

Deer Lake Properties Inc.

October 27, 2017

Mr. Brian Zurek
City of Nanaimo
411 Dunsmuir Street
Nanaimo, BC V9R 5J6

Subject: 40 Maki Road, Lot 1, Block 1, Plan VIP 630, Section 2, Nanaimo Land District, Except Plan 1099R 35898, PID 000-630-535

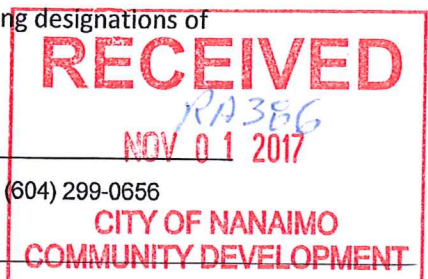
Request and reasons for amending Zoning Bylaw No. 4500 from Single Dwelling Residential (R1) to Highway Industrial (I1).

Background:

In January, 2006 Deer Lake Properties applied to the City of Nanaimo for a Development Permit for our 40 Maki Road property. At the time of application for the proposed Development, the existing zoning was I-2 (Light Industrial) which was intended to provide for clean industrial uses with a high standard of design and maintenance. A letter dated January 30, 2006 from our Architect Adam Policzer outlines the care that was taken at the time in order to satisfy City of Nanaimo guidelines. We were satisfied that the existing zoning was the appropriate application, and based on supply and demand we concluded that Self Storage was the best use for the property, which was a permitted use under the I-2 Zoning. During our Development Permit process we were not notified of any potential future change to the current zoning, and as such we proceeded with the comfort level that the existing I-2 Zoning would satisfy our development objective for the long term. We were issued a Phased Comprehensive Development Permit approval in 2007 for the entire parcel of land. To date we have completed three (3) separate phases of the development, and in the spring of 2018 we will be submitting a building permit application to the City for the completion of the remaining seven (7) buildings.

In May of 2017, we were required to update our appraisal for the purpose of a financing renewal. Our appraisal consultant informed us that the zoning for 40 Maki Road had been changed from I-2 to R1.

At first we all thought it was a simple mistake. Through consultation with the City of Nanaimo Planning Department we learned that in 2011, with the adoption of Zoning Bylaw 2011 No. 4500, 40 Maki Road was rezoned to Single Dwelling Residential (R1), to align with the higher-level planning designations of the OCP and Chase River Neighbourhood Plan.



In our consultation meetings with the City of Nanaimo Planning Department we also learned that during the time of the rezoning process, there was information made available to the public through media and public hearings, but affected property owners were never directly sent any information by the City of Nanaimo to inform them of the rezoning process, or its effect on their properties.

As we were not aware of the 2011 zoning changes, this has put us in a very difficult position. Our property now has legal non-conforming status which could negatively impact the future long-term viability of our business and our ability to secure future lending and insurance commitments.

Legal non-conforming status allows us to continue operating our self-storage business at 40 Maki Road until the use is discontinued for a continuous period of six (6) months. If our facility sustains damage from a major fire or earthquake we may not be able to rebuild our facility with the present legal non-conforming status in place. This status is also of major concern to our lending institution and our insurance provider. They have both stated that they may not be able to support us in the future if we do not have the zoning for the property reinstated to industrial. Without the continued support of our lending institution and our insurance provider the future economic viability of our business is in jeopardy.

Other reasons for OCP and Rezoning amendments:

Community business centre

We strongly feel the rezoning of our property to R1 should never have taken place, specifically because of its location and the immediate surrounding industries and businesses. I2 was the proper zoning for this site. Adjacent to our property we have Rona and across the intersection we have the Chase River Shopping Centre. The businesses around the Maki Road, 10th Street and Island Highway intersection make up an important business and services centre for the communities of Harewood, Chase River and Cedar. This entire area should have an industrial usage designation within the OCP and Chase River Neighbourhood Plan.

Proximity to major intersection

Proximity to the major Maki Road and Island Highway traffic light controlled intersection, gives Supreme Self Storage easy and safe access for both North and South bound traffic without disturbance to any neighbours.

Storage demand

e have recently completed the 3rd phase of our development, and in only two (2) months all forty-five (45) of the new lockers have been rented. This is proof that that there is a demand for our business and we are providing a much needed storage amenity to the surrounding community.

Protection of Marsh Lands

Supreme Self Storage has minimal impact on the wetlands located behind our property. The back sides of our buildings do not have locker access making for a non accessible barrier to the wetlands. The lack

of high sanitary or water requirements of our business results in minimal environmental impact to the wetlands. Presently, rain water is collected and controlled through an onsite filtration drainage field, along with a site oil interceptor. Any future residential development on our site would have a much greater environmental impact on the marsh and surrounding wetlands.

Best use

We are now aware that the primary reason for the rezoning of our property to Single Dwelling Residential (R1), was that the I-2 zoning simply did not align with the Neighbourhood designation adopted in the 1999 Chase River Neighbourhood Plan and the 2008 Official Community Plan (OCP). Given our unique situation in that we had a Phased Comprehensive Development Permit in place in 2011, and that our site was and is still under construction, we should have been seen as the best use for this property now and in the future.

Apart from the fact that our site did not align with the Chase River Neighbourhood Plan and the Official Community Plan, the reality on the ground should have taken precedence and been given much closer scrutiny. Had this taken place with a reasonable open mind, there is no question that this property would have retained its I-2 zoning designation. We have included two (2) aerial photos which show the dramatic change on the ground from January 2006, to the present situation showing a complete major Rona outlet at the corner of Maki and the Highway, with Supreme Self Storage appropriately located to the East.

Unfortunately as I stated earlier, we simply were not aware of the rezoning process, otherwise we would have brought up our objection and arguments in a more timely manner. Given the large investment and commitment to our existing Storage Facility, there is minimal to no chance that any form of low density residential development would ever be viable on this property. It is not an appropriate location for a residential development, situated between the environmentally sensitive wetlands and Rona. Supreme Self Storage is very close to a major intersection complete with road widening up to our facility, it has very good street appeal, and given the fact that we have an on-site manager's residence, it is safe and kept clean at all times. Supreme Self Storage has absolutely no negative impact on traffic or neighbors, and if we were to look for a new location, I doubt we would find one that is better suited than 40 Maki Road.

Looking at the intersection of the Island Highway and Maki Road from the air, and all immediate properties to the East, West and South, it clearly shows a natural fit for a commercial and light industrial center, with the wetlands providing a natural boundary from the residential lands to the South West.

We are committed to the rezoning process and hopefully once this rezoning process is completed, 40 Maki Road will have a new zoning designation of I-1 (Highway industrial). We truly believe is in the best interest of not only us as business owners, but also the City as a beneficiary of property taxes from a correctly zoned light industrial amenity, and the community at large to whom we provide a much needed service.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Des Bosa', with a horizontal line extending to the right from the top of the signature.

Des Bosa

Deer Lake Properties