

October 23, 2024

Mayor Alto & Council
City of Victoria
City Hall
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor & Council,

RE: 1306-1330 Broad Street and 615-625 Johnson Street, Victoria, BC Rezoning and Heritage Alteration Permit

For nearly 20 years, Chard Development Ltd. (“Chard”) has been developing neighborhood enhancing, mixed-use projects in the City of Victoria. From Corazon (2005) to Cook Street Plaza (2024) - and the many projects in between and currently underway - these projects have helped to strengthen the City, bringing diverse housing options and retail vigor to a diverse section of Victorians. Now, with our continued investment in downtown Victoria’s first purpose-built hotel since 2004, Chard is excited to once again demonstrate that we are builders of – and believers in – Victoria.

Chard’s involvement in 1306-1330 Broad Street and 615-625 Johnson Street (“Broad” or “The Project”) rehabilitation and redevelopment began in 2016 with initial community engagement commencing in 2017. The significant heritage abatement and structural retention of the brick façade promotes public facing aspects of the former Duck’s building and rubble wall, as well as salvage of existing heritage building elements began in mid 2023 and remain on-going.

Since our original application was made in 2019 for a 135 room, 6-storey, lifestyle hotel, there have been significant shifts in construction costs, policy changes, and the tourism sector. In this time, we have seen the hotel construction budget balloon by more than \$200 per sf or 51%, hotel vacancy rates drop to under 10% during the peak (May – September) tourism months, and AirBnB operations restricted within Victoria. Over the past 15 years, the Greater Victoria market lost 1,250 hotel rooms through demolition or conversion, while only 120 new rooms were added during the same period. Tourism in Victoria has been increasing, with overall tourism growth at +9% for 2024, and the demand for hotel room nights increased by 10% year-to-date. We have also discovered that the retained heritage walls were in poorer condition than initial assessment had indicated and have had to incur material expense and schedule impact in order to safely support them in a sensitive and respectful manner. The safety adjustments were required for the team completing the work, public sidewalks, and the long-term safety of the building. When we first began this project, the original costing was \$394 per sq ft. Today, the project was recently tendered at \$595 per sq ft. for just the new structure. In addition, the heritage abatement and restoration budget was originally \$1.6M and is now \$5.1M.

In response to these challenging realities we are, by way of this application package, submitting for new Rezoning and Heritage Alteration Permits. This new application proposes a modest, significantly setback two-storey addition of 31 additional guestrooms. The additional height and commiserate density will allow the project to remain economically viable, provide additional hotel rooms, and offer additional public benefit in the form of community arts and culture contributions. The application respects the form and character of our originally approved HAP and heritage retention/restoration commitments made.

To compliment the lifestyle brand and interior design of the future hotel, Chard is looking to make a commitment to the local creative community to showcase their work on a rotating basis in a selection of hotel rooms. This is a unique opportunity for the Victoria creative community to put their work on display to the visiting public at no charge. The project will also make available meeting space to the art and culture community free with a set number of hours each quarter.

Chard truly believes this hotel will significantly strengthen the local economy of the Old Town, enhance the activation of Broad Street, both day and night, given the hotel use of the project, and offer an opportunity to promote local events in the ground floor restaurant and meeting space. To further support this vision, Chard is also offering to fund a neighborhood enhancing catenary lighting installation along the 1300 block of Broad Street, utilizing the infrastructure that was previously installed to support this future use. Chard hopes this will encourage Broad Street to be utilized for local events, celebrations, farmer's markets, and other community building events, providing an additional cultural epicenter to Downtown Victoria.

An important part of this new Rezoning and Heritage Alteration Permit Application package is the attention to compliance with Victoria's existing Official Community Plan ("OCP") and the 2050 Emerging Policy Framework that is part of the ongoing OCP Update. Chard recognizes that the City is undergoing significant policy changes that will shape the built form of Victoria's neighbourhoods for decades to come. It is critical that we not only respect these policies in our development proposals, but that we evolve with them as they adapt to the growing nature of Victoria and its urban landscape. Our Team has conducted a comprehensive OCP review and identified key areas where this proposal responds to the contents of the OCP and Emerging Policy Framework. Please refer to Appendix A for further details.

