

21 September 2015

TO: Board of Directors
Gibsons and District Chamber of Commerce:

FROM: Gibsons Alliance of Business and Community (GABC)

RE: Request to reconsider position

GABC is a registered Society with a mandate to work together with citizens and groups to educate, inform, and support them in making the best decisions possible on issues of public interest in Gibsons. GABC is also a member of the Gibsons and District Chamber of Commerce (GDCC).

When GABC originally formed as the Gibsons Landing Community Association in 2009, it was in large part because our founding members had been disenfranchised by a group called the Gibsons Landing Business Association. Business members of the GLCA did not align with the pro-development *at all costs* mentality of the GLBA Board at the time, so we left to form a group with a broader mandate. The GLBA has since dissolved.

GABC registered as a non-profit Society at the end of 2012, and we became members of the Gibsons and District Chamber of Commerce in 2013. Since then we have encouraged our business and non-profit members to become members of the Chamber of Commerce and to support and attend Chamber workshops, seminars, business after-hours events, etc. We believe that, as a community, we thrive best and leave no one behind when we work together.

As you know, we are opposed to the proposed George hotel/condos/marina project for a number of technical and economic reasons and because the scale and character of the project do not respect the Official Community Plan, Harbour Area Plan, and Zoning bylaws created specifically for the Harbour Area in 2012/2013.

As we have said consistently, we would support a hotel project in Gibson's Landing that fits with the mandated village scale and character, does not threaten Gibsons Aquifer, does not risk spreading toxic contamination in Gibsons Harbour, and adheres in all respects to the Harbour Area Plan—which received unanimous support from Council and community as did the subsequent zoning bylaws created to enforce it. The proposed George development does none of these things.

When we learned that the Gibsons Chamber of Commerce had decided to take a position on the contentious George hotel project, we became concerned for several reasons. As we understand it, your position of support for the George hotel and condos project is based on a poll of the GDCC membership taken in November 2013. We felt the poll was contrived when it was originally done and we filed a [letter of complaint](#) to the Chamber at the time. We would like to reiterate our objections to the support letter, purporting to be from all GDCC members, which was posted on the GDCC website on November 20, 2013 and states:

*We understand that the size of the project is larger than many had anticipated, but the GDCC agrees that **the benefits of meeting almost all the other objectives of the OCP are worth making an exception for this project.***

First, this statement is inaccurate. The George does not meet “almost all” of the 23 objectives listed in the OCP for Harbour Area Development. In fact, in a letter to the developer dated May 1, 2013 (but not released to Council or the public until it was obtained by GABC through a Freedom of Information request), the Director of Planning outlined the many ways that the project did *not* comply with the OCP. Specifically he wrote, “The development, however, is inconsistent with key OCP policies and guidelines, and creates a number of impacts on public spaces.”

Second, the statement is outdated. Since this poll was taken and the letter written, we have learned that the developer’s economic projections are likely greatly exaggerated, the view images were false, the environmental assessment omitted tributyltin (a highly toxic substance difficult to remediate), the developer might just build condos (none of those economic benefits to be realized), and the project could pose a serious risk to Gibsons Aquifer. In addition, the changes that the developer has made to plans have not addressed the issues initially raised but rather have resulted in a higher, more massive structure.

Third, your position does not represent that of an informed, engaged membership. The Chamber describes their three key roles as being to advocate, facilitate, and communicate on behalf of its members. Yet rather than advocating on behalf of ALL members as per the bylaws, the Chamber is advocating on behalf of a select group and a developer, without having facilitated a dialogue with the rest of your membership. You appear not to have communicated in any way to your members about the faulty information submitted by the developer or the serious issues related to this project, including the risk of potential uncontrollable breach of Gibsons Aquifer, the spread of toxic contaminants in the harbour, and the impacts these occurrences would have on citizens, businesses, and taxpayers.

