This Site	50.0	64.7	14.7
Pre-Rezoning Land Value	(15.0)	(18.8)	(3.8)
Land Lift For All Components	35.0	45.9	11.0
COV CAC (75%)	26.1	34.5	8.4



3. Approach and Analysis: Phase 2 - Transactional Economics Review

2015 market economics comparison

- ▶ The improvement in the underlying value of the City Lands between 2012 and 2015, based on EY assumptions presented in the previous page, would result in \$12M higher value of land divested by COV:

	COV	EY	Diff.
Land	15.0	18.8	3.8
COV CAC (75%)	26.1	34.5	8.4
Net attributable	41.1	53.2	12.1
Rounded	40.0	52.0	12.0

- ▶ However, the monetization of this value would remain subject to a surrender of lease by 127 Society (which leased runs through 2046)

3. Approach and Analysis: Phase 2 - Transactional Economics Review

2015 market economics comparison

▶ Findings

▶ City Lands

- ▶ While value attribution results are consistent with the market, the land is subject to the 127 Society Lease (expiration 2046). Therefore the ability to monetize this value is limited
- ▶ Unable to provide comment on the land value at the end of the lease term due to the numerous variables associated therewith:
 - ▶ Economy generally
 - ▶ Interest rate
 - ▶ Currency exchange
 - ▶ Market demand for product
 - ▶ Gateway in-bound investment
 - ▶ Commodity prices (mining, forestry and energy sectors)
 - ▶ Consumer demand and preferences

4. Conclusions and Recommendations

- ▶ Conclusions
- ▶ Recommendations

4. Conclusions and Recommendations

Phase 1 conclusion

- ▶ Procedural review: Did the COV follow due process?
 - ▶ Procedural aspects of the decision making process pertaining to the land swap transaction appear reasonable and supported and within the authority of municipal officers undertaking same

4. Conclusions and Recommendations

Phase 2 conclusions

- ▶ Transaction economics review: Are the transaction economics supportable?
 - ▶ Value attributable to City Lands appear reasonable in relation to the 2015 BC Assessment value (subject to appeal) and before consideration of the incremental value attributes aligned with the transaction, including COV policy considerations:
 - ▶ A number of added value benefits were negotiated that support the City's vision, including the Housing and Homelessness Strategy 2012-2021
 - ▶ Value attributable to the Brenhill Lands (defined hereafter) by the COV exceeds the market value of the lands as at the date of the transaction; however mitigating factors exist that substantially mitigate this value differential.

4. Conclusions and Recommendations

Phase 2 conclusions (cont'd)

- ▶ While there has been a marked improvement in the underlying value of the City Lands between 2012 and 2015 (estimated by EY at \$12 million); the monetization of this value would remain subject to a surrender of lease by 127 Society (which leased runs through 2046) and is therefore not subject to near term monetization

4. Conclusions and Recommendations

Recommendations

- ▶ Improvement opportunities within the City's decision making, assessment and approval processes should be pursued to promote reliability, transparency and accountability
 - ▶ Documented chain of command for initiating, negotiating, evaluating and delivering land transactions
 - ▶ Maintain sufficient documentation within the COV records, including third party resource materials supporting the evaluation and decision process
 - ▶ Maintain a permanent file record containing final transaction documentation, which should include, *inter alia*:
 1. final proforma analysis supporting all variables of the land transaction (signed / initialed / dated) by those involved in the transaction;
 2. final supporting documents for major assumptions associated with land transactions; and
 3. finalized approval document i.e. overriding recommendations to Council executed by Director of Real Estate Services and others in the documented chain of command

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