SITE SUMMARY

This proposed development occupies property owned by the University of Victoria ("UVic") along the 1300 block of Broad Street bordered by Johnson Street to the north. Chard is seeking to increase the room count from 135 to 166, of which 13 of the increase are tailored towards families with connected rooms and additional flexible space. This lifestyle hotel will be operated by a well-known and well-respected international brand chosen specifically for their commitment to procuring locally-sourced products in all aspects of the hotel operation. The brand does not currently have a presence in downtown Victoria, creating the opportunity to bring in a new tourist base and expand the identity of Victoria as a thriving tourist destination. Working in consultation with professional heritage consultant

Donald Luxton and the recommendations made in the submitted Conservation Plans, the proposed development incorporates the rehabilitation of the historic Duck's Building and the rubble stone wall of the original Duck's Carriage Factory as the central heritage design features. Built to current building and seismic codes - with sprinklers and enhanced life-safety systems - yet adhering to the Old Town Design Guidelines (2019) and in keeping with the Old Town context, the development will provide significant economic benefit while allowing UVic - by way of a 99-year land lease - to obtain annual income and retain ownership of the land.

The application includes Architectural and Landscape drawings that reflect the requested two storey addition and commiserate density, as well as supporting consultant materials.

KEY PROJECT BENEFITS

This updated proposal will offer a number of benefits to Victorians, including:

- Heritage Retention and Significance;
- Investment in Victoria's Local Creative Community;
- Designating Five Rooms within the Hotel as Artist Rooms for "Rotating Galleries in Residence";
- Meeting Space for Arts Organizations;
- Funding Catenary Lighting Installation Along the 1300 Block of Broad Street;
- Public Realm Enhancements; and
- Future-Proofing with BC Hydro.

Heritage Retention and Significance

Throughout the design process, careful consideration has been given to the Old Town Design Guidelines with each guideline incorporated in a meaningful way that respects the intent. Continued work with professional heritage consultant Donald Luxton has ensured that the proposed development remains responsive to the identified character-defining elements as noted in the Conservation Plans' Statements of Significance and adheres to the Old Town Heritage Guidelines, Design Principles of Good Fit, Reinforcement of Existing Character, Human Scale, Cohesiveness and Authenticity.

While the proposed development will allow for a single-use interior, the exterior mass will be perceived as three separate buildings from the street. Beyond the Old Town Design Guidelines, the proposed development adheres to the Standards and Guidelines for the Conservation of Historic Places in Canada. Complete Conservation Plans have been prepared to guide the on-going respectful rehabilitation of the heritage resources.

As part of our originally approved Rezoning and Heritage Permit conditions, the retention and rehabilitation of historically significant components of the Duck's Building and the Duck's Carriage Factory rubble stone wall is already underway. To-date much of the work to temporarily (and permanently) support the retained rubble wall and brick facades has been completed, with shotcrete,

steel walers and concrete support beams installed on site. Numerous placemaking building elements have also been salvaged and will be reused as design features within the future hotel. These elements include the 'Madame's Fireplace', original wainscoting and chair rail, period accurate wood doors and exterior wood windows from the upper floors. Large quantities of existing brick have also been carefully stockpiled and are designated for reuse in both interior and exterior areas of the building.

Along with the materials intended for reuse on-site many other building materials salvaged have been diverted from the landfill and will be used in other building projects. This includes 680 cubic yards of brick, 2,040 cubic yards of lumber and 200 cubic yards of flooring. This is equivalent to 222 average households' yearly landfill waste. This commitment to circularity mirrors Chard's commitment to maintaining the heritage of this site and our commitment to enhancing Downtown Victoria.

