

From: "Amrolia, Armin" <Armin.Amrolia@vancouver.ca>

To: "[Direct to Mayor and Council](#)"

Date: 9/9/2025 11:18:06 AM

Subject: Memo to Mayor & Council - 601 Beach Public Response on Extension and Adjust Price - 2025-08-04

Attachments: DCM - AA - Memo to Mayor Council - 601 Beach Public Response on Extension and Adjust Price - 2025-08-04.pdf

Dear Mayor and Council,

Please find attached a memorandum regarding the 601 Beach Crescent Disposition, and the extension amendment as was approved In Camera April 15, 2025.

This memo provides the Council Decision for public release (as was authorized by Council, following the completion of negotiations and registration of all documentation at the Land Title Office) and addresses assertions made by a member of the public, regarding calculation of the transaction's Adjustment Price.

Should you have any questions, please follow-up with myself or Andrew Newman, Director Real Estate Services (andrew.newman@vancouver.ca).

Regards,

Armin

Armin Amrolia - Deputy City Manager (she/her)
armin.amrolia@vancouver.ca

The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x m k y m/Musqueam, S wxwú7mesh/Squamish and s lilw ta /Tsleil-Waututh nations

MEMORANDUM

August 4, 2025

TO: Mayor and Council

CC: Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office
Andrew Newman, Director, Real Estate Services

FROM: Armin Amrolia
Deputy City Manager

SUBJECT: 601 Beach Crescent Disposition – Extension

RTS #: 17913

Further to Council's In Camera approval (RTS 17913, April 15, 2025) of the extension agreement (the "Extension") to amend the 601 Beach Crescent Sale Contract, Option to Purchase and Right of First Refusal, Council authorized the public release of the decision following successful negotiation and execution by the parties of the Extension (all capitalized terms used in this memo are defined in the Sales Contract and Council Report RTS 17913).

The parties have now executed and registered all necessary documents and accordingly, Staff are recommending full release of the decision, as described in Appendix A of this memo.

Staff would also like to address assertions made by a member of the public regarding calculation of the Adjustment Price (as herein defined):

- To calculate the Adjustment Price, a determination was needed of the amount of gross buildable square feet which exceeded the Base Gross Buildable Area (as defined in the sale contract);
- The Adjustment Price is the product of multiplying \$365.00 by the difference in gross buildable square feet and the Base Gross Buildable Area;

- At the time of finalizing the Adjustment Price, there were multiple iterations of the development permit drawing set provided by the Buyer's architect to staff in Planning & Development Services ("PDS") and Real Estate Services ("RES");
- When confirming the final buildable square feet in the project, there was a discrepancy between PDS's and RES's assumption on balcony exclusions;
- However, Staff can confirm that even with this discrepancy:
 - a) The Offer to Purchase provided by the Buyer exceeded all other bids received through the Invitation to Offer ("ITO") process for 601 Beach Crescent;
 - b) The total consideration (Base Purchase Price + Adjustment Price + delivery of 152 Social Housing Units, as defined in the Sale Contract) continues to represent very strong pricing for land that would be unachievable in today's market (and further supports Council's decision to authorize the Extension); and
 - c) On a net effective basis, the total consideration for 601 Beach Crescent has increased since the deal was finalized due to significant construction cost escalations (meaning, the cost to deliver the required 152 units of Social Housing has increased).

This memo will be shared with the public in response to requests for details on the 601 Beach Crescent disposition transaction. Should Mayor or Council have further questions on the foregoing, Staff remain available.

Sincerely,

A handwritten signature in black ink, appearing to read 'Armin Amrolia', followed by a long horizontal flourish.

Armin Amrolia
Deputy City Manager

armin.armolia@vancouver.ca

Appendix A – RTS 17913 Decision

At the Council (In Camera) meeting on April 15, 2025, Vancouver City Council approved the following:

MOVED by Councillor Kirby-Yung
SECONDED by Councillor Klassen

THAT Council authorize the Director of Real Estate Services to negotiate and execute an extension agreement (the “**Extension**”) to the Sale Contract dated November 3, 2016, between the City of Vancouver (the “**City**”) and Pinnacle International Land Inc. (the “**Buyer**”) for the property located at 601 Beach Crescent, Vancouver, legally described as PID: 024-636-282, Lot 259, False Creek Group 1, New Westminster District Plan LMP43682 (the “**Subject Property**”), and a corresponding extension of the Option to Purchase granted by the Buyer to the City for an option to purchase the Subject Property from the Buyer, which Option to Purchase (the “**Option to Purchase**”) was registered at the Land Title Office on November 4, 2016, under Registration No. CA5630102 (as Modified by CA9573824, CB315958 and CB746695) and Right of First Refusal CA5630105 (the “**Right of First Refusal**”) on terms deemed necessary and acceptable to the Director of Real Estate Services and the Director of Legal Services, including the following:

- | | |
|---------------------|--|
| Extension Term: | Option Back Trigger Date in the Option to Purchase will be extended from November 4, 2024, until May 2, 2028 (the “ Specified Date ”), with corresponding extension to the term of the Right of First Refusal |
| Extension Payment: | \$3 million per annum (up to a total of \$9 million), paid annually commencing on execution of the Extension, and on May 3, 2026, and May 3, 2027, respectively. Failure to make an Extension Payment by the payment date will trigger the City’s option to repurchase the Subject Property under the Option to Purchase. |
| Rezoning Enactment: | The Buyer must, by November 3, 2025, approve the submission to Council for considering enactment the existing rezoning by-law, approved in principle at the Public Hearing September 17 & 30, 2020 (the “ Rezoning By-law ”). Failure by the Buyer to approve the submission or if the Rezoning By-law is not approved by Council will trigger the City’s option to repurchase the Subject Property under the Option to Purchase. |
| Adjustment Price: | Payment by Pinnacle to the City of \$97,680,548.00 plus applicable taxes (the “ Adjustment Price ”) will be deferred until the Specified Date. Failure to pay the Adjustment Price by the Specified Date will trigger the City’s option to repurchase the Subject Property under the Option to Purchase. |

Appendix A – RTS 17913 Decision (continued)

CAC Payment &
Option to Purchase: The conditions of enactment of the existing Rezoning By-law require a Community Amenity Contribution (the “**CAC**”) payment of \$12.1 million. The City shall pay the CAC from the Base Purchase Price of \$20 million, and upon payment, the City’s purchase price under the Option to Purchase shall be reduced by \$12.1 million, from \$20 million to \$7.9 million.

Interim Extension of
Option to Purchase: Interim extension of exercise date for existing Option to Purchase for a period of up to three (3) months from May 3, 2025 (the “**Interim Extension**”) to settle and enter into the Extension and extensions of the Option to Purchase and Right of First Refusal with the Buyer. If the Interim Extension is not provided as and when the Director of Real Estate Services and the Director of Legal Services deems necessary to preserve the City’s existing rights under the Option to Purchase or the agreements are not settled and entered into by the end of the Interim Extension period, the City will exercise the option to repurchase the Subject Property under the Option to Purchase.

CARRIED UNANIMOUSLY

(Councillor Maloney not voted due to a declared conflict of interest)

MOVED by Councillor Kirby-Yung

SECONDED by Councillor Dominato

THAT Council authorize public release of the decision of the Report dated April 9, 2025, entitled “601 Beach Crescent Disposition – Extension”, following successful negotiation and execution by the parties of the proposed Extension.

CARRIED UNANIMOUSLY

(Councillor Maloney not voted due to a declared conflict of interest)