



Committee of the Whole Report

For the Meeting of May 8, 2025

To: Committee of the Whole **Date:** April 24, 2025

From: Karen Hoese, Director, Planning and Development

Subject: **Rezoning Application No. 00873, Development Permit with Variances Application No. 00269, Heritage Alteration Permit No. 00269 for 603 Pandora Street and associated Official Community Plan Amendment**

RECOMMENDATION

Rezoning Application

1. That Council decline Official Community Plan Amendment, Rezoning Application No. 00873, Development Permit with Variances Application No. 00269 and Heritage Alteration Permit No. 00269 for 603 Pandora Street.

LEGISLATIVE AUTHORITY

This report discusses an Official Community Plan amendment and Rezoning Application, a Development Permit with Variances Application, a Heritage Alteration Permit and an amendment to a heritage designation bylaw.

- Official Community Plan (OCP) amendment considerations include increasing the height and density within the Core Historic Urban Place Designation.
- Rezoning considerations include the proposal to increase the density and height, and amend the site-specific conditions
- Development Permit with Variances considerations relate to the application's consistency with the design guidelines and the impact of the variances.
- Heritage Alteration Permit considerations relate to the salvaged remnants of the historic building, the amendment to the Heritage Designation Bylaw and the consistency of the proposal with the Old Town Design Guidelines.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning Application, Development Permit with Variances Application, Heritage Alteration Permit, Heritage Designation Bylaw Amendment and associated Official Community Plan (OCP) Amendment for the property located at 603 Pandora Avenue.

The proposal is to amend the site-specific regulations in the Old Town District-1 Zone (OTD-1) in order to increase the density and height to allow the construction of a twelve-storey hotel with approximately 200 rooms and ground floor commercial uses. The OCP amendment is required to increase the permitted density and allow the proposed building heights within the Core Historic Urban Place Designation.

There is a concurrent Development Permit with Variances Application pertaining to the proposed form, character, exterior design, finishes, landscaping and variances related to height and setbacks. The Heritage Alteration Permit is required to amend the heritage designation and the associated Statement of Significance to list only the salvaged remnants of the heritage building. The Heritage Alteration Permit evaluates how the proposal fits into the context of Old Town, as the proposal is located within a heritage conservation area and will also manage how the salvaged elements will be integrated into the new development.

The following points were considered in assessing the Rezoning Application and OCP amendment:

- The proposed hotel use is consistent with the OCP envisioned uses within the Core Historic Urban Place Designation; however, the proposed height and density exceed the envisaged built form by seven storeys and 3.87:1 floor space ratio (FSR), which is equivalent to 5,766 m² (approximately 62,000 ft²).
- The proposed heights and density are also inconsistent with the *Downtown Core Area Plan* (DCAP) which has a maximum height limit of 15m or four commercial storeys/five residential storeys, and the subject property falls in the Areas Exempt from the Density Bonus System, which has a maximum density of 3:1 FSR and no allowance for density bonus.
- The proposal is inconsistent with the OCP land use framework that concentrates higher density along the Douglas Blanshard corridor to relieve development pressure within historic Old Town, to retain its compact, diverse, low-scale and small-lot character, all of which contribute to it being a major tourist draw for Victoria.
- The proposal would advance the goals of the OCP related to the growth of the local and regional economy, and that the Urban Core functions as a primary regional centre.
- Secured community amenities, including the construction of a public plaza at the corner of Pandora Avenue and Government Street and a public washroom would advance the goals of the OCP and DCAP to support key public amenities and encourage social interaction and enhance community livability and health.
- A statutory right of way (SRW) is being offered along the Government Street building frontage that requires the developer to design, build and maintain a sidewalk,
- An easement from the City over a portion of Pandora Avenue would be required to allow a portion of the proposed building to encroach above the plaza from level 2 to level 12.

The following points were considered in assessing the Development Permit with Variances Application:

- The proposal is inconsistent with key policy objectives of Development Permit Area 1 (HC) Core Historic which are to conserve and enhance the heritage value and special character of the area and to revitalize the neighbourhood through high quality architecture, landscape and urban design through sensitive and innovative interventions. Specific inconsistencies relate to height, scale and massing as well as the more detailed aspects of the form and character guidelines including fenestration pattern, massing variation, roofline detailing, facade articulation, proportionality and quality of materials.
- The proposed height variance of 22.95m (over double the maximum building height in the current zone) is not supportable as it would have a detrimental impact to the low-scale and low-density that is characteristic of the historic Old Town, and would create a stark contrast in scale along Government Street and Pandora Avenue, which is contrary to policy objectives.
- The proposed plaza at the corner of Government Street and Pandora Avenue would be consistent with DCAP policy that seeks to prioritize public realm improvements that enhance connectivity between Centennial Square and surrounding streets.
- Frontage and public realm details are consistent with some aspects of the *Downtown Public Realm Plan and Streetscape Standards* and the Government Street Redesign project, however, other aspects are inconsistent with the *Urban Forest Master Plan* goals and *Tree Protection Bylaw*.

