


January 20, 2025

## Innovation Village – January 2025 Investor Update

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WestStone is pleased to inform you that things are moving well with Innovation Village and the site work is progressing in a very positive way. On January 13<sup>th</sup>, 2025, the development's rezoning received 3<sup>rd</sup> Reading at the City of Surrey council meeting. The Preliminary Layout Approval (PLA) will now be issued for the new subdivision lot lines. Work is proceeding to address the remainder of the Advisory Design Panel (ADP) items and clear up a few legal issues so that the development can achieve final adoption (here is a link for the Report to Council  [PLR 7924-0143-00.pdf](#)).

From an investment perspective, it's important that you read the **Investor Impact Information**, contained further on in this update, as this will give you an insight as to why Innovation Village was delayed and what steps WestStone had to take to remedy that delay and protect everyone's interests.

WestStone's new civil contractor, M&M Excavation, was engaged in December 2024 to complete Phase 2 of the offsite civil works and complete the future 95 Avenue road work. A copy of the offsite civil construction schedule is contained later in this updated report.

We are also pleased to be able to inform you that Lot B, now named the *Marquis*, the 37-storey residential tower, achieved 3<sup>rd</sup> Reading of its Development Permit on January 13<sup>th</sup>, 2025.

The realignment work on the creek is substantially complete and is awaiting a final sign-off by the required regulatory authorities, including the Ministry of Environment and the Department of Fisheries and Oceans. The report is currently being prepared for the extension and satisfaction of the Water Sustainability Act Permit by our Environmental Engineer, this ensures that the project is compliant with Provincial, Municipal and other related authorities having jurisdiction. Several issues also served to delay the off-site servicing works, such as:

- Contaminated soils
- Invasive plant species
- City approvals
- Regulatory Extensions
- Tree issues

*Figure 1 - Staging Area*



*Figure 1 – Newly planted trees*



*Figure 2 - P-15 Planting Area*

Current activities on-site include work on Lot D, the substantial portion of land that we are required to dedicate to the City of Surrey under a P-15 Agreement (the forestation planting areas and the creek channel). Lot D work included the creek realignment along the northern perimeter of Innovation Village inside the required City setbacks, the engineering and construction of the new stream channel and carrying out native planting to create a forestation area which also entailed topsoil and mulch installation. On the upside, we have eliminated the three culverts that previously serviced the creek and it is now daylighted over its entire watercourse through Innovation Village. This daylighting vastly enhances the important food chain for the Salmon life cycle.



As documented early in 2023, our consultant team estimates that approximately 80% of the riparian area, as defined in the Riparian Restoration Plan, was replanted and restored with native plants, topsoil and mulch. The restored areas are on the north and south banks of the newly constructed West Quibble Creek channel. The collaboration between WestStone, the project consultants, and the City of Surrey is instrumental in achieving the principal goals of the P-15 Agreement, ensuring the lasting positive impact of this creek realignment undertaking. The current civil design is shown in Appendix A of this report.

Current servicing program actions include the following:

- December 2024, commenced the infill on the South Side of the property to make way for 95 Avenue which will connect to King George Boulevard.
- All clearing and grubbing to be completed by February 2025
- Activities related to the utility requirements include installation of the 95 Avenue stormwater discharge outlet and construction and maintenance of the 95 Avenue temporary bypass;
- Installation of a lock-block wall along the east channel adjacent to the King George Boulevard culvert inlet;
- Construction of the west channel bank with imported fill material and riprap;
- Tree and vegetation removals from the southern channel banks in preparation for future development;
- Initial riparian area restoration along the north and south banks of the west channel including riparian planting, mulch and topsoil installation;
- Installation of erosion and sediment control measures including straw wattles on the planting slopes;
- Removal and off-site disposal of Japanese knotweed and soils (potentially contaminated with plant material) from the abandoned southern channel;
- Removal of stockpiled material from the site.
- Planted native shrubs appear well-established and healthy in numerous sections of the restoration area along the new Quibble Creek channel. Specific areas have exhibited dense growth, primarily featuring snowberry (*Symphoricarpos albus*) and red-osier dogwood (*Cornus sericea*), with high survival rates noted;
- Visual inspection revealed an absence of discernible erosion or displacement of mulch or topsoil within the planting area; and
- The presence of invasive and non-native plant species was documented throughout the restoration area. Notable instances include a strain of squash proximal to the King George Boulevard culvert inlet and expansive vine coverage spanning at least 30 square meters on the southwest bank, immediately upstream of the culvert. Other identified species include reed canary grass (*Phalaris arundinacea*), Himalayan blackberry (*Rubus armeniacus*), bindweed / morning glory (*Convolvus arvensis*), and tree mallow (*Malva arborea*) within both the planting area and the new channel.