We consider that taking the position of advocating for a developer’s rezoning application based on outdated and inaccurate information without communicating the risks to the membership is contrary to the Chamber’s mandate, an abuse of your influence and role in our community, and an ethical breach.

We ask that the GDCC remove the statement from the website and take a step back to consider the project in its updated form and the many implications of any support for this project before taking a position.

We have outlined a list of our concerns about the project itself for your consideration, grouped under six topics:

- 1. Planning and Intention of the Harbour Area Plan**

In 2004, the Town began a transparent public process to create an official Community Plan. In 2007 the Town of Gibsons adopted our award-winning Official Community Plan (OCP), based on SMART GROWTH principles. In 2009, the Town of Gibsons was named “The World’s Most Livable Community—Population under 20,000” by the United Nations-endorsed LivCom International Awards. The award looked at best practice, innovation, and leadership in providing a vibrant, environmentally sustainable community that improves quality of life. Gibsons also won first place, **among all finalist cities**, for outstanding achievement in “Planning for the Future.”

That same year, a community battle over a proposed waterfront development known as Shoal Bay (about half the size of the George) instigated another planning process to create a Form and Character Development Permit Area for the Harbour. In 2011 the Town adopted the Harbour Area Plan (HAP) and created new zoning bylaws that prescribed that no development on the waterfront in the Harbour would be higher than 35 feet tall (4 storeys). In June 2012, the Gibsons Harbour Area Plan was awarded an honourable mention from the Planning Institute of British Columbia (PIBC) for Excellence in Policy Planning for Small Towns and Rural Areas. The HAP was a consensus document supported by both those who now support as well as those who oppose the George. **Klaus Fuerniss was involved in and influenced the Harbour Area Plan**, and the hotel on the waterfront was hotly debated throughout the process.

The George project flies in the face of over a decade of careful community planning.

- It contravenes the OCP/Harbour Area Plan and the Zoning Bylaw.
- It requires an OCP amendment to allow for spot-zoning and would set a precedent for spot-zoning in the Landing.
- It would set a precedent for high-rises on the waterfront in the Landing.
- There is no guarantee that the project would ever be built. The developer says he “may just build condos.”
- It negatively impacts upland property owners’ views, reducing both property values and the property taxes that will be paid to the Town.
- Approving this project could put the Town in a legal liability position if anything goes wrong with the contaminated site or the aquifer and/or if citizens seek a judicial review to overturn the bylaws.

2. Threats to the Gibsons Aquifer

Waterline Resources, the consultants who conducted the mapping of Gibsons Aquifer, peer-reviewed the hydrogeological aspects of Fuerniss’s engineering study. Some comments from their review include:

- On the land portion of the project site, the **possibility of an uncontrollable breach of the Gibsons Aquitard** caused by the proposed excavation for the parking garage is of major concern.

- **“If heaving is indicated during construction then it may already be too late for corrective action.”**
- **“...It is Waterline's opinion that there is *insufficient data* to characterize the Gibsons Aquifer-Aquitard system within the proposed *dredging area* or to fully understand the *impact of the proposed marine development* on the Gibsons Aquifer-Aquitard system.”**

A second peer review by Levelton Engineering, the company who reviewed Horizon’s geotechnical work, said over and over again in their report of May 7, 2015, that many serious questions and issues remain unanswered. They express concern with the credibility of some of Horizon’s statements and assert that the Horizon study does not appear to have considered **factors that might result in potential soil piping, uncontrolled sinkhole, aquifer depressurization, or ground settlement, any of which could be catastrophic.**

Levelton suggest that the issue of dredging for the marina and cleaning up the contamination landward and seaward of the site **should be dealt with before any permits are issued, and they question the economic feasibility of the project.**

On page 5 of their report, Levelton Engineering say, “We are concerned with the request from Horizon raised in section 14.3 of the report to seek **indemnification** for themselves related to building use below the flood control level.”