While there were components of the existing Duck's Building and Duck's Carriage Factory that are beyond retention, it is vital that the significance of these buildings be remembered and celebrated. To this end, as part of the interior work to be undertaken, existing salvaged components will be used in highly visible public areas and will be celebrated by way of a Heritage Acknowledgement Program as mentioned in the original proposal and previously committed to. The future hotel use providing a unique opportunity to educate both guests and the general public about the history of Simeon Duck, the Duck's Building and Carriage Factory, and the broader Victoria landscape in the late nineteenth century.

Investment in Victoria's Local Creative Community

We recognize that space, access and visibility continue to be a challenge for members of Victoria's local creative community, with many of the spaces available to organizations being temporary, older and/or inaccessible. Therefore, as part of this proposal to further increase the number of hotel rooms in this project, Chard is proposing a number of benefits to support and enhance Victoria's local arts and business communities. These meaningful benefits include:

Designating Five Rooms within the Hotel as Artist Rooms for "Rotating Galleries in Residence"

These rooms would feature a curated rotating art program featuring the works of local artists. Each artist will have the opportunity to redesign their room with original works (paintings, sculptures, installations) twice a year, creating an immersive art experience for guests. We envision this being something that changes twice yearly and during the period an artist is featured there would also be opportunities for social media promotion, public events, and more, at no cost. Artists will be chosen through an open call. Selection criteria will focus on diversity, innovation, and connection to the local community. Each room will include a biography of the artist, a statement about the artwork, and a way for guests to explore more of the artist's work or purchase pieces. Twice a year, the hotel will host Artist Showcase Events to unveil new exhibitions in the Artist Rooms, inviting guests, locals and media.

Meeting Space for Arts Organizations

Make the hotel meeting room(s) available to the Victoria Arts Council or other local arts and culture organizations on a regular basis. More specifically, this could be an agreed upon number of hours or days based on what would be of most value to the selected organization(s). The space would offer

flexibility of use for monthly board meetings, pop-up exhibitions, creating temporary galleries, workshops or artist talks, offering free or discounted space for arts education events, and collaborative projects that bring together local businesses and artist to work on community-focused art projects.

Funding Catenary Lighting Installation Along the 1300 Block of Broad Street

Utilizing the infrastructure that was previously installed to support this future use. This installation enhances ambiance and creates an additional “third space” for hotel guests, business patrons and neighbours to gather into the evening, bringing further community connection to this area.



Coquitlam Centre Credit: Morguard Investments

Chard is committed to building long-lasting, purposeful communities in Victoria, and investing in the creative scene by way of partnership opportunities within the hotel would enhance the sense of place for hotel visitors and for the artists who call Victoria home. Streetscape and public realm improvements provide a warm welcome for tourists and those visiting the downtown area, as well as attracting people to the streets where many local businesses intend to thrive for years to come. With this change in height and density comes a breadth of opportunities for local community success, and we hope to bring these investments to life through our revised proposal.

Public Realm Enhancements

With this proposed development, character of place has been considered and enhanced through a continuity of commercial uses at grade, wide sidewalks, appropriate tree planting, and built form compatibility between the historic and new buildings. The public nature of the hotel use - with restaurant

and cafe at grade - will help to further animate the public realm. The main lobby entrance, now situated at the intersection of Broad and Johnson Street will contribute to the pedestrian activation of this corner and allows for visibility and public access from multiple directions.

A restaurant use is being proposed within the Duck's Building portion of the Broad St. facade, utilizing the existing Ducks Building entrance. A smaller cafe is also intended to operate in between the Legacy Art Gallery and the restaurant. This commercial presence along Broad Street will enhance the frontage, pedestrian connections and activity along streetscape. There is opportunity for further street activation by way of restaurant patio or small-scale spillover seating from the cafe.