The following points were considered in assessing the Heritage Alteration Permit:

- The proposed height of the hotel building is inconsistent with policy for the Old Town district.
- The buildings form and character and architectural expression are inconsistent with the Old Town Design Guidelines.
- The remnants from the Plaza Hotel have been salvaged and it is a requirement that the elements be integrated into the proposal at the design development phase.
- The Statement of Significance will be updated to include only the salvaged elements, and the heritage designation bylaw will be amended to remove the building and only list the salvaged items.

In summary, the application proposes to revitalize a currently vacant site within the heart of the Historic Commercial District. As a hotel, the proposal offers economic benefits to the city and would provide a public plaza and washroom at the corner of Government Street and Pandora Avenue; however, there are critical aspects of the proposal that require significant plan amendments prior to the application moving forward. These include:

- a reduction in the proposed height and density
- refinements to the form and character to reflect the objectives of the Old Town Guidelines for new buildings including but not limited to fenestration pattern, massing variation, roofline detailing, facade articulation, proportionality and quality of materials.

An alternate recommendation has been provided to refer the application back to staff to work with the applicant to undertake significant plan revisions to better align the proposal with the City's policies and aspirations for this key gateway site within the historic Old Town.

BACKGROUND

Description of Proposal

The proposal is to amend the site-specific regulations in the Old Town District-1 Zone (OTD-1) in order to increase the density and height to allow a twelve-storey hotel with approximately 200 rooms and ground floor commercial uses. An OCP amendment is required to increase the permitted density and allow the proposed building heights within the Core Historic Urban Place Designation.

The following differences from the site-specific regulations in the Old Town District-1 Zone (OTD-1) are being proposed:

- increasing the maximum density from 3:1 floor space ratio (FSR) to 6.87:1 FSR
- increasing the maximum building height from 15m to 37.95m
- removing reference to the density bonus provisions incorporated as part of a previous proposal which specifically relate to:
 - rehabilitation of the Plaza Hotel Building
 - construction of a public plaza at the corner of Government Street and Pandora Avenue valued at least \$180,000
 - payment to the City of Victoria of \$27,500 to contribute to the long-term maintenance of the public water feature to be constructed as part of the public plaza.

The associated Development Permit with Variances is for the form and character, exterior materials and landscaping of the proposed mixed-use building. Specific details include:

- 12-storey built form constructed using a pre-fabricated modular approach, including a cantilevered and angled portion of the building over city property (secured via a legal agreement)
- ground floor commercial space fronting Government Street
- four levels of underground parking accessed off Pandora Avenue
- public plaza at the corner of Pandora Avenue and Government Street incorporating seating, planting, specialty paving, granite outcrops, a seasonal misting station and a public kiosk with a universally accessible public washroom.

The proposed variances are related to:

- increasing the maximum building height from 15m to 37.95m
- reducing the required setbacks from 6m to 3.99m on the south setback and 1.25m on the east setback for portions of the building above 23m in height.

An amendment to the Heritage Designation Bylaw that was associated with the historic Plaza Hotel is required to only include the items salvaged from the fire. The Heritage Alteration Permit relates to how the salvaged items will be integrated into the new development and how the overall proposal meets the Old Town Design Guidelines, and other related heritage conservation policy.

Relevant History

The subject site is currently vacant after a fire destroyed the majority of the former Heritage Designated structure in 2019. Prior to the fire, a site-specific zone was adopted in 2011 that allowed for increased density up to 4.57:1 FSR and increased heights up to 23.1m, however this was contingent on a number of conditions including the rehabilitation of the Plaza Hotel building in accordance with Heritage Revitalization Agreement, construction of a public plaza valued at least \$180,000 and a payment of \$27,500 to contribute to the long term maintenance of the public water feature to be constructed as part of the public plaza. Since the Plaza Hotel building is no longer in place, the previously proposed community amenity contributions are not achievable, therefore the maximum permitted density in the current zone is considered immaterial.

A Heritage Alteration Permit was approved by Council in 2019 to salvage historical features of the original building that was destroyed in the fire. The previous Council motion stated the purpose was to integrate these features (discussed later in this report) into a future proposed development.

