

November 5, 2019

Mayor Helps & 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 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 Rezoning Application, 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 ("UVic") along the 1300 block of Broad Street bordered by Johnson Street to the north. If approved, this development will bring 139 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 aspects of the hotel operation. 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. Future looking and built to incoming 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.

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

The application includes a revised set of Architectural and Landscape drawings that incorporate responses to recent comments from the City of Victoria, the Heritage Advisory Panel, Advisory Design Panel, community stakeholders and our consulting team given the incoming, and much more stringent, building and seismic code.

KEY PROJECT BENEFITS

This proposed development provides significant community benefits:

Economic impact and employment gains.

The proposed development will bring 139 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 \$5.9M to the GDP 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 an additional \$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, the original home of the Duck's Carriage Factory. Situated at 615-625 Johnson Street, this structure was also constructed for Duck in 1874. 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 and structural engineer. However, this structure incorporates a historic 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 historically significant components of 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 Duck's Building's western and eastern historic brick walls, facing the lane and Broad Street, have been integrated into the proposal and will be rehabilitated to ensure longevity. Further, 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. These opportunities will be realized within a Heritage Acknowledgement Program, described below.

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 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 respectful rehabilitation of the heritage resources.

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.

Celebration of the site's historical significance.

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.

The intent of this Program as outlined below, will be to identify, re-purpose and celebrate the history of the site through the use of existing building components, materials, historical imagery and information. The Program will incorporate the following:

- Re-purposing of brick materials;
 - The ground floor plan, comprising the hotel lobby, meeting rooms, restaurant and bar will be partially demised with re-constructed historic brick walls. Existing brick will be salvaged and re-purposed on these select walls for public display and interaction.
- An exhibit detailing the history and construction of the site, including commentary on the rubble stone wall;
 - A summary will be provided and displayed for the interest of all hotel patrons and the public, which will include biographical details of Simeon Duck and a summary of the historic red-light district.
 - Historical imagery will be professionally developed, framed and displayed within the public areas of the hotel.
- An exhibit acknowledging William T. Whiteway, architect of the Duck's Building, and his contribution to this historic block. A prolific Canadian architect, examples of Whiteway's work and his impact on the built environment across the country will be recognized, including several notable buildings in Vancouver and the Gordon & Keith Building in Halifax, which is currently undergoing a similar rehabilitation.
- A plaque commemorating the legacy of Michael Williams will be included. His life and gift to the University of Victoria, which will have ongoing financial benefit to the University, will be celebrated for all patrons of the hotel and general public.
- The rubble stone wall fronting Duck's Alley will once again be exposed to the historic laneway and serve as a wayfinding element for guests coming to the hotel down Duck's Alley.

- At night, lighting will showcase the length of the rubble stone wall, celebrating its historic significance. The history of this retained element and a summary of its construction will be included on a plaque located at the building exterior.

Further, as part of the Rezoning and Heritage Alteration Permit Applications, the Duck's Building and historic rubble wall will be dedicated to ensure the value and character of their presence in Old Town is protected. As part of this dedication, an application for the Heritage Tax Incentive Program is being made.

Off-street parking conditions.

The proposed development will meet City requirements with the inclusion of 36 off-street parking stalls. These stalls will be contained on one level of below grade parking; the provision of parking on one level mitigates the risk posed by further blasting adjacent to these historic structures. The parking will be accessed and managed by building staff and will only be accessible for valet parking via two-car elevators off the lane; the general public will not have access to the car elevators. With all parking under the control and management of the building staff, the applicant is proposing a mix of bylaw-sized stalls and tandem stalls to meet the requirement of 36 stalls in the below-grade parking structure. Eighteen of these stalls will meet Bylaw size requirements, while eighteen will be in tandem configuration.

Parking access will be placed at the south-west corner of the site under the newly constructed portion of the development. While a more complicated and costly endeavor, the two car elevators will eliminate the need for traditional ramping. As per the Schedule C requirements, the proposal also includes space to accommodate bike parking stalls for hotel guests with end-of-trip facilities available for use by staff. A bike access ramp between the ground floor and P1 will be available for hotel staff to easily transport bikes between these levels. A bike valet system is also being explored by the applicant team to encourage active transportation by hotel guests.

Short-term bicycle parking and vehicular loading stalls are being proposed within the public realm along Broad Street. These bicycle stalls will be accessible offsite, in close proximity to the main hotel entry. The existing footprint of the Duck's Building, and intent to create a contiguous street wall with the infill portions of the building, limit any opportunity for onsite short-term bike stalls. The proposed locations along Broad Street conform to the necessary distance to entryways and do not impeded pedestrian movement along this frontage, within the intent of Section 5.7 in the Old Town Design Guidelines.

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.

A restaurant use is being proposed at the southeast corner of the site, between the Legacy Art Gallery and the main entry of the hotel. The commercial presence along Johnson Street will include 2-3 CRUs, enhancing the frontage, pedestrian connections and activity along this streetscape.

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 administer a wider 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.

A secondary entrance to the hotel, set near the southern end of the rubble stone wall, will be accessed through Duck's Alley. Benefiting 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.

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 aspects 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.

Features such as bee habitats and landscaped roof areas – including herb gardens – will be incorporated into aspects of the design. Herb gardens may be used as part of the 'kitchen garden' proposed for use by the hotel's restaurant. The inclusion of bee habitats in the visible 5th floor terrace will help to raise awareness of the decline of urban bee populations while supporting the health of the plantings located in this area. Additionally, the design team is exploring the use of vertical planting on the level 4 terrace to soften this façade along the lane.

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 the new seismic and building codes, and is suitable for the current civil infrastructure.

OCP & ZONING RELAXATIONS

The proposed hotel 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. The northern end of the site, and only the Johnson Street frontage, reads 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 meters, 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 to add the required below-grade parking, the proposed development contemplates a density of 4.37 FSR. The current FSR of the Duck’s Building is 3.42 FSR which already exceeds the total floor space ratio of “approximately 3:1” in the OCP guidelines.

Rehabilitation and development of this site will require relocation of eight existing residential tenants by the current landlord, UVic Properties. As per the submitted 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’ formal notice to end tenancy. Regular updates on the status of this rezoning application are provided to the tenants through UVic Properties and their property manager. Additionally, the commercial tenants will be provided at least 12 months’ notice to end tenancy and are currently receiving regular updates on the proposed development timeline from UVic Properties.

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 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 a new hotel in Downtown Victoria a reality.

Sincerely,

Chard Development Ltd.



David Chard
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CC. Miko Betanzo, Senior Planner
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