

March 27, 2026
City of Port Moody
100 Newport Drive
Port Moody, B.C
V3H 5C3

Dear Wesley Woo,

Re: Coronation Park Rezoning Amendment – Letter of Intent

Wesgroup is submitting a rezoning application to increase density in Phases B, C, and D at Inlet District, primarily to offset the \$30.3M increase in Development Cost Charges approved in October 2023 and to support delivery of previously committed community amenities. A small portion of the increase also reflects earlier changes in Phase A to enable a 100% rental tower with 25% affordability and a density transfer from Phase B to meet CMHC approval timelines.

Historical Context and Past Decisions

On October 3, 2023, the Coronation Park Rezoning went to Public Hearing, fully compliant with the OCP, and received Third Reading of the rezoning bylaw (CD-89 Bylaw 3417). The financial analysis indicated that it was overdelivering amenities and not meeting the financial metrics required to support further amenities, particularly the inclusion of an affordable housing component under the current maximum allowable residential density. Wesgroup's 2023 financial analysis was independently reviewed by a separate consulting firm with extensive experience in real estate, and this same conclusion was reached.

On October 27, 2023, the Metro Vancouver Board approved significant region-wide Development Cost Charge (DCC) increases, resulting in an additional \$30.3 million in costs for Coronation Park. This additional cost was not factored into the financial analysis completed for the project.

On November 27, 2023, Wesgroup submitted a letter to the City expressing concern that, without offsets, the increase in Metro DCCs would directly affect the project's ability to deliver the in-kind amenities committed to in the original rezoning.

On July 26, 2024 the Coronation Park Rezoning received Final Adoption (CD-89).

On October 28, 2025, Council approved Bylaw No. 3515 (CD 89 Text Amendment), enabling the conversion of Building 2A (Phase A) from office to secured market rental housing. This amendment supports the delivery of 342 rental units, 25% of which are designated as affordable (As defined by CMHC). The office density was relocated to Building 7 (Phase C).

Proposed Changes

Wesgroup remains committed to delivering the robust \$30.8M amenity package as approved by Council and developed in consultation with the community. Since the Official Community Plan and Rezoning for Coronation Park were approved, the additional costs levied by Metro Vancouver have made it unfeasible to deliver all planned community amenities without a corresponding density offset.

This application proposes the following:

- 1) Increase Multi-Family Density by 375,467sf distributed across Buildings 5, 7, 8, and 9**
This change is proposed to primarily to offset the Metro Vancouver DCC increase which was not factored into the financial analysis completed and approved for the original rezoning. As noted in our letter to Council following Metro Vancouver Board's decision, Wesgroup advised the City that in order to absorb this cost, Wesgroup could explore additional density, or consider a reduction in

the existing amenity package (in other words, reducing cost). In addition, a small portion of the density increase reflects adjustments made in Phase A to support the delivery of Secured Market Rental Housing with an affordability component. These adjustments included converting a condominium tower (Building 2) to 100% rental, with 25% affordability, as well as a transfer of Multi-Residential Condo density from Phase B to Phase A (in place of office density) to ensure approvals could be secured within CMHC's required allocation window and approvals timeline.

To summarize, the proposed 375,467sf increase in multi-family residential density captures the following changes:

- Increase in Metro Vancouver DCCs
- Conversion of Building 2 (Phase A) from Condominium to Secured Market Rental Housing with a 25% component of affordability (per CMHC criteria)
- Transfer of Multi-Family Condo Density from Phase A to support Conversion of Bldg A2 from office to secured market rental housing

2) Remove the minimum square footage requirement for office density in the OCP and CD-89 Bylaw while retaining office as a permitted use, and add Secured Market Rental Housing as a permitted use in Building 7.

The OCP and CD-89 bylaw currently require a minimum of 2,717 m² of purpose-built office space at Inlet District. This amendment proposes to remove the minimum square footage requirement for Office (2,717m²) in the OCP and the CD-89 Bylaw, while retaining both Office and Secured Market Rental as permitted uses within Building 7. This approach aligns with the existing CRM and TC zones in Port Moody's zoning bylaw. In effect, this retains Office use if market conditions allow for the development of purpose-built office space.

As discussed with Council and Staff, there is currently limited demand for new high-density urban office space, driven by a broader oversupply across Metro Vancouver. Port Moody also faces additional local constraints as identified in the February 22, 2022 Economic Study, including comparatively high costs to deliver commercial space, which results in lease rates that are difficult for local tenants to absorb. The report also highlights that Suter Brook, a purpose-built office development, required multiple years to achieve full lease-up, underscoring the challenges of delivering new office space in this market. This trend is further recognized in the City's Official Community Plan, which notes "commercial office floorspace has been dispersing throughout the region. Business parks have become favoured locations for office jobs due to lower rents, less expensive land costs and lower construction and parking costs".

Current market conditions in the Tri-Cities reinforce these challenges. The Colliers 2025 Office Report indicates elevated vacancy rates of 10.6% to 11.2% across Class A and Class B office space. Although existing Port Moody inventory shows relatively low vacancy, much of this space is not comparable to Class A purpose-built office product, with Suter Brook and Newport Village being the primary exceptions

The broader competitive landscape for newly constructed office space further illustrates the lack of absorption for new office supply. At SoCo in Coquitlam, only 5,000 square feet of 48,000 square feet has been leased since 2023. At the Brewery District in New Westminster, 37,000 square feet of newly constructed, transit-oriented office space has remained entirely unleased since 2023. In established office nodes such as Burnaby's Metrotown and Brentwood areas (as of Q3 2025), there are approximately 24 floors of vacant office space, including a significant amount of move-in-ready sublease space available at a roughly 25% discount to direct lease rates. While Port Moody benefits from transit access, it remains geographically and competitively disadvantaged relative to these established office nodes where significant oversupply exists. As such, these competing markets must be carefully considered when evaluating the feasibility and demand for new office development in Port Moody.

It is also important to note that Inlet District Phase A has already delivered more than 18,500 square feet above the required retail space, contributing to a total of approximately 95,000 square feet of employment-generating space within the broader Inlet District. In this regard, the proposal is consistent with the Official Community Plan objective of “encouraging a range of high technology, environmentally sensitive, and employment intensive businesses to move toward a balance between the resident labour force and jobs in the City and accommodate the diverse needs and skills of the community. To maintain and cultivate jobs through redevelopment and encourage businesses to operate in a sustainable manner”.

This amendment maintains the ability to deliver office space, however, if market conditions do not improve, it would allow for the development of approximately 45 secured market rental units, subject to final design at the permitting stage. The overall form of development would remain consistent with the approved Inlet District Design Guidelines. This approach preserves the long-term opportunity for office while providing flexibility to respond to current market realities.

3) **Remove the minimum parking requirement across the CD-89 bylaw**

The application seeks to remove minimum parking requirements across the CD-89 zone, to provide flexibility should parking demands reduce. Currently, the CD89 zone outlines minimum parking requirements for Multi-Residential Use of:

- 0.5 spaces per studio unit
- 0.85 spaces per one-bedroom unit
- 1.25 spaces per two-bedroom unit
- 2.0 spaces per three-bedroom or more unit
- 0.2 visitor spaces per Dwelling Unit for the first 100 units and 0.1 visitor spaces for each additional unit

Wesgroup is not proposing to eliminate all parking in future phases. Rather, we are seeking alignment between the municipal bylaw and provincial legislation to ensure flexibility for future phases should parking demand change over time. This would be addressed at each development permit application.

Sincerely,

Kaylen Blomkamp
Director of Development
Wesgroup Properties