Levelton conclude their report saying, “We are not at this time in a position to advise the Town that the report, as submitted, has adequately addressed the potential geotechnical issues or provided a suitable confidence level as to the adequacy of proposed site preparation and foundation concepts.”

Since those alarming reports were published, Horizon has made some changes to the foundation concepts, although these appear to be largely untried, especially in a geotechnical area like the Harbour. No evidence was put forward that they had addressed the site preparation problems at all. Neither Levelton nor Waterline has been consulted as to the adequacy of Horizon’s changes. Given Horizon’s track record—they originally said that the project would not harm the aquifer when in fact excavations WOULD have penetrated it—we feel it would be negligent not to have the Town’s unbiased consultants peer review Horizon’s work before accepting their conclusions.

GABC are deeply concerned about potential loss of our drinking water supply in the event of an uncontrollable breach and the economic impacts the loss could have on our entire community. The artesian aquifer is an irreplaceable natural asset. If the aquifer were to lose pressure, it could cost our community tens of millions of dollars in infrastructure to replace what it delivers for free. The impacts on Gibsons property owners and businesses would be devastating. Impacts on the SCRD water supply and the entire regional economy could be immense. This is not a risk any community should ever take.

In the event of the loss of water supply, recovering costs from the developer and/or the engineers would be next to impossible. The developer's consultants are seeking indemnification, and Hyak Marine, the corporation behind this project, could easily dissolve and leave the Town holding the bag.

3. Risks Regarding Spreading Toxic Contamination

An Environmental Assessment (EA) for the George Hotel was submitted to the Town from the developer on December 31, 2012. This EA documented the current status of the marine foreshore and identified contamination on the upland and marine foreshore sections of the Hyak Marine property on which this hotel is to be developed. The EA concluded that "the project can be managed and mitigated to ensure that there are no adverse environmental effects."

GABC was sufficiently concerned that we worked collaboratively with Dr. André Sobolewski, a microbiologist specializing in water contamination and mitigation, to review the EA. Additionally, he conducted independent sampling and testing. He found several important deficiencies in the EA, including ill-defined measures to mitigate potential impacts, omission of potential impacts/risks on our drinking water aquifer, and failure to analyze foreshore sediments for tributyltin (TBT), though an earlier report indicated that TBT was detected in these sediments. He also confirmed the presence of TBT, a highly toxic substance—one part per trillion is lethal—that is difficult to remediate.

More recently, he noted that the investigations of contamination at this site were limited to the top 0.5 m, which is the Aquifer Protection Limit. What if there is contamination below this limit that needs to be remediated?

The Town has "opted out" of the Ministry of Environment's process to evaluate this site and is ignoring the serious omissions and deficiencies in the developer's EA.

4. Analysis of Promised Economic Benefits

Dr. Dorothy Riddle is an acknowledged expert in economic development and economic impact analysis, having worked in more than 85 countries under contract to all of the major economic development agencies as well as directly with national and local governments. She has authored twelve books, taught international services trade and economic development at the graduate level (as well as statistics and research methodology), and was the first Canadian appointed by the Prime Minister to the APEC Business Advisory Council (ABAC), which she co-chaired in 1996.

Concerned by some of the economic claims presented by Klaus Fuerniss at his first open house in September 2012, she began asking questions of the Director of Planning about the data behind those claims since the primary rationale for waiving OCP requirements was being stated as economic benefits for the community. After nine months of analysis, Dr. Riddle produced a detailed report

titled *Analysis of the Probable Economic Impact of The George Hotel and Residences on the Town of Gibsons* that concluded that the design as of October 2013 was likely to produce the following results:

- Annual municipal property tax revenues from the hotel and condos of \$255,068 (not \$1 million), with a net present value over 25 years of \$4.8 million.
- A negative profit margin of -45.5%, which could result in the developer asking Council for a tax holiday on the municipal portion of the property tax assessment.
- Unknown employment levels for Gibsons residents or new hires who move to Gibsons, with the possibility that employees actually living in Gibsons could be fewer than ten.
- An average wage of \$35,948 for employees below the senior management level, with 43% of those employees earning less than \$24,000 a year.
- A loss of local and visitor business for current merchants as purchasing consolidates at the new community hub, The George.