Further, as a result of the previous rezoning a Statutory Right of Way over a portion of the site was established, allowing the City to administer a wider laneway to the west of the Duck's Building. Better serving the proposed development and the existing properties that utilize this laneway for loading, access, and exiting. A new Vista Switch, placed under newly widened boulevard on Johnson St. will also not only service the hotel but also provide additional capacity for other businesses and future development within the project vicinity.

A secondary valet entrance to the hotel, set near the southern end of the rubble stone wall, will be accessed through Duck's Alley, benefitting both the circulation through the hotel and public realm along the lane. Based on staff comments, this entrance - which will serve as a drop-off for guests with vehicle and bike valet pick-up - has been refined with pilasters and repurposed brick. Signage, lighting and visual cues - including sensitively designed signage at the rubble stone wall - will help to direct visitors. Benefitting hotel guests and adjacent buildings, these changes will reestablish Duck's Alley as an important connection to Johnson Street and a significant piece of Old Town's history.

Future-Proofing with BC Hydro

The existing power capacity on site is insufficient to meet the demands of the proposed project. As part of the development, an Underground BC Hydro Vista Switch will be installed, ensuring enhanced capacity for future growth and improving reliability on the BC Hydro downtown network. Chard and the City of Victoria have worked together to create a large bulb-out on the sidewalk to house the Vista Switch and also facilitate replacement trees. This upgrade will support future developments with reliable power, reduce future disruption along Broad Street and surrounding area as the Vista Switch being installed can handle up to six large Unit Substation connections, and will be at the sole cost of the Developer.

ZONING AMENDMENTS

The zoning amendments requested are a result of careful consideration of the project design requirements and the Old Town neighbourhood context. In order to realize a vibrant human-scaled streetscape with focus on the heritage character of the Duck's Building, height and density relaxations must be achieved.

Height and Density

The proposed amendments include a change in height to 8 storeys and a change in density to 4.85 FSR, with the majority of the massing setback a minimum of 30' to minimize appearance and scale from the street, maintaining the restored Duck's Building façade as the key architectural element. Designing the new structure as subordinate to the heritage façade of the Duck's Building is a key component of the proposed amendments.

Item	Approved	Proposed
Height	18.9m	26.25m
Density	3.98 FSR	4.85 FSR

Rooftop Coverage and Setbacks

We are requesting minor relaxations to Part 10 of the 2018 Downtown Bylaw specified requirements for rooftop structures to allow for an increased rooftop coverage percentage and lesser setbacks from the outer edges of the roof. This request is due to the design of the new structure being subordinate to the Duck's Building, accommodating increased setbacks of the upper levels and therefore less rooftop area to calculate against, and to setback from. Calculated using the outer extents of the L6 roof, the combined rooftop structures of L7 and upper roof equate to 24% of the rooftop coverage, compared to the allowable 20%. In addition, the mechanical screening is set back from the roof parapet 2.31m to the lane, 2.14m to Broad and the elevator overrun is setback 0.78m. On L7 the setback is 2.44m.

	Part 10. Rooftop Structures	Current
2018 Downtown Bylaw	10.a. Rooftop Structure must not occupy more than 20% of the roof area of the building.	The proposed roof coverage is 24%
2018 Downtown Bylaw	10.b. A Rooftop Structure must be set back a minimum of 3.0m from the outer edge of the roof.	0.78m – Elevator overrun (Roof) 2.14m – Mech Rm/ Screen (Roof) 2.31m – Mech Screen (Roof) 2.44m – Mech Screen (L7)

Parking and Bicycle

Due to site constraints and ensuring all operations are contained within the hotel, the parking stall count has remained unchanged. There are minor changes to the proposed long term bicycle parking and short-term bicycle parking.

