

June 11, 2019

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

Dear Mayor & Council,

**Re: 1306-1324 Broad Street, Victoria BC
Rezoning and Heritage Alteration Permit Applications**

For over 15 years, Chard Development Ltd. has been developing mixed-use, primarily residential projects in the City of Victoria. From Corazon to Yello – 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 broad section of Victorians. During that same period, the total value of tourism within the Province of British Columbia has grown by over 73% and the average occupancy of hotels in Victoria reached 76.43% annually in 2018. By way of the attached Rezoning and Heritage Alteration Permit Applications, Chard Development is proposing the City's first purpose-built hotel since 2004. We are excited to have the opportunity to once again demonstrate that we are builders of – and believers in – Victoria.

This proposed development occupies property owned by the University of Victoria along the 1300 block of Broad Street bordered by Johnson Street to the north. If approved, this development will bring 134 hotel rooms with supporting retail to Victoria's Old Town District. This lifestyle hotel will be operated by a well-known and well-respected international flag chosen specifically for their commitment to procuring locally-sourced products in all aspect of the hotel operation. Working in consultation with professional heritage consultant Donald Luxton and the recommendations made the attached 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 feature. Built to current building and seismic codes – with sprinklers and enhanced life-safety systems – yet adhering to the Old Town Design Guidelines 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 retain ownership of the land.

The enclosed application follows four years of review and discussion between Chard Development, UVic Properties, City Staff, Heritage Design Panel, the Downtown Residents' Association, neighbours, tenants and the community at large. In fact, the enclosed application represents a completely reimagined approach to development based on strong feedback received during extensive consultation in 2017 under a previous approach. The enclosed application responds

directly to the concerns heard at that time and incorporates additional feedback received through more recent community engagement and CALUC.

KEY PROJECT BENEFITS

This proposed development provides a number of community benefits:

Significant economic impact and employment gains.

- The proposed development will bring 134 new hotel rooms to Downtown Victoria, making a significant impact on tourism in the Old Town District. An economic impact study conducted by MNP LLP in May 2019, based on the inclusion of the Heritage Tax Incentive Program, concludes that:
 - The operation of this hotel will add to the GDP by \$5.9M and will create 40 direct jobs.
 - Guests will spend approximately \$85 a day on activities, food, etc. outside of the hotel cost. The economic impact from this visitor spend is \$5.1M in GDP a year and will generate 85 full time jobs.
 - The operations of the hotel will generate almost \$2M a year in taxes for all levels of government and the visitors will contribute \$1.1M a year in taxes for all levels of government.
 - In total, \$900,000 in municipal taxes will be contributed each year from the operation and economic impact of the visitors in the region. This is after any incentive granted in line with the Heritage Tax Incentive Program.

Rehabilitation of an historic Old Town structure.

- The Duck's Building was built in 1892 by architect William Tuff Whiteway for Simeon Duck who used the main floor for his carriage making business while renting out space on the upper floors. This building is on the City of Victoria Heritage Register and is an excellent example of a late 19th century downtown Victoria commercial building.

Also on the City of Victoria Heritage Register is the Canada Hotel. Situated at 615-625 Johnson Street, this structure was also constructed for Duck in 1874 and was the original home of Duck's Carriage Factory. While this structure has suffered from significant, unsympathetic structural renovation throughout the years and has been deemed mostly not salvageable by the project's heritage consultant, this structure incorporates a handsome rubble stone wall along the alley that runs south from Johnson Street, parallel to Broad Street, known as Duck's Alley.

As part of this proposed redevelopment, the Duck's Building and the Duck's Carriage Factory rubble stone wall will be rehabilitated and celebrated as a part of Victoria's history. The proposed use as a hotel – reminiscent of and fitting with the historical use of the lands – provides significant opportunity over and above other possible uses to highlight the heritage character of the property. Throughout the design process, careful consideration has been given to the recently adopted Old Town Design Guidelines with each guideline incorporated in a

meaningful way that respects the intent. Working closely with professional heritage consultant Donald Luxton, the proposed development responds to the identified character-defining elements as noted in the Conservation Plans' Statements of Significance and adheres to the Old Town Heritage Guideline 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. A complete Conservation Plan has been prepared to guide the respectful rehabilitation of the heritage resources.

While there are 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 components will be used in highly-visible public areas and will be celebrated by way of a Heritage Acknowledgment Program. Further, as part of the Rezoning and Heritage Alteration Permit Applications, the Duck's Building will be dedicated as a heritage site to ensure the value and character of its presence in Old Town is protected. As part of this dedication, an application for the Heritage Tax Incentive Program is being made.