Her report also concluded that a hotel of smaller size (i.e., 56 rooms) could be profitable for the developer and produce economic benefits for the community.

Before submitting the report to Council, Dr. Riddle met first with the CAO and then with the mayor in January 2014 to review the report, request that it be placed on the Town's website along with the other professional reports on the George proposal, and discuss presenting the report to Council. The mayor refused to have it on the website and also refused to allow Dr. Riddle to appear as a delegation (that decision was not reversed until April 2014). Although Dr. Riddle had been serving on the Town's Economic Development Committee, the mayor refused after that point to acknowledge her expertise and has been publicly denigrating Dr. Riddle.

Coriolis Consulting was then hired to produce an economic impact report (without the contract being put out for tender), which was to provide (a) an opinion on what would be a reasonable Community Amenity Contribution, and (b) a high level review of potential municipal costs and revenues associated with the proposed Comprehensive Development rezoning. When this report was presented to Council in September 2014, Dr. Riddle provided Council with a detailed analysis of its shortcomings, concluding with a list of 10 questions that remained outstanding.

Because of the implications of the George proposal for the business community, Dr. Riddle offered in January 2014 to meet with the GDCC Board to discuss her report and respond to questions. She was told that the Board was not interested. GABC's concern is that GDCC appears to have completely ignored a professional report of great relevance to its members.

5. Privatization of Public Lands

Under the terms of the George development proposal, the Town is prepared to transfer a public road access to the waterfront to the developer in exchange for

access that is not “of equal benefit”; remove requirements to acquire foreshore lands for the public through re-development; forgive site setbacks; and allow the developer to encroach on the public park for storm water management and for staging construction. It has already turned over a town-leased public water lot to the developer for a private marina (which could eventually dramatically decrease moorage available for Town residents and visitors). Although Town staff have repeatedly stated that the Town needs money, they have negotiated no financial benefit for the community for the privatization of these public lands/assets. This deal is proceeding not as a financial trade-off but rather as a giveaway representing a huge loss of public assets for taxpayers. It seems to GABC that GDCC would be concerned about the ramifications of this lost financial opportunity for its members.

6. Divisive, Misleading Campaign

As noted above, the developer has consistently submitted inadequate and misleading information to the Town and the public about this project, denying it vehemently until proof has been presented and then pretending it never happened. The developer’s public position has been that he has made numerous adjustments to the project plans to accommodate the Town’s interests when, in fact, each design has grown larger and further from the form and character specified in the OCP/HAP. The divisiveness that has grown between previously neighbourly townspeople is hitting a fever pitch on social media, in the local papers, and in Council meetings with personal attacks and even threats—and one actual case—of physical violence. Citizens have boycotted local merchants who display banners stating support for the project, and now you, the Chamber of Commerce, are under scrutiny for your support of this contentious project.

If the GDCC had informed and engaged the membership transparently and come to conclude that a vast majority of members supports this project despite the risks and negative impacts, then GABC would acknowledge, respectfully disagree with, and accept your position. But you have not.

Any businessperson knows the importance of accurate impact analysis and of identifying and planning for not only the best-case but also the worst-case scenario. We ask that the GDCC remove the current website support statement and instead inform and engage members before asking them what they think. Uninformed opinions, in a situation like this, are meaningless. Please ensure that the GDCC membership has a chance to hear accurate, up-to-date information, including both supporting and opposing points of view about this project, before adopting a public position.

Thank you for your time and consideration of our concerns.

Suzanne Senger
President
Gibsons Alliance of Business and Community Society
Member, Gibsons and District Chamber of Commerce