Land Use Context and Existing Site Development Potential

The area is characterized by low-scale two and three story commercial and civic buildings.

Immediately adjacent land uses include mixed-use buildings to the south with small format ground floor commercial and residential above. To the east is 613 Pandora Avenue currently occupied by the Kaleidoscope theatre and 619 Pandora Avenue and a commercial space formerly occupied by CTV which is currently vacant. Across Government Street is the mixed-use residential building with the MEC retail store on the ground floor and to the north is Centennial Square and the McPherson Playhouse theatre. All the buildings located on the same neighbourhood block and within the immediate vicinity have either Heritage Designation status or are listed on the Heritage Register.

Under the current Old Town District-1 Zone (OTD-1) Zone, the property could be developed with a variety of uses, at a density of 3:1 FSR and a height of 15m, or approximately five storeys.

Public Realm

The following public realm improvements are proposed in association with this application:

- public plaza at the corner of Pandora Avenue and Government Street incorporating perimeter circular seating, planting, specialty paving, granite outcrops with a seasonal misting station and a public kiosk with a universally accessible public washroom
- widened sidewalks, planters, new street trees, plantings, seating, lighting, bulb outs and furnishings generally consistent with the Government Street Mall District in the *Downtown Public Realm Plan* and Government Street Refresh Design project
- three new street trees along Pandora Avenue within garden beds within the proposed new public plaza
- reconfigured curbside parking along Government Street.

The proposed plaza and frontage improvements would be secured with a Section 219 covenant, registered on the property's title, prior to Council giving final consideration of the proposed Zoning Regulation Bylaw Amendment.

While all the above improvements to the public realm are commensurate to the expectations of the *Downtown Public Realm Plan* and Government Street Refresh Design Vision, they are not consistent

with the *Urban Forest Master Plan* objectives as it relates to tree preservation. Revisions are required to mitigate impacts to existing trees on Pandora Avenue and show soil cells for new trees along the Government Street frontage as shown in Figure 1.

The frontage design for the site will be required to align with Government Street Central (Redesign) project, under the Government Street Refresh program. This pedestrian-priority streetscape redesign and construction project is anticipated to have the detailed construction design completed in the fall of 2025 with construction in early 2026. The plans as presented anticipate vehicle loading and drop off to be facilitated within the new plaza, which is contrary to the goal of establishing this key anchor and pedestrian priority public space. In addition, inconsistencies remain with the detailed frontage design for the Government Street Central standards, which would need to be corrected prior to the application advancing.



Figure 1. Aerial photo of subject site

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, prior to submission of the application, the following actions were taken to inform and consult with the community:

- on February 5, 2024, notification was sent to 1592 owners and occupiers of property within 200m of the subject property, advising that a consultation process was taking place, and that information could be obtained and feedback provided through the Development Tracker
- on February 5, 2024, a sign was posted on site to notify those passing by of this consultative phase

- on February 20, 2024, the applicant participated in a CALUC meeting, in response to which the application was minimally revised.

A letter from the Downtown Residents Association CALUC dated October 30, 2024 along with the comment forms are attached to this report.

The pre-application community consultation resulted in 206 survey responses, with 114 (55%) opposed, 90 (44%) in support, and two (1%) noted as support if revisions were made. The main reasons provided in opposition to the proposal were excessive height and density and an inappropriate fit with the character of Old Town. A number of respondents noted that a mixed-use proposal with more housing choice would be a more appropriate use. Those in support for the proposal were in favour of the additional foot traffic to the area and the positive impact on local businesses.

The applicant incorporated minor plan revisions following the community consultation period, including design refinements to address the prominence of the main hotel entrance as well as revisions to the facade to emphasise the punched windows and reconfiguration of the vertical and horizontal elements through fenestration and material detailing.

The associated application proposes variances, therefore, in accordance with the City's *Land Use Procedures Bylaw*, it requires notice, sign posting and a meeting of Council to consider the variances.

ANALYSIS

The analysis below focuses on land use, density and OCP objectives, which are the main issues for Council's attention when considering a Rezoning Application. The concurrent Development Permit with Variances and Heritage Alteration Permit sections of the report provide an analysis of the application against the relative design guidelines and heritage policy. The Heritage Designation Bylaw amendment will process the revision required to update the Statement of Significance and bylaw to only include the salvaged remnants from the historic Plaza Hotel building.

The following City policies were used to assess the Rezoning Application: *Official Community Plan* (2012) and *Downtown Core Area Plan* (2011).

