

August 9, 2024

Mayor and Council

City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

RE: Rezoning and OCP Amendment – 603 Pandora Ave. – Hampton Inn Project

An Official Community Plan and rezoning amendment is requested to develop a new 198-room hotel on the vacant site located at the corner Pandora Avenue and Government Street. In addition to providing much needed hotel rooms, the new development will contribute to the revitalization to this part of downtown, anchoring visitors within easy walking distance of the McPherson Theatre, Chinatown, the lower Johnson St. Shopping District, the emerging Arts and Innovation District and Old Town. It is estimated that the hotel will serve nearly 70,000 guests per year, bringing out-of-region spending on goods and services to the local area. An OCP and rezoning amendment is needed as the project requires a threshold economy of scale to make the hotel project financially viable and bring this significant economic investment to fruition. Project viability simply can't be achieved under the current OCP policy.

At the same time, we have made every effort to be respectful of this project's place within the Core Historic area both in terms of the architectural expression and the significant contributions to the public realm.

Key elements of the project include:

- Mid-priced, family-focused hotel with amenities;
- Ground floor commercial space fronting Government Street to enhance street activity and contribute to the revitalization of this part of downtown;
- A new corner public plaza with pedestrian-friendly frontage improvements complementing the City's infrastructure upgrades along Government Street, opening up and visually framing an extension into Centennial Square;
- A modern landmark building integrated into the Government Street frontage, with consideration for the façade expression of taller buildings from the Edwardian era;
- Use of an innovative prefabrication method of construction that will produce less waste, less greenhouse gas emissions, less construction traffic disruption, and a shorter construction timeframe;

Project Data

The project's key information is summarized as follows:

Description	Unit
Total Site Area	1,490.7 m ²
Total Floor Space	10,243.5 m ²
FSR	6.87:1
Building Height	12 storeys
Vehicle Parking	122 stalls in 4 levels of underground parking
Bike Parking	24
Proposed Hotel Units	198
Minimum Hotel Unit Floor Area	28.9 m ²
Site coverage	82.9%
Site open space	11.3%

Policy

The OCP supports the project in a variety of ways. One of its core Economic Goals states: “*Small businesses are resilient and remain the lifeblood of Victoria’s economy, where diverse local businesses, including those led by youth, indigenous residents and Canadian newcomers have an opportunity to thrive*” (Section 14.(f)). The Plan further states as a broad objective that “*the function of the Urban Core as the primary regional centre of economic, learning, arts, culture, entertainment, recreation and specialty retail is maintained and enhanced with high quality facilities, services and events*” (Section 14.(f)).

Under the Economic Indicators for downtown, “tourism and visitor services” is a priority economic driver in the Core Business, Core Inner Harbour, Core Historic, and Core Employment areas. Section 14.30 states the objective to “*Support the clustering of tourist and visitor services in the Inner Harbour and Urban Core by retaining and enhancing the mix of services, retail, offices, visitor accommodation, harbour transportation and arts and cultural facilities.*”

While the application requests an increase in height and density over policies for Old Town, the OCP does recognize the need to be able to respond to the proposal’s social, environmental, and economic environment. Section 19 of the OCP notes that where amendments are considered by Council, the decision should be guided by “*the goals and objectives of the OCP that support the amendments* (Section 19.3.1)”. The plan further states in Appendix 1, Section 4 that one of the core objectives is to “*revitalize an area of commercial use through infill, building additions and open spaces with high quality of architecture, landscape and urban design that responds to its historic setting through sensitive and innovative interventions*”. We believe that this

application will adhere to many of the economic objectives within the OCP and that the design of the building and public realm is a sensitive response to its setting.

The Importance of New Hotel Space

Tourism is estimated to attract approximately \$1.4 billion in visitor spending in Greater Victoria in a typical year with hotel revenues estimated at \$250 million per year. It is estimated that delegates and visitors have an average spend of \$450/day and significantly contribute to the vibrancy and business activity downtown, with a direct and indirect positive impact on employment in the urban core. It is estimated that the new hotel will generate between 60 to 70 full-time equivalent jobs. Property taxes are estimated at approximately \$400,000/annually.

Currently there are 3,133 hotel rooms in downtown Victoria and under 4,000 rooms in the Greater Victoria Area. Over the past decade, nearly 1,200 purpose-built hotel rooms have been lost to redevelopment, creating a shortfall in supply that is further exacerbated by Provincial short-term rental restrictions. Reduced room availability will have the effect of reducing visitor access to downtown Victoria, increasing room prices due to higher demand, and limiting Convention Centre activity because of the lack of accommodation. There have been several hotel projects announced over the years, however there would still be a large shortfall even if all the current proposed hotel rooms were constructed today.