Item	Approved	Proposed
Parking	36*	36*
Bikes	26 Long Term 10 Short Term	27 Long Term Short Term bike stalls to be strategically incorporated within the streetscape

*18 stalls meet Bylaw requirements; 18 stalls are tandem parking. All accessed through Hotel's valet

SUMMARY

This proposed hotel and retail development will result in a community asset that will provide significant economic benefits to the City of Victoria while rehabilitating an important part of the City's history and retaining an on-going source of income for the University of Victoria. This is a unique opportunity to enhance the local and tourist experience in Old Town while contributing to the overall public realm, local creative scene, and vibrancy of the community. As mentioned above, construction cost escalations and heritage retention costs have challenged the redevelopment of the hotel and the additional public and community benefits. The two additional, setback storeys are critical in achieving these meaningful community benefits and delivering on our commitments to the City of Victoria.

We appreciate Council's consideration of this application and look forward to continuing to work with you to make a new hotel in Downtown Victoria a reality.

Sincerely,

CHARD DEVELOPMENT LTD.



Byron Chard
President & CEO

CC: Karen Hoese, Director of Sustainable Planning & Community Development, City of Victoria
Miko Betanzo, Senior Planner, Sustainable Planning & Community Development, City of Victoria
Mark Thompson, Partner, MCMP Architects
Aaron Petruic, Senior Associate, MCMP Architects
Anthony Quin, Director of Development, Chard Development Ltd.

Appendix A

OCP COMPLIANCE

The Official Community Plan (“OCP”) identifies the objectives of the Core Historic Area as a place for enhancing heritage characteristics, revitalizing commercial areas, and high-quality architecture and urban design. The project strongly aligns with these objectives by way of the heritage retention focus and investments in the commercial and public realms. Chard is excited to be contributing to the Core Historic Area in a meaningful way, retaining elements of the city’s past and achieving a high standard of urban design for residents and visitors to enjoy.

There are three key elements of this proposal that respond directly to the existing OCP and Emerging Policy Framework. These elements are culture and heritage, the economy, and height and density. Our team has undergone an extensive OCP review to ensure that we are complying with the broad objectives of the OCP and looking ahead to the Emerging Policy Framework to ensure our plan aligns with the City's future goals.

Culture and Heritage

At a high level, the OCP values identify the desire to grow upon Victoria's existing vibrancy as an economic and cultural centre. Recognizing the plan was developed in 2012, and there is an OCP update currently in the engagement stage, it is important to note that Victoria remains a destination for economic activity and culture, as this is also emphasized in the Emerging Policy Directions. This revised RZ and HAP aims to comply with the OCP values to *"... support and enhance the sense of place and community, and the uniqueness of Victoria neighbourhoods."* as well as *"reinforce the regional role of Downtown Victoria as a vibrant, engaging centre for employment, living, arts, culture, entertainment, tourism, and business."*

The OCP encourages additional financial incentives for seismic upgrading of heritage buildings, understanding this work is necessary to maintain the historic character of some of Victoria’s oldest neighbourhoods. Section 6, *Land Management and Development, Urban Core*, section 6.29.6 states the goal of *"introducing additional financial incentives to support and encourage the seismic upgrading of heritage buildings within the Downtown..."*. The necessary seismic upgrading, and general structural reinforcement of both the Duck's Building and the Carriage Factory Rubble Wall is vitally important in ensuring they remain part of the Old Town Streetscape for many years to come. Due to their existing condition, this is a large undertaking for Chard and a material cost in the

delivery of this project. The requested additional height and density is required to balance the cost of this upgrading and preserve historically significant elements of the Old Town.

The Arts and Culture section of the OCP highlights the need for more accessible arts facilities. Section 16.15 states to *“Consider opportunities for new arts and culture facilities as part of a capital plan for visitor destination development in partnership with senior governments, organizations and private developers.”* In this revised proposal, Chard is offering accessible arts and culture facilities and programming opportunities, free of charge to artists and arts organizations, responding to the needs identified in the OCP and providing future opportunities for creative partnership.