Official Community Plan (OCP) Amendment Application

The proposal includes a request to amend the OCP to increase the density from 3.0:1 FSR to 6.87:1 FSR and to increase the maximum allowable building heights from five to 12 storeys. The primary intent of the OCP is to concentrate higher density along the Douglas Street / Blanshard Street corridor to relieve development pressure and preserve the historic character of the Old Town area; it is therefore recommended that the proposal is not supportable. The alternate recommendation provided in this report includes significant plan revisions including a reduction in height and density, which would likely eliminate the need for an OCP amendment.

Rezoning Application

Official Community Plan

The *Official Community Plan, 2012* (OCP) identifies the property within the Core Historic Urban Place Designation. Under this designation the envisioned density is 3:1 FSR and supportable land uses include visitor accommodation, residential, mixed use with continuous commercial at grade. The proposed hotel use is consistent with the envisioned uses in the OCP, however the proposed density is over twice the maximum envisaged density.

The OCP notes that departures from the envisaged heights and density in the Urban Place Designations may be considered where proposals advance key objectives such as providing primarily non-market housing, achieving heritage conservation objectives, or other significant public benefit such as climate forward building design. Whilst the proposed modular construction methods may result in lower embodied carbon, the lack of a heritage building is the key consideration that eliminates any justification for departing from the envisaged densities in the OCP.

Building Height

In addition to encouraging a thoughtful and intentional transition between land uses in different areas of the city, the OCP also promotes careful building height and density transitions. The intent of this policy is to avoid destabilizing adjacent uses and land values. Old Town building heights are set low to retain this specific aspect of the historic neighbourhood character. Maintaining low scale and low-density development also serves to limit change in the area by reducing development pressure, and it is for these reasons that both the OCP and DCAP outline other parts of the city intended for higher densities and tall buildings.

Where large height, density or land use juxtapositions exist, lower, less dense areas face intensified development pressure. This may be desired where existing conditions perpetuate lower-density single-family homes or other inefficient land uses, but when the objective is to strengthen and preserve the historic character of Old Town, severe height and density differences undermine this goal.

Should Council decide to refer the application back to staff, the alternate report recommendation provides language to set building heights at a level consistent with policy which would reduce the destabilizing effect that the proposed heights and density would have. The Old Town Design Guidelines for new infill buildings, support a maximum height of up to three storeys above the directly adjacent lower scale heritage buildings, which suggests the subject site may envisage a proposal up to six storeys. A modest increase above the maximum five storey height limit prescribed in the policy (by two storeys) may be supportable if the upper two storeys were appropriately stepped back to mitigate the impact on the adjacent heritage buildings along the historic streetscape, as recommended in the guidelines.

Inclusionary Housing and Community Amenity Contribution Policy

The *Inclusionary Housing and Community Amenity Contribution Policy* applies to proposals for rezoning that include a residential use. As such, an economic land lift analysis has not been prepared for the subject site to determine if there is an increase in land value from the existing zoning to the proposed density. In addition, the subject property falls within the Areas Exempt from Density Bonus System in the DCAP since these lands are not anticipated to see significant growth and development due to their location and sensitive context.

The applicant has provided a letter (attached) confirming a commitment to providing and constructing the public plaza, and associated features, which would be secured through a legal agreement.

Heritage Designation Bylaw Amendment and Heritage Alteration Permit Application

Heritage Designation Bylaw Amendment

The Heritage Designation Bylaw for this property currently designates the building as protected heritage property. As noted, the 1910 commercial building was destroyed in a fire and no longer exists except for the following items that were salvaged from the site, via a Heritage Alteration Permit, issued to demolish the building:

- (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

The proposal is to update the Statement of Significance and amend the Heritage Designation Bylaw to retain the designation of the remaining heritage features, listed above, to be incorporated as part of the proposed new building at this location. The specifics on how these heritage items get incorporated have not yet been determined and will be part of future discussions with the applicant to ensure the heritage elements are integrated appropriately into an interpretative installation.

Heritage Alteration Permit

A Heritage Alteration Permit is required as the site continues to be a heritage designated property and is located in a heritage conservation area. As such, it must comply with the City's heritage conservation policies, including the *Standards and Guidelines for the Conservation of Historic Places in Canada*. The *Guidelines for Cultural Landscapes, Including Heritage Districts, Section 4.1.5 - Visual Relations*, contains some guidance for interventions to cultural landscapes, including historic districts. The proposed new building is inconsistent with *Guideline 15*, which recommends designing a new feature that:

“respects the historic visual relationships in the cultural landscape. This can include matching established proportions and densities, such as maintaining the overall ratio of open space to building mass in an urban heritage district when designing an infill building.”