The proposed design and massing for the hotel is strongly driven by economics. The viability of hotels is largely driven by a financial model that must withstand market volatility and fluctuations in tourist activity over time. Current conditions that stem from diminishing land availability, population growth, infrastructure costs, operating cost escalations, interest rates, construction costs and lending conventions, are not favourable to hotel development. While there have been several proposals for new hotels in Victoria, noted above, none have been developed due to construction cost increases, interest rate escalation and onerous financing conditions. Present economic circumstances and a projection of future conditions dictate that to be economically viable in the downtown setting, a modern mid-priced hotel must have approximately 200 rooms. The proposed hotel has 198 rooms, amenity space and two commercial retail units (CRU) fronting onto Government Street. It is anticipated that the majority of travelers will arrive by private vehicle, placing a need to have sufficient parking. Four levels of underground parking are planned, as well as bicycle parking in excess of bylaw requirements.

In order to be viable and deliver the requisite hotel functions, the proposal must be approximately 10,000 m² in floor area, with associated variances requested for building height and density. Our team has translated these requirements into an architectural form and expression that supports the public realm of Old Town and provides a sensitive response to the heritage context. The proposed building will be 12 storeys, comprised of a two-storey commercial base and 10 storeys of hotel rooms. The project 'bookends' the Government Street mall and forms a counterpoint to the historic Belmont Building. In acknowledgement of the project site's prominent location, the design team includes well-respected heritage consultant Donald Luxton, who has worked extensively within the City, and who has provided input into the building design.

Heritage Rationale

The site is at a pivotal location, at the north edge of the Old Town Old Commercial District where it borders on Chinatown. The heritage building that previously stood on the site was destroyed by fire, with only a few

salvageable heritage elements:

- (2) polished granite columns (one intact, the second broken into 3 pieces)
- (120) white glazed bricks
- (2) heavy timber posts
- (6) panels of sidewalk prisms

These elements have been documented and will be stored until they can be integrated into the project or, in the case of the sidewalk panels, contributed to the City inventory. During detailed design, an interpretive display will be created in a public interior space that explains their history and significance.

The proposed new building is an intervention into the Old Town cultural landscape context and is therefore considered related new construction under *Standard 11* of the *Standards and Guidelines for the Conservation of Historic Places in Canada*:

Standard 11: (a) Conserve the heritage value and character-defining elements when creating any new additions to an historic place or any related new construction. (b) Make the new work physically and visually compatible with, subordinate to, and distinguishable from the historic place.

The proposed design conforms to *Standard 11* in the following ways:

- **Physical and Visual Compatibility:** The proposed new building will be built to the streetwall / property lines consistent with the Old Town context. The architecture will reflect to the historic Edwardian-era skyscraper vernacular through the use of tripartite façade articulation, regular recessed windows, and masonry cladding. The materials, proportion and scale of the façade elements reflect historic area precedents.
- **Subordination:** As noted in the *Standards and Guidelines*, subordination is not a matter of size, as a poorly-designed smaller intervention can be more obtrusive than a well-designed larger one. The intent is to be respectful of historic context, and not compete for attention through the use of inappropriate design elements. The palette of materials remains generally muted in tone and does not compete for visual attention.
- **Distinguishability:** The new design is contemporary, and does not mimic historic architecture, using modern materials and technology in an expression that is representative of our time, while respecting historic formal vocabulary.

In addition to this understanding of the *Standards and Guidelines*, corresponding consideration has been given to the *Old Town Design Guidelines* in a way that respects the overall historic context. The contemporary design does not mimic any elements of historical architecture. It responds to – and enriches – its historic context in the following ways:

Historic Urban Form

- The site is located at a unique 'hinge point' where Government Street bends slightly in its orientation. The widening of Pandora Street relates to a historic change in road orientation that has resulted in a varied alignment of streetwalls in the east-west direction. The design of Centennial Square took advantage of this condition and opens a pool of space at the northeast corner of Government and Pandora Streets. This alignment also allowed a public plaza at the southeast corner. Similarly, the southwest corner is open as a pool of private

space. This is an unusual condition in Old Town that opens up views in each direction around the intersection, allowing an appreciation of this crucial juncture of several distinct areas. Throughout Old Town, facades are built to the front and side property lines, and the completion of the East side of this block of Government Street reinforces the historic urban character of the area. The insertion of a building in the current void space of the demolished building helps to repair the original streetwall enclosure.

