

March 5, 2024

Nola Kilmartin
Chief Planner
City of Kelowna
City Hall 1435 Water Street
Kelowna, BC V1Y 1J4

Attention: Ms. Nola Kilmartin

Dear Nola,

Re: Proposal to Introduce Car Share Services in Kelowna

I am writing to you on behalf of Jim Pattison Lease, one of the largest and most respected car leasing and fleet management companies in the industry, with an exciting proposal that aligns with the growing transportation needs of Kelowna.

Commitment

As a company deeply committed to innovation and community service, we are thrilled to announce our readiness to venture into a new business domain—providing car share services for the greater Kelowna area. We have plans to take this business nationally. This initiative is not just a business expansion for us; it's a step towards contributing to Kelowna's, and Canada's urban mobility and sustainability goals.

We have ambitious plans to operate and expand this business in Kelowna and across the country for many years to come, reflecting our long-term commitment to growing and sustaining this initiative.

Rationale

Our confidence in this concept is not unfounded. We have conducted research into the local transportation landscape, evaluating the opportunity, demand, and market potential. Our findings indicate a significant need for flexible, efficient, and eco-friendly transportation solutions in Kelowna, especially given the city's growing population and the increasing emphasis on reducing carbon footprints.

The timing for launching our car share initiative is exceptionally opportune, coinciding with the recent introduction of various bills by the province of BC aimed at encouraging housing development while simultaneously reducing minimum parking stall requirements. This legislative shift ensures that the demand for car share services is poised to increase, aligning perfectly with our initiative's launch, forecasting a promising future for this sustainable transportation solution.

We're excited to launch our innovative car-sharing service in a community renowned for its growth and development potential. Our analysis indicates that this location will be profitable at launch and will grow as the population expands with development.

Access & Operations

Our service will leverage advanced technology, blending mobile and telematics solutions, keyless vehicle entry and ignition, entry, scheduling, and payment systems. This ensures a hassle-free experience for users to locate, book, access, drive, and manage payments for their rides with only their smartphone.

Furthermore, we're committed to ensuring ease of access for our users. Our vehicles and access points will be secured through secure codes and touchless access methods, resulting in a smooth and secure process for all.

Our vision is to create a network of shared vehicles that are easily accessible and cost-effective, complementing the existing public transport system and the current car share company operating in Kelowna. This service is particularly aimed at providing a convenient option for those who occasionally need a vehicle without the hassle of owning one, thereby reducing the number of privately owned cars on the road and contributing to a cleaner, less congested urban environment.

We are enthusiastic about the prospect of working collaboratively with the City of Kelowna to make this service a reality. Our proposal includes a comprehensive plan addressing key aspects such as vehicle maintenance, service area coverage, user accessibility, and an environmentally friendly fleet (all cars to be electric).

We believe that our expertise in the automotive leasing industry for the past 60 years, combined with our commitment to innovation and community welfare, positions us uniquely to successfully implement and manage this service. We are eager to discuss how we can tailor this proposal to best fit the needs and expectations of the Kelowna community.

First Launch

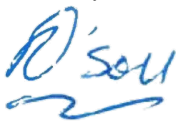
To that end, we have an immediate opportunity to implement our car share platform in the proposed Jim Pattison Developments purpose-built rental residential project located at 3805 Lakeshore Road in Kelowna. We plan to begin with an initial fleet of 5 cars, with a desire to scale the business upwards, adapting to the community's needs.

Jim Pattison Lease understands that the City of Kelowna's bylaw (8.2.11) requires that new developments receiving a car share parking reduction guarantee operation of the program for a minimum of 2 years. We are committed to meeting this obligation in partnership with Jim Pattison Developments and are willing to increase the minimum to four years at the proposed development to provide security that the car share platform will remain in operation for the benefit of residents and the public.

We attach our standard **Letter of Understanding** with Jim Pattison Developments for the basic business terms upon which our car share service will be delivered to this exciting new project as well as a **Carshare Information Package** that outlines the background related to Jim Pattison Development's Rezoning/ Development Permit Application Submission.

Thank you for considering this proposal. We are excited about the possibility of bringing this much-needed service to Kelowna and look forward to the opportunity to contribute positively to the city's transportation landscape.