The massing and density of this proposal does not conform to this guideline for national heritage conservation best practices. The Heritage Alteration Permit application would also be reviewed

against the Old Town Design Guidelines, which is elaborated on in the next section.

A Heritage Alteration Permit is also required to incorporate the heritage designated items into the new design. At a high level the applicant plans to integrate the elements into an interpretative panel or installation that will tell the history of the site and commemorate its contribution to Old Town's history. In the next phase of design and if this proposal progresses forward, the design of the integrated heritage designated items will be required to be reviewed by staff through a delegated Heritage Alteration Permit, which will also be reviewed by the Heritage Advisory Panel, prior to permit issuance.

Development Permit with Variance Application

Official Community Plan: Design Guidelines

The OCP identifies this property in Development Permit Area 1, Core Historic. The objectives of this designation are to:

- conserve and enhance the heritage value and character of this area
- revitalize and enhance the area through infill development with high quality architecture, landscape, and sensitive, innovative interventions.

To achieve these objectives, the DCAP and the *Old Town Design Guidelines* (OTDG) provide policy and guidance to evaluate proposals against. A high-level summary of the most applicable excerpts from these documents is provided below.

Downtown Core Area Plan (September 2011, updated 2022)

Building heights, massing and setbacks are the main applicable policies from the DCAP, and a maximum building height of five storeys is prescribed for the subject property. Other policies in DCAP related to form and character overlap with policies in the OTDG, and in these instances, the OTDG are referred to and evaluated in the subsequent section.

A key objective of the DCAP is to be a model for sensitive infill development. The policies therein aim to retain the compact, diverse, and low-scale character of this district. In addition to the inconsistency with the maximum building heights outlined in DCAP, the proposal is also inconsistent with massing and setback criteria intended to guide sensitive infill development. These criteria are also used to assess the density of the proposal, which results in the proposed massing.

Old Town Design Guidelines

Old Town is one of the largest heritage conservation areas in British Columbia and a place of local, provincial and national significance. Broadly, the *Old Town Design Guidelines* aim is to foster building designs that respect, complement and contribute positively to the historic context of Old

Town while encouraging innovative, creative and timeless design solutions. To achieve this the guidelines promote:

- building footprints that reflect the historical, small, block patterns in Old Town
- adherence to classical architectural tenets of order, proportion, hierarchy, balance and scale
- diversity, quality and authenticity to ensure that new buildings complement and fit but are also distinguishable from the genuinely historic buildings of Old Town.

Additional heritage focused policies outline strategies to conserve the heritage value of the neighbourhood. A strategy to achieve this is to discourage proposals that are out of scale with the existing built fabric or that ignore the spatial organization or proportions of the heritage building stock defining the area. The proposal is inconsistent with these objectives and includes a large, uninterrupted building length along Government Street which does not reflect the small lot character of Old Town.

More specifically, policies stipulate that to avoid drastic changes in scale along the street, the main façade height of a new building shall not exceed the façade height of a directly adjacent lower scale heritage building by more than three storeys. The proposal exceeds the adjacent building heights by nine storeys on Government Street and ten storeys on Pandora Avenue.

Advisory Design Panel Review

The application was reviewed by the Advisory Design Panel on June 26, 2024. At that meeting, the following motion was passed (the minutes are attached in Attachment G):

“That the Advisory Design Panel recommend to Council that Development Permit Application No. 00269 for 603 Pandora Street be approved as presented.”

Although not formally noted in the motion, the attached minutes from the meeting document some of the questions and concerns raised regarding the proposed height of the building.

Heritage Advisory Panel Review

Given the Heritage Designation and the location of the subject site within Old Town, the application was also referred to the Heritage Advisory Panel on September 10, 2024 (the minutes are attached in Attachment H):

“That the Heritage Advisory Panel recommend to Council that Development Permit Application No. 00269 for 603 Pandora Street does not sufficiently meet the applicable design guidelines and policies and should be declined (and that the key areas that should be revised include:)

- *The general adherence to the Old Town Design Guidelines is critical to the OCP objectives of protecting and revitalizing Old Town while ensuring new infill development is compatible with existing historic buildings and streetscapes*
- *The proposed building size, height and massing are excessive for Old Town, and if approved would set a radical precedent for future Old Town development which would jeopardize its long-term future.*
- *The panel recognizes the 23.1-meter height limit as per the existing zoning and would support and/ or could support a 7-storey building.*