- As such, this building site is a visible termination point but is also a gateway condition, marking the visual pivot between the Old Commercial District and Chinatown on all sides of the intersection. The slight eastward twist on the east side of Government Street results in a unique condition. From the North, it foreshortens the entry to the Old Commercial District by leading into the Government Street streetwall, acting as a gatepost and introduction. From the South, the Government Street streetwall visually terminates at the bend in the building, opening out views to Centennial Square. The funnelling of views is an unusual condition in Old Town, similar to that encountered in Bastion Square, where the space is terminated and foreshortened from different viewpoints. This building reinforces vistas of this important pool of open space within Old Town.
- The proposed building also acts as a bookend condition, pendant to the greater height at the buildings at the South foot of Government Street, marking the Old Commercial District at both its north and south termination points.
- The commercial uses at the ground floor and the hotel use respect the historic context.

Architectural Response to Historic Context

- The inspiration of the form of the building is the neoclassical architecture of the Edwardian era, as expressed through tripartite articulation divided into a strong base, shaft and capital, emphasized through colour and materials. The large cubic structures of the Edwardian era – the earliest skyscrapers – were historically the tallest in Old Town and stood above their Victorian-era counterparts. They were an expression of the new technology of the twentieth century, including steel and concrete construction and the use of elevators to achieve greater height. Their facades were clad with masonry, with regular horizontal and vertical rows of punched windows. Examples of these buildings include the Belmont Building, Union Bank Building, Central Bank Building, Carlton Plaza Hotel, Sayward Building, and the Pemberton Building.
- This new building has been designed with a surface articulation of insets, horizontals, and verticals that reflect, but do not mimic, this historic context. This includes the use of recessed windows (reflecting traditional punched window openings), and a consistent weave of vertical and horizontal elements that animates the shaft of the building.
- The materiality of the building is masonry, which is typical of Old Town, but expressed in a contemporary manner that does not mimic historic precedents.
- The storefront sections reflect the historic use of cast iron elements, that provided both a structural and visual weight to the ground floor.

This response to the Old Town context is proposed as a balance between the need for contemporary expression and functionality, while respecting the historic urban form, street wall conditions and architecture of the Old Town context.

Reciprocal Easements and the Creation of “Pandora Plaza”

A fundamental design intention is the creation of a prominent public plaza, motivated first by improving its solar access. The proposal completes the street wall on Government Street and then pivots to widen the public frontage, connect to the larger corner plaza, and bring mid-day sunlight onto the plaza.

Historically the intersection of Pandora Avenue and Government Street included a Cormorant Street connection, subsequently closed to create Centennial Square. The result of this history is that the road right-of-way at the intersection is unusually wide, providing an opportunity to create an impressive active public space.

The design team has engaged with City staff on the approach to revitalize this prominent corner, considering solar access, the spatial relationship to Centennial Square and the synergy created by the complimentary public spaces. The building has been deliberately setback on a diagonal along Government Street that will become a permanent public space, confirmed by registered easement, to emphasize the plaza space and create more permeable and inviting public access along Government Street. A portion of the buildable area from this setback is displaced to a modest cantilever across the North property line, that will be legally acknowledged through a reciprocal easement with the City.

Landscape Strategy and Design

The landscape concept takes inspiration from the project context, adopting the following:

A Civic Front Door: Develop a plaza that becomes a front door entrance to downtown, and a ‘foyer’ for City Hall - a space that is programmed with civic activities and incorporates an iconic and memorable element in the city streetscape that welcomes people to Victoria.

Introducing Chinatown: Create a public space that acts as an introduction to the Chinatown area, without being overtly decorative or using the trappings of traditional Chinese elements. Instead create a contemporary plaza inspired by Chinese elements of feng shui, or using trees, shrubs and groundcover that are symbolically important.

The Elements: Introduce all the elements - Water, Fire, Stone/Earth, Metal, Wood - borrowing from the traditions of Chinese garden design, and to symbolize the connection to the Chinese Canadian community, while maintaining the space as a wholly contemporary plaza.

The proposal has three key landscape architectural features: (1) the Pandora Plaza space; (2) the widened and refreshed public realm space along Government Street and (3) the building green roof at Level 3, which forms a pleasant overlook for both hotel guests and occupants of neighbouring buildings.

Along Government Street, the project forms a termination of the City’s Refresh initiative with widened saw-cut cast sidewalks that lead into and around the corner plaza. The sidewalk is edged by new landscaped boulevards, featuring new street trees and raingarden plantings.

The focal point of the project’s public interface is the corner plaza, featuring a combination of tactile and passive elements:

- An inner plaza defined by perimeter circular benches and specialty paving;
- Planted areas with trees that buffer the Plaza from adjacent street traffic, while maintaining clear sight

lines and permeable access;

- Granite seating edges at landscaped planters;
- Granite outcrop focal point with seasonal misting;
- Public kiosk with a universally accessible public washroom.