Notable dates for completion are outlined below. These dates are subject to change based on items which are outside of WestStone's control.

***Project Servicing and P-15 Schedule***

	Item	Status	Estimated Completion
1	General Rezoning Approval	100%	Completed June 2022
2	Short Form Servicing Agreement Completion	100%	Completed May 2022
3	Final Servicing Agreement Approval	100%	Completed July 2023
4	Tree Cutting Permit Applications	100%	Completed August 2022
5	Erosion and Sediment Control Measures	100%	Completed September 2022
6	Creek Works (incl. Creek Relocation)	97%	February 2025
7	Roadworks	30%	October 2025
8	Water Mains and Sanitary	15%	July 2025
9	Hydro/Tel/Utilities and Balance of Servicing	10%	December 2025
10	Retaining Walls and Fencing	25%	October 2024

We will continue to provide project construction updates as and when milestones are achieved.





As mentioned in the previous investor update, WestStone's continued involvement, guidance, and oversight will be required on the development and construction of Lots B and C. As part of our ongoing engagement within the project, WestStone's current developmental scope of work includes:

- Preparation and Submission of the Detailed Development Permit package – Completed
- Securing financing as required for the Project – Currently underway
- Preparation and Submission of the Building Permit Packages for Lots B and C (separately)
- Marketing and Sales Brief Preparation – Currently underway
- Presentation Centre Procurement – Completed
- Presentation Centre Design and Permitting – Currently underway
- Presentation Centre Construction and Occupancy
- Disclosure Statement, Agent and Marketing Agreements
- Presentation Centre Opening
- Presales Launch

The current submission has been revised from the original General Development Permit to accommodate changing market conditions and construction costs. As part of the new Detailed Development Permit, the following changes have been made:

- The Lot C building will be comprised of a 6-storey residential mid-rise. An increase in density may be approved in the future based on the designation of a "Transit Orientated Development". In the meantime, we will proceed with the development and construction of Lot B and temporarily hold the approvals currently in place for Lot C as a longer-term measure.
- Parking Levels have decreased from 7 Levels to 6 Levels, and we intend to further reduce parking, wherever possible, based on the new regulatory mandates from the Province.
- Amenity areas have been modified to meet the minimum requirements noted by the City during the General Development Permit process.
- The general design of the Lot B Tower has been revised to be much more economical in terms of construction costs, including concrete formwork contact area and maximizing the saleable area of the units compared to the general building area of the project. This strategy will be applied to Lot C as well.

Appendix B includes the latest Site Plan and Renderings.

Below is a schedule for Development and Building Permit approval based on the current proposal. These dates are subject to change based on items which are outside of WestStone's control.

***Project Development Schedule***

	Item	Status	Estimated Completion
1	Detailed Development Permit Submission	100%	Completed December 2023
2	Detailed Development Permit Approval	20%	April 2025
3	Building Permit Submission	0%	September 2024
4	Building Permit Approval	0%	January 2026
5	Marketing Brief	30%	April 2025
6	Presentation Centre Procured	30%	June 2024
7	Presentation Centre BP Issued	0%	March 2025
8	Presentation Centre Completion	0%	June 2025
9	Disclosure Statements, Legal Agreements	0%	June 2025
10	Presales Launch	0%	June 2025

**Investor Impact Information:**

As mentioned in our previous investor update, events occurred with the buyer of Lots B and C that resulted in WestStone having to step up and retake control of the project. WestStone did this to protect everyone's interests rather than face the alternative of a potentially complex and time-consuming legal issue, which in turn could have significantly delayed the project and substantially impacted the investors.

WestStone's action of creating a joint venture with the buyer to move the project forward, also served to protect the Innovation investors. This ensured that the Innovation investor's equity position is in priority to a significant portion of the buyer's equity position.

WestStone's joint venture involvement, holding a 50% interest for both itself and the Innovation investors, ensures that the investors will get their best possible return and further ensures that WestStone retains control of the development process.

The contracts for Lots A, B and C all require that WestStone be responsible for performing, and paying for, all the work required to complete the off-site servicing works detailed by the City of Surrey to service all the Innovation Village lots. This is a large and significant part of the project and, as a show of pragmatic good faith, WestStone has paid for and continues to pay for all the associated costs.

This constitutes a large financial burden arising from the project itself, a burden that has unfortunately resulted in the delay of interest payments to Innovation investors. Funds have to remain invested in the project, so immediate cashflow from the project will be negatively impacted for a while longer.