Key areas where this proposal fails to meet include but are not limited to,

- 1. Guideline 5.1.5: Ensure the main façade height of a new building does not exceed the façade height of a directly adjacent lower scale Heritage building by more than three storeys to avoid drastic changes in scale along the street.*
- 2. Guideline 5.1.2: Design new buildings to reflect the established proportions, compositions, and spatial organization of adjacent historic facades*
- 3. Guidelines 5.3.2: Base, middle and top need to be distinguished and this needs to be clear. The base is clear, but the top is not, needs to be further distinguished. Needs to be more than just a material change*
- 4. Guideline 5.1.4: Distinct roof line in the building design through such measures as the simplified or contemporary cornice or parapet. It needs a bit more emphasis at the top.”*

A number of revisions were made to the proposal in response to staff comments and the review by the Advisory Design Panel and Heritage Advisory Panel and can be summarised as follows:

- Introduction of structural pilasters in vertical plank cementitious panels at the ground floor that align with the vertical columns above.
- Replacement of fixed canopies with retractable fabric awnings along Government Street and removal of the canopies along Pandora Avenue.
- Adjustments to the fenestration pattern of the top three floors by replacing the vertical plank cementitious panels with smooth cementitious panels and introducing prefinished metal copper coloured window panels.
- Removal of building signage above the ground floor.
- Adjustments to the building corner (at Government Street and Pandora Avenue) by introducing a continuous parapet, adjusting the glazing configuration at the ground level by replacing the wrap around glazing with solid elements and replacing the solid signage with clear glazing above the entrance.
- Adjustments to the plaza design and frontage works including refinements to pedestrian and vehicle access, paving, bicycle parking, planting and hardscape (including bollard placement).

Many of the architectural changes noted above were incorporated in an effort to provide a more fitting response to the heritage context, and whilst these changes do marginally improve the design from the original submission, the fact remains that the proposal still significantly exceeds the envisioned heights and density of the Core Historic area and the scale of the building does not respond to the objectives of Development Permit Area 1, Core Historic in terms of providing a sensitive response to the historic character.

In addition, numerous inconsistencies with the Old Town guidelines remain which are related to the more detailed aspects of form and character, including the fenestration pattern, structural bays and vertical proportions, massing variation, roofline detailing, facade articulation, proportionality and quality of materials. Should Council wish to advance the application, fundamental design revisions are recommended to provide a more appropriate response to the policy and guidelines.

Building Height

A variance is requested to increase the building height from 15m to 37.95m. The variance being requested is over double the maximum heights prescribed in the zone and is not supportable. It would have a detrimental impact to the low-scale and low-density that is characteristic of the

historic Old Town and would create a stark contrast in scale along Government Street and Pandora Avenue, which is contrary to policy objectives.

DCAP contains guidelines related to achieving a human scale that seek to positively frame and define open spaces, improve access to sunlight and support livability. For all buildings, proposals must demonstrate compliance with a sun and shadow study. This involves maintaining a minimum of approximately four hours of sunlight between 10:00 am and 4:00 pm during the equinoxes on at least 60% of area of an impacted sidewalk or open space located directly to the north of the project's north parcel line.

The applicant has provided a shadow analysis that demonstrates that the sidewalk to the north of Pandora Avenue meets this requirement, however the plaza has not been factored into the calculations. Although efforts have been made to improve access to sunlight in the north facing plaza by offsetting the building from the west (Government Street) property line, the shadow analysis highlights that the entire plaza will remain shaded even at midday during the equinoxes.

Staff prepared a massing scenario at the policy compliant 15m maximum height limit as well as a modest increase above this at 22.5m (illustrated by the yellow hatched overlay area in Figure 2 and Figure 3), which demonstrates that a significant improvement in access to sunlight would be achieved through lower building heights.



Figure 2. Shadow analysis at 12 noon during equinox at 15m (approximately 5 storeys)