As the plaza is located within the municipal right-of way, the final design and construction of the plaza will be collaborative between the project design team and city staff. The submitted plans reflect discussions to date between the project consultants and City staff.

Sustainability

The proposal incorporates the following key sustainable features:

Modular Construction

- Reusability and recycling of materials: Extra materials are better positioned to be reused on future projects at the factory.
- Packaging and dunnage is more effectively recycled at the factory.
- Control of materials exposure: Sensitive materials are protected from heat, cold, moisture, and UV exposure inside the factory reducing waste and premature aging of building components.
- Reduced material use: Lightweight modules use less steel and concrete than conventional site cast concrete construction.
- Individual modules are factory wrapped air-tight at the factory, onsite air sealing is reduced.

Mechanical

- Heat-pump based heating system.
- Electrified domestic hot water heating systems.
- Recover any waste heat from pool area dehumidification to pool heating or general heat recovery to the heating system.
- Air-source heat-pump heating system throughout (not geothermal).
- Energy recovery ventilation for all hotel suites.

Electrical

- EV charging for vehicles and bikes.
- Rough-ins for future PV as per NRCAN PV guidelines.
- Roof structure capacity for future PV panels.
- 100% energy efficient LED lighting and exit signs. Stairwell lighting with sensors to dim when the space is unoccupied. Parkade drive aisle lights to dim to 50% and perimeter lights to turn off, when motion is not sensed.
- Storage rooms, office, washroom, back of house spaces to be equipped with vacancy sensors (manual on – auto off).

Landscape

- Intensive green roof at level 3 with small trees – the planting offers more ecosystem value than the traditional sedum mats, and intercepts more stormwater as well.
- Generous planting areas in plaza.
- Street-side rain gardens to intercept and infiltrate stormwater as well.

- High efficiency of water usage of fog emitters over conventional water feature in plaza.
- Native and adapted planting in plaza area and green roof.
- Retention of two paper birch trees.
- Replacement of boulevard trees.

Sewage Attenuation

A sewage Attenuation report has been prepared that reviewed the peak sewage discharge demand under existing and proposed zoning. The report concluded that *“the construction of the new hotel will result in a marginal increase in peak sewage flows”*, subject to the use of the CRUs on the first floor (i.e., restaurant use or retail sales).

Access and Parking

123 parking spaces are being provided on four levels of underground parking, accessed from the easterly side yard of the site off of Pandora Avenue. There is an existing driveway that provides service access to adjoining buildings to the south along Government Street and buildings fronting onto Johnson Street. Servicing access to the adjoining properties will be maintained for the neighbouring buildings. In addition to the underground vehicular parking, bicycle parking is also provided in excess of bylaw requirements for visitors and staff.

Public Engagement

Open House

An Open House was held Thursday October 5th 2023 at the Rialto Hotel board room, to inform neighbours about the changes to the Hotel project from an earlier open house held in the Fall of 2022. Maildrop invites to approximately 1,600 addresses were delivered. Additional invites were hand delivered to immediate neighbours before the open house, as a reminder.

Information boards were prepared describing the application and a 3-D model was available to view. The open house was scheduled to allow people to visit either before or after the dinner hour. Sign-in sheets and comment forms were provided for attendees to fill in.

19 people attended the Open House. One comment card was recorded, saying: “this project looks great... Victoria needs this”. Generally, the response to the plans were favourably received. Participants were pleased to see the site redeveloped for a hotel. Two participants expressed concern about height with one of those two participants also expressed concern about noise from trucks. One other attendee living in the same building as the person concerned with noise had no issues and was pleased with what they saw.

CALUC Meeting

The CALUC meeting was held Tuesday February 20th, 2024. Invitations to neighbours within a 200 m radius of the site were distributed by the City. There were approximately 19 attendees and representatives from the Downtown Residents Association who chaired the meeting, and proponent representatives. A presentation

was given followed by a question and response period. There were approximately twelve questions/comments expressed that were evenly distributed between expressing support and concern for the project. There were differing comments on elements of the design approach. The most common concern was about the size and nature of the variance requested to current height and density policies. Support included comments on the approach to opening up the corridor, the importance of new hotel space and the merits of investment of a 24 hour business activity in the place.

Closing

We believe this project will be an important and welcomed economic contributor to downtown Victoria, and an attractive addition to a parcel of land that has been vacant for far too long. While we face a regional crisis with regard to housing affordability, which must remain a priority for the City, the long-term economic strength of the downtown depends on supporting jobs, tourism and infrastructure investment for those looking to build their lives and businesses in the City of Victoria. We respectfully request Council's favourable consideration of the application.

Sincerely,

DAUSTUDIO



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