WestStone believes that the newly proposed Development Permit package will be significantly more beneficial to the joint venture and to the investors as this substantial development moves forward.

As the Innovation Village development proceeds it will become one of the key attributes to Surrey's ever evolving city centre. It's location adjacent to Surrey Memorial Hospital and the build-up of medical related businesses in the immediate area, ensures that it will contribute immensely to the neighbourhood.

We will be providing quarterly distribution updates to this investor newsletter and providing site relevant information on the website as and when it happens.

Next Steps:

- *Coordination as required to complete Development Permit Approval.*
- *Coordination as required to complete Building Permit Approval.*
- *Continue working on Marketing Brief and other materials.*
- *Finalize the presentation center floor plans and marketing materials*
- *Finalize Building Permit Tenant Improvement Permit for the Presentation Centre.*
- *Develop Disclosure statements, legal agreements, and more as required for presale launch.*
- *Finalize Budget and Schedule for DP and BP issuance on all project items including Lot B, Lot C, and the Presentation Centre.*

***End of Innovation Investor Update***

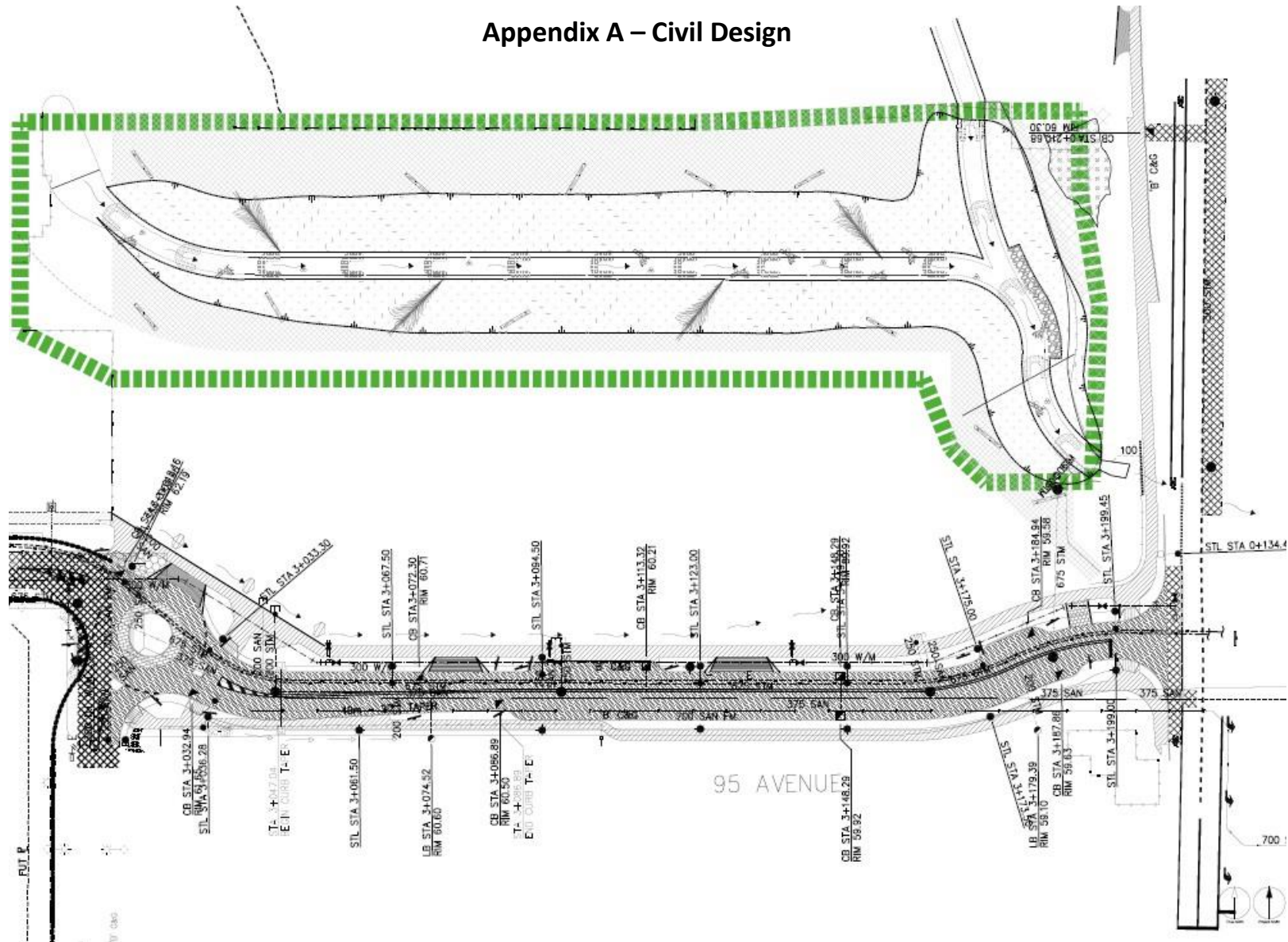
**IMPORTANT: PLEASE VISIT OUR INVESTOR WEBSITE AT**