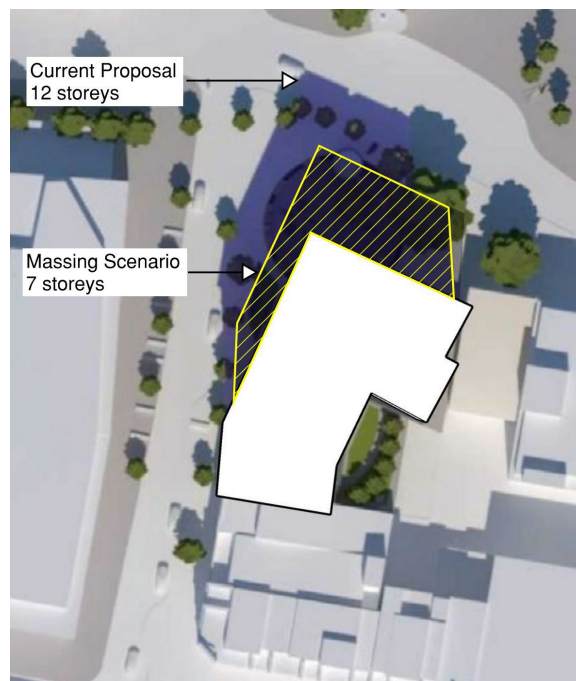


Figure 3. Shadow analysis at 12 noon during equinox at 22.5m (approximately 7 storeys)

Given the negative impacts of shading on the proposed plaza and the detrimental impact the proposed building would have on the character of Old Town, it is recommended that Council decline the proposed height variance. Staff have prepared an alternate recommendation that directs the applicant to revise the proposed height and massing to better align with policy. This would require a reduction in height from the currently proposed 12 storeys to a maximum of approximately 7 storeys (a reduction of 5 storeys).

Setbacks

At over 37m in height, the proposal is classified as a tall commercial building and as such, DCAP requires a minimum 6m side yard and rear yard setback for portions above 23m in height. For reasons noted earlier, it is recommended that the height variance is not supportable, therefore revisions are recommended to reduce the height which would result in upper storey setback only being necessary for the upper-most floor (seventh storey) to comply with the OTDG. However, as it currently stands a variance is requested to reduce the required interior lot setbacks as follows:

- South – from 6m to 3.99m for levels 8 to 12
- East – from 6m to 1.25m for levels 8 to 12

These variances are not considered supportable; without stepbacks from adjoining properties, the excessive massing of the proposed building would have a negative effect on the enjoyment of outdoor spaces through limited access to sunlight and sky views. It is therefore recommended the proposed setback variances are not supported.

Sustainability

As indicated in the applicant's letter dated September 12, 2024 the following sustainability features are associated with this proposal:

- heat recovery system from the pool
- energy recovery ventilation from all hotel suites
- electrical rough-in and structural capacity for future photovoltaic panels (solar not proposed as part of the application)
- green roof at level 3.

The applicant intends to commit to providing these features through legal agreements.

Parking and Operational Servicing

The application proposed four levels of underground parking including a total of 122 vehicle parking stalls. Only 50 parking stalls are required under the Zoning Bylaw 2018 regulations. The applicant was encouraged to reduce the provision of parking, although they have chosen to pursue the current proposal with an excess of 72 parking stalls (approximately two levels of underground parking). The proposal meets the requirement for long term bicycle parking and exceeds the short-term bicycle parking by two stalls.

Whilst it is recognised the applicant is meeting the parking requirements, opportunities exist to provide enhanced mobility improvements such as a bicycle share program for guests and ample secure bicycle parking for both guests and employees, which could potentially reduce the overall

vehicle parking being proposed. These initiatives align with the City's Go Victoria mobility strategy reducing the reliance on private vehicle usage in the urban environment.

Vehicle servicing considerations for the large-scale commercial operations are proposed to rely on the public right of way. However, dedicated commercial vehicle loading along the frontage is limited based on Government Street objectives for a people priority street, and this may include intermittent vehicle closures in support of special events to activate the public realm.

In addition, the short-term parking and loading stall proposed within the Plaza area for patron check in/out operations conflicts with the use of the space as a pedestrian priority area as well as hindering further soft landscaping opportunities. Revisions are required to remove the parking area from the plaza with an expectation that guest arrival and departure will be serviced within the site.

Stormwater Management

Sustainable stormwater management is essential to maintaining infrastructure resilience as the city develops and adapts to climate impacts. Onsite stormwater management is required to reduce strain on infrastructure by managing runoff at the source. In particular, the use of green stormwater infrastructure (GSI) not only manages runoff but also provides stormwater quality benefits which contributes to overall watershed health. To support this, the City's Rainwater Management Standards provide flexible GSI options suited to constrained urban sites, helping developers integrate effective, sustainable rainwater management systems.

Off Site

A rain garden was initially proposed for the Government Street frontage. However, due to site unsuitability, it was not supportable. Instead, it was requested that stormwater management be incorporated into the plaza design and within any soil cells provided on the Government Street frontage. The applicant has expressed a willingness to address the policy, however this integration has yet to be incorporated into the design.