Yours truly,



Ryan D'Souza
President, Jim Pattison Lease

CC:

Doug Gilchrist, City Manager
Ryan Smith, Director of Planning
Jocelyn Black, Manager Urban Planning
Mitch Cramp, Jim Pattison Developments
Adam Gruchala, Formosis Architecture
Paul Williams, Williams Management

Enclosed: **Letter of Understanding**

Carshare Information Package



3805 Lakeshore Road, Kelowna

Carshare Information Package to Support Rezoning/Development Permit Application Submission dated May 2, 2023

Provided by: Jim Pattison Developments Ltd.

Provided to: Mark Tanner, Planner II – City of Kelowna

Introduction:

Based on the parking reductions being sought in our application, Jim Pattison Developments (JPD) held a meeting with Modo Carshare (Kelowna) to discuss our project. At this meeting, Modo declined the opportunity to participate in our project, causing JPD to seek other carshare solutions. Fortunately, another Pattison Group company – Jim Pattison Lease (www.jimpattisonlease) has committed to providing both the carshare operating platform and vehicles required to support our project and which meet the carshare requirements of the City of Kelowna.

Our understanding of the definition of the City of Kelowna’s Carshare Organization to be:

CAR-SHARE ORGANIZATION means operations that allow members of the general public to book vehicles on a short-term as-needed basis, paying only for the time they use the vehicle and the distance they drive. The operators are responsible for maintenance, insurance and vehicle booking through an online application.

As per the Planning Department’s request, we have addressed the following issues with respect to providing our Carshare Program through Jim Pattison Lease:

1. Confirmation that Modo is not willing to provide carshare vehicles:

Attached please find an email from Modo Carshare confirming that they are not willing to provide carshare vehicles at the proposed development (3805 Lakeshore Road, Kelowna).

2. How the car-share would meet the requirements of the Zoning Bylaw (dedicated car and parking stall, available to the public)

The Carshare vehicles and dedicated Carshare stalls for our project would be located on the ground level of the secured parkade at 3805 Lakeshore Rd, as indicated on the attached plan. The parkade will be fully secured but will permit 24/7 access to Carshare members (both general public and tenants of our project) that have made a Carshare booking online. In a separate service agreement with Jim Pattison Developments, Jim Pattison Lease will ensure that regular maintenance schedules are adhered to, and adequate insurance is in place for the Carshare vehicles. Jim Pattison Lease is currently in the process of developing an online application dedicated to Carshare usage and payment platform, which we will share with the City of Kelowna when it is completed in the coming months.

3. Details on how the organization would operate (e.g., overall structure):

The Carshare platform will operate as a solely owned business line of Jim Pattison Lease. All vehicles, online applications and other proprietary business functions related to the Carshare business line will be owned and administered by Jim Pattison Lease. Jim Pattison Developments will enter into a Services Agreement with Jim Pattison Lease to provide the Carshare program to our project.

4. Previous experience or resources that would demonstrate that it is viable:

Jim Pattison Lease has been in business for over 61 years and is one of the largest privately held fleet vehicle management companies in Canada. Jim Pattison Lease also operates Visa Rentals and Leasing, a rental vehicle company that provides services in British Columbia and Alberta. They have been exploring entering the Carshare market for some time and possess the technological, financial and vehicle resources to deliver an exceptional Carshare offering to the Kelowna market, and to fill a clear market gap that exists as a result of having only one other Carshare provider for Kelowna in Modo.

5. Information on how booking would work and availability to the public:

The Jim Pattison Lease Carshare program would take bookings and payment through an online application, similar to Modo and other Carshare providers. We will share the new mobile application with the City of Kelowna when Jim Pattison Lease has completed it in the coming months. The mobile application would be available for free download by the general public and by the tenants of our project. Access to Carshare vehicles would be into the secured parkade at the project with a one-time access code via an access door as indicated on the attached plan. The entrance and parking area will be under 24/7 CCTV surveillance to enhance safety. When the Carshare members are finished with their booking, they will return the Carshare vehicle to a designated stall at our project. The Carshare vehicles will be equipped with programmable garage door openers to allow access in and out of the parkade.