**[www.wsinnovation.ca](http://www.wsinnovation.ca)**

**TO STAY UPDATED AND INFORMED**

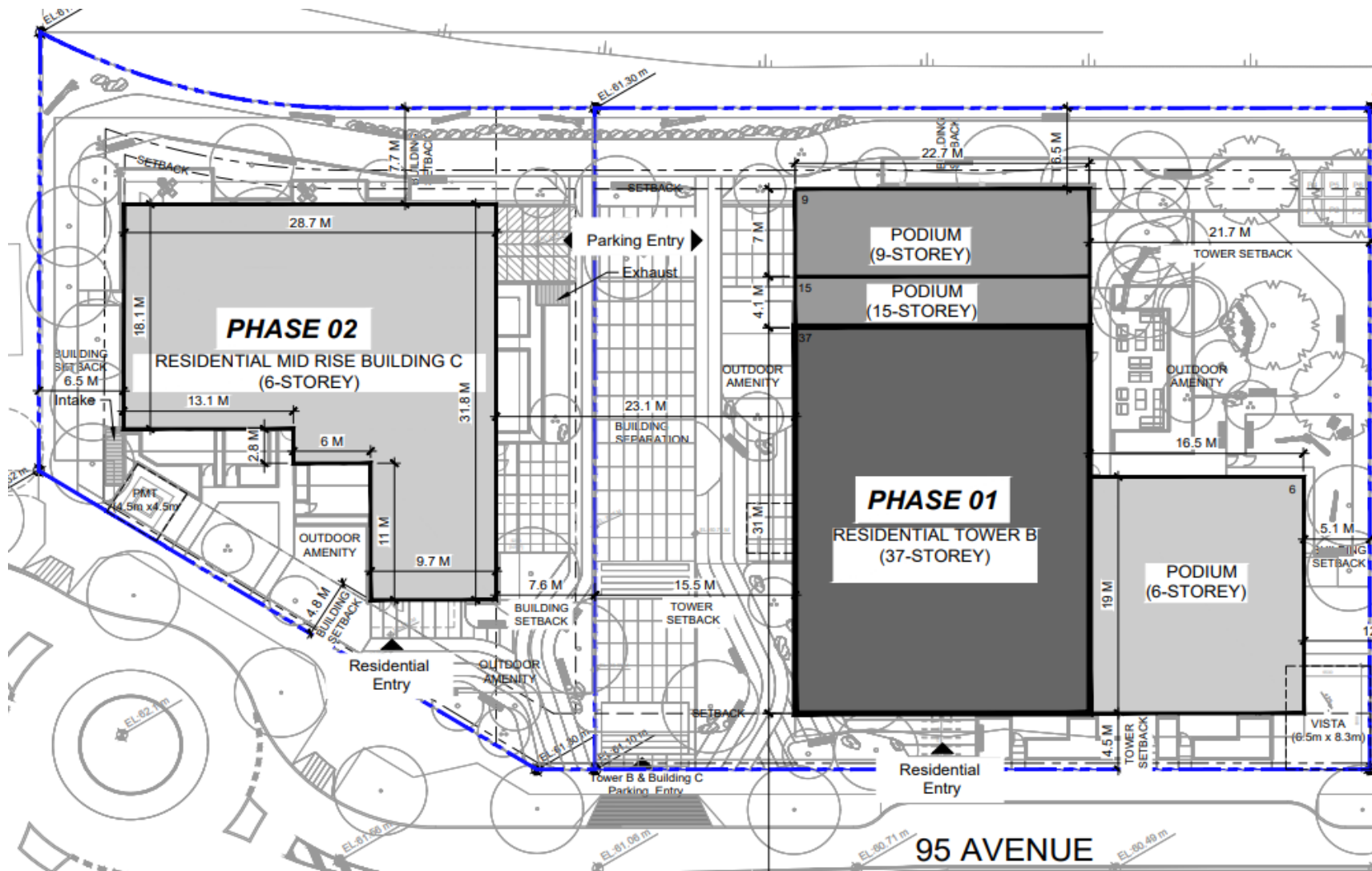


## Appendix A – Civil Design





## Appendix B – Site Plan and Renderings





INNOVATION VILLAGE







INNOVATION VILLAGE