Economy

The Downtown Core Area has been recognized as the ideal focus of new employment growth and as the primary hub for economic and cultural activity. Although the boundaries of where this is may change with the OCP update, there is a sense of place in the Downtown Core for continued economic and cultural uses. The project maintains strong alignment with Victoria's economic goals, including hotel, restaurant, and café uses as supportable local employment opportunities. Incorporating additional hotel rooms in the project will only expand the employment opportunities associated with the hotel use and increase the number of residents, tourists and other visitors able to stay within the downtown area to work, play, and explore. Throughout the construction phase of the project, 423 full-time jobs will be created. Upon completion it is estimated that the hotel will generate 96 full-time positions to Victorians.

The Economy, Tourism and Visitor Services section of the OCP notes to *“14.30 Support the clustering of tourist and visitor services in the Inner Harbour and Urban Core by retaining and enhancing the mix of service, retail, offices, visitor accommodation...”* and *“14.32 Attract residents and visitors to the Urban Core through high quality and inclusive festivals, celebrations, special events, and beautification initiatives.”* The amended proposal encompasses these principles. There are benefits for residents in enhancing and beautifying the Urban Core and providing employment opportunities. This in turn supports the objectives of attracting residents and visitors to the area. Each year, the operation of the hotel will add \$14.93 million to the local economy, along with almost \$3.84 million a year in tax contributions. Visiting hotel guests will bring an additional \$6.55 million annually to the local economy and \$1.83 million in annual tax contributions.

In addition to this, the 8 storey building will produce approximately \$160k, or a 20% increase, in additional property tax revenue annually. It will also contribute \$2.5 million in

city fees, a \$700k, or 38% increase. This will allow the city to generate increased revenue for future initiatives.

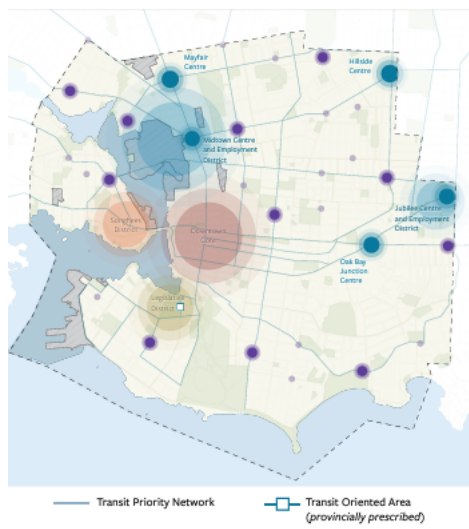
Height and Density

While the previous and newly proposed height of the hotel exceeds what is prescriptively outlined in the 2012 OCP for the Core Historic Area, the Emerging Policy Framework does envision taller buildings for the Downtown Core Area. Tall buildings are identified as *"Taller forms (generally greater than seven storeys) with ground-oriented or mid-rise component that frame streets and open space."*, aligning directly with the intent of the height increase for this project where majority of the additional two storeys are significantly setback from the streetscape, the new construction elements remain subordinate to the rehabilitated heritage facades, and the flanking, tripartite, design of the lower floors mirrors the existing finely grained retail streetscape along the east side of Broad Street.

The emphasis on human-scaled streetscapes in both the 2012 OCP and the Emerging Policy Directions further supports the design as the frontage remains unchanged to the previously approved plans, maintaining the sense of place at a human-scale.

Urban Structure Concept

The Urban Structure Concept proposes a **land use and transportation framework** that aligns where people live and work with ways to get around Victoria. The Urban Structure Map shows **envisioned long term land uses** for distinct areas of the city. The proposed map and guidance will work together with other City policy, guiding decisions and initiatives to help realize the **2050 Vision** as detailed in the **Emerging Policy Framework**.



* The envisioned distribution of low-rise (up to four storeys) and mid-rise (up to six storeys) buildings within the General Urban Fabric is being explored through engagement.