Ongoing income to the University of Victoria.

- The subject properties were gifted to the University of Victoria in 2001 by the late Michael Williams. Through a 99-year land lease in favour of the University and the very public use as a hotel, the proposed development is in line with Williams' wishes for the assets to provide long-term revenue sources for the University while benefiting the community at large. This lease – dependent on a successful rezoning – will ensure ongoing annual revenue to the University to fund student programs with the asset being returned to UVic at the end of the lease.

Off-street parking conditions.

- The proposed development will meet City requirements with the inclusion of 36 standard off-street parking stalls. Parking access will be placed under the newly constructed portion of the development to the south and will be accessible by way of two car elevators. While a more complicated and costly endeavor, these elevators will eliminate the need for traditional ramping and minimize the impact to the existing Duck's Building. As per the Schedule C requirements, the proposal also includes space to accommodate bike parking stalls with end-of-trip facilities available for use by staff.

Improved public realm.

- 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 retail at grade – will help to further animate the public realm. While the

main lobby entrance will be via Broad Street and through the original Duck's Building, retail entryways where needed for the interior uses have been punctuated and emphasized through the use of recesses and a high level of design detail at the ground plane. Further, as a result of the rezoning and the commitment to creating a Statutory Right of Way over a portion of the site, the City will be able to administer the existing laneway to the west of the Duck's Building to better serve the proposed development and the existing properties that utilize this laneway for loading, access and exiting. This enhanced laneway will be by way of lighting and animation.

Sustainable growth and community development.

- Boasting a perfect walk score of 100 and designated a "Walker's Paradise", the subject site is in close proximity to the very best of downtown Victoria and is an ideal home base for visitors to the City. The well-known international flag selected to manage the hotel has been chosen specifically for their commitment to procuring locally-sourced products in all aspect of the hotel operation – from artwork, to furniture, to the soaps in the guest bathrooms. In addition, their operating model encourages guests to use the hotel as a launchpad to explore the City – with staff trained to advise guests regarding local shops, restaurants and experiences – and encourages neighbours and residents to explore the hotel through the inclusion of shared community workspaces in the open lobby.

Additionally, features such as bee habitats and landscaped roof areas will be incorporated into aspects of the design. End-of-trip facilities will be included to encourage staff to bike to and from work via adjacent bike lanes. Rehabilitation of the Duck's Building will help to extend the lifespan of this important historic building and aligns with the objectives of green building in Canada through reduced waste and an improved carbon footprint. All construction will be compliant with current seismic and building codes, is suitable for the current civil infrastructure, and will include modern life safety systems, including sprinklers.

OCP & ZONING RELAXATIONS

The proposed use falls within the current zoning bylaws for the site. To facilitate the list of benefits noted above and in line with the heritage incentives section of the Downtown Core Area Plan, we are asking Council to approve the proposed development with the following OCP relaxations:

Height

- The OCP Urban Place Guidelines for the Core Historic neighbourhood in which the subject site is located contemplates "buildings up to approximately five storeys set close to the sidewalk with high site coverage". The proposed development meets this directive through 70% of the site maintaining a constant height across the entire site with the northern end of the site and the Johnson Street frontage reading as six storeys due to a significant grade change and the insertion of an intermediate floor. The height of the proposed development is 18.81 meters, which exceeds the highest portion of the existing Duck's Building by approximately 0.3 metres or about a foot.

Density

- To facilitate the rehabilitation of the historic Duck's Building and the Duck's Carriage Factory rubble stone wall and add the required parking, the proposed development contemplates a density of 4.37. This exceeds the total floor space ratio of "approximately 3:1" in the OCP Guidelines but fits within the above noted guideline of "approximately five storeys set close to the sidewalk with high site coverage".

Rehabilitation and development of this site will require relocation of eight existing residential tenants by the current landlord, UVic Properties. As per the attached Tenant Assistance Plan Application, UVic Properties has committed to exceeding the City's Tenant Assistance Program, providing a minimum of 4 months' rent compensation, moving and relocation assistance, and at least 5 months' notice to end tenancy.

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 important source of income for the University of Victoria. This is a unique opportunity to enhance the tourist experience in Old Town while contributing to the overall public realm and vibrancy of the community.

We appreciate Council's consideration of this application and look forward to working with you to make this development a reality.

Sincerely,

Chard Development Ltd.



David Chard
Executive Director & Founder