On Site

As a condition of rezoning, the application is required to meet the City's rainwater management target to capture and treat 32 mm/24 hours for all site impervious area. The applicant has incorporated a small green roof area; however, the extent is insufficient to meet the City's target. Should Council refer the application back to staff, an increase in site plantable area will be requested to achieve both stormwater management and urban forest goals. This could be achieved through expansion of green roof areas, and/or a combination of other design approaches that are suitable for constrained urban sites.

Tree Protection Bylaw and Urban Forest Master Plan

The goals of the *Urban Forest Master Plan* include protecting, enhancing, and expanding Victoria's urban forest and optimizing community benefits from the urban forest in all neighbourhoods.

A total of 10 trees have been inventoried, all of which are located on municipal property. Of these, five trees (to be retained) are located along Government Street and five are located along Pandora Avenue. Three of the five trees on Pandora Avenue require removal to accommodate construction of the new plaza. There are no trees on the subject property and no trees on neighbouring properties impacted by the development.

The landscape plan shows six trees on the rooftop that do not comply with the provisions of the Tree Protection Bylaw to be considered replacement trees. Under the current proposal, the applicant would be required to pay \$14,000 cash-in-lieu of replacement trees. Three new street trees will be planted in garden beds along the Pandora Street frontage and five trees will be planted in raised planters along Government Street, to be succession planting as part of the Government Street Refresh project.

The increased tree inventory is anticipated to have the following annual maintenance costs.

Resource Impact

Increased Inventory	Annual Maintenance
Landscape	\$11,300
Irrigation	\$750
5 net new municipal trees	\$300

Encroachment Agreement

Canopies are encouraged in the Guidelines to provide pedestrian weather protection and welcoming streetscapes. A number of street-level canopies are proposed along Government Street, which project above the City Right-of-Way. In addition, and in an attempt to increase access to sunlight for the proposed plaza, a portion of the building on Pandora Avenue extends beyond the property from levels 2 to level 12. In order to facilitate these canopies and building projection, the applicant is required to enter into an Encroachment Agreement with the City. The form of agreement has been settled and will be executed if the proposal advances and if a statutory right of way along the Government Street frontage in favour of the City is registered.

CONCLUSIONS

The proposal to rezone and pursue an OCP amendment for the site presents inconsistencies related to form, massing and scale, response to the heritage context and architectural detailing. It is, however, acknowledged that the proposal would add economic benefit to the Downtown core and would deliver a public plaza and washroom.

As stated throughout this report, the proposed scale, massing and lack of sensitive response to the heritage context undermines the character defining elements and quality of the built environment in Old Town, a major tourist attraction and one of the largest heritage conservation areas in British Columbia and a place of local, provincial and national significance. Given the detrimental impacts on this highly sensitive part of the city, it is recommended that Council decline the application.

Given the collective inconsistencies with policy outlined in this report, it is recommended that Council decline the application. However, an alternate recommendation has been provided to refer the application back to staff, which, along with more technical amendments, would require significant revisions related to massing, height and architectural detailing in order to better meet OCP policy and the intent of the design guidelines.

ALTERNATE MOTION

Option 2 – Refer back to staff

That Council refer the Rezoning Application No. 00873, Development Permit with Variances Application No. 00269 and Heritage Alteration Permit No. 00269 back to staff and direct the applicant to revise the proposal including but not limited to the following:

- to be consistent with the OCP as it relates to height and density
- to revise the architectural expression to provide a more appropriate response to the Core Historic area and the relevant guidelines, in particular the Old Town Design Guidelines
- to include enhanced mobility options and reduced parking
- to ensure operational functionality within the site including drop off and loading
- to meet tree minimum and stormwater requirements
- to rectify technical corrections to plans to the satisfaction of staff.

Respectfully submitted,

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Development Planning
Development Services
Division

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Karen Hoese, Director
Planning and Development
Department

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Subject Map
- Attachment B: Plans date stamped September 24, 2025
- Attachment C: Letter from applicant to Mayor and Council dated March 25, 2025
- Attachment D: Letter from owner regarding the plaza commitment, dated April 2, 2025
- Attachment E: Zoning Data Table
- Attachment F: Enabling Legislation
- Attachment G: Advisory Design Panel meeting minutes from June 26, 2024
- Attachment H: Heritage Advisory Panel meeting minutes from September 10, 2024
- Attachment I: Community Association Land Use Committee Comments dated October 30, 2024
- Attachment J: Pre-Application Consultation Comments from Online Feedback Form
- Attachment K: Statement of Significance
- Attachment L: Correspondence (Letters received from residents).