6. Details about how the car-share would be secured (e.g.: if the building sells, how is it assured that the car-share will be continued, the parking stall will still be reserved etc.):

Like legal agreements that we have entered with the City of Vancouver for Carshare services, Jim Pattison Developments would propose to enter into a legal agreement with the City of Kelowna for Carshare services at the property, to be registered on title. We are pleased to share precedent legal agreements with the City of Kelowna or to review the terms of existing Carshare legal agreements that the City of Kelowna would like to use. The terms of the Carshare legal agreement would include for such items as specifically identified Carshare stalls to be designated, Jim Pattison Developments' obligations to maintain ongoing carshare services, and the length of time for those obligations. Jim Pattison Developments intends to hold and operate the project on a long-term basis, but in the unlikely event the property did sell, the legal agreement registered on title would have provisions such that the obligation to provide Carshare services would survive and be passed onto subsequent owners.

7. Assurances about the long-term sustainability and JPD's commitment to the car-share in the long term (e.g.: is it financially viable; it won't just be abandoned after a year or two if there is lower use):

Jim Pattison Developments has held extensive discussions with Jim Pattison Lease with regards to our proposed Carshare solution for this project. The Services Agreement that the two parties will enter into will ensure that this venture is financially accretive to Jim Pattison Lease and that they will maintain the service for the long term. Jim Pattison Lease views this Kelowna Carshare opportunity as a springboard to a much broader opportunity to develop and grow an entirely new business line for their company. Jim Pattison Developments intends to reconsider Carshare providers for all future multi-family residential projects, for which we have a deep development pipeline, and to look to Jim Pattison Lease as our Carshare provider. This approach will not only further support this new business line but will allow Jim Pattison Lease to build their brand in this space so they can pursue other third-party developers beyond Jim Pattison Developments.

INFORMATIONAL - INDICATIVE & NON-BINDING

March 5, 2024

Jim Pattison Developments Ltd.
#200 – 879 Marine Drive
North Vancouver, BC
V7P 1R7

Attn: Mitch Cramp

Dear Mitch,

Re: Car Share Arrangements at 3805 Lakeshore Rd in Kelowna, BC

This letter confirms that Jim Pattison Lease sees the location of the proposed mixed-use development, 3805 Lakeshore Rd, Kelowna, as having good potential for car sharing. Under the following arrangements, Jim Pattison Lease would be willing to enter into an agreement with Jim Pattison Developments Ltd. (the “Developer”) to provide car sharing services:

1. The Developer will arrange, at no cost to Jim Pattison Lease, the provision of five (5) designated parking stalls within a secured and gated parking lot at the proposed development, each equipped with a Level 2 electric vehicle charging station, and publicly accessible to all Jim Pattison Lease Car share members on a 24/7/365 basis. Jim Pattison Lease has reviewed the development permit drawings dated May 5, 2023, provided by the Developer and deems the stalls labelled CAR SHARE 01–05 on P1 as being suitable for Jim Pattison Leases’ operational needs;
2. Jim Pattison Lease will review the final parking drawings and visit the development site to ensure that the stalls to be designated for carshare comply with Jim Pattison Lease’s construction standards for shared vehicle parking space;
3. Assuming occupancy of the proposed development in 2026, the Developer will provide Jim Pattison Lease with a one-time financial contribution of \$155,000.00 plus GST (the “Project Fee”) to be used by Jim Pattison Lease toward the ownership costs of five (5) new shared vehicles with electric motorization to be located in the parking stalls designated for car sharing;
4. At no cost to the Developer, Jim Pattison Lease will provide the Developer with a multi-user membership for Jim Pattison Lease Car Share with a public value

equivalent to the Project Fee, valid for the lifetime of the proposed development and allowing (i) residents of the proposed development and (ii) staff of the future commercial tenants to simultaneously benefit from Jim Pattison Lease Car Share membership privileges and lowest usage rates without the need to themselves pay membership fees.

5. Jim Pattison Developments will provide a promotional incentive worth \$100 of driving credits to each occupant of the development joining Jim Pattison Lease Car Share for the first time.

6. The City of Kelowna's Bylaw (8.2.11) requires that new developments receiving a car share parking reduction guarantee operation for a minimum of 2 years. Jim Pattison Lease is willing to commit to operate at 3805 Lakeshore Rd for a minimum of 4 years.

Jim Pattison Lease is interested in working with Jim Pattison Developments Ltd. and to be part of its proposed development at 3805 Lakeshore Rd, Kelowna whose future occupants and nearby residents may no longer need to own a car of their own for their personal and business needs.

Sincerely,



Ryan D'Souza
President, Jim Pattison Lease