



Committee of the Whole Report

For the Meeting of October 4, 2018

To: Committee of the Whole **Date:** September 20, 2018

From: Jonathan Tinney, Director, Sustainable Planning and Community Development

Subject: Rezoning Application No. 00595 for 1400 Quadra Street and Associated Official Community Plan Amendment

RECOMMENDATION

That Council decline Rezoning Application No. 00602 for the property located at 1400 Quadra Street.

LEGISLATIVE AUTHORITY

In accordance with Section 479 of the *Local Government Act*, Council may regulate within a zone the use of land, buildings and other structures, the density of the use of the land, building and other structures, the siting, size and dimensions of buildings and other structures as well as the uses that are permitted on the land and the location of uses on the land and within buildings and other structures.

In accordance with Section 482 of the *Local Government Act*, a zoning bylaw may establish different density regulations for a zone, one generally applicable for the zone and the others to apply if certain conditions are met.

In accordance with Section 483 of the *Local Government Act*, Council may enter into a Housing Agreement which may include terms agreed to by the owner regarding the occupancy of the housing units and provided such agreement does not vary the use of the density of the land from that permitted under the zoning bylaw.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning Application for the property located at 1400 Quadra Street. The proposal is to rezone from the Central Business District-1 Zone (CBD-1, site specific) and the Mixed Use Residential District-1 Zone (MRD-1) to the Central Business District-2 Zone (CBD-2, site specific) in order to construct a 14-storey, mixed-use building consisting of ground floor commercial and residential above with a floor space ratio of 5.5:1.

The following points were considered in assessing this Application:

- the subject property is designated Core Business in the *Official Community Plan* (OCP, 2012), which supports commercial, including office and retail along with complementary

uses including residential, hotels and other visitor accommodation. In terms of place character features, the OCP envisions three- to five-storey building façades that define the street wall with upper storeys set back above. The plan supports a maximum residential floor space ratio of 3:1 and total commercial floor space ratios ranging from a base of 4:1 to a maximum of 6:1. The Application proposes a residential FSR of 5.27 which is not consistent with the overall intent of the Core Business Designation.

- the proposal would require an OCP amendment to change the Urban Place Designation from Core Business to Core Residential, which is the designation immediately across Quadra Street. The Application is consistent with this proposed designation which supports diverse housing types including low-, mid-, and high-rise multi-unit residential and mixed-use. The floor space ratio in this designation generally ranges from a base of 3:1 to a maximum of 5.5:1. The Development Permit Area would also need to change to be consistent with this OCP amendment (see concurrent Development Permit with Variances Application).
- the subject property is designated Central Business District in the *Downtown Core Area Plan* (DCAP, 2011). The DCAP supports a strong concentration of commercial employment uses, along with such complementary uses as multi-residential development, hotels, restaurants, public institutions, personal service businesses and retail stores. The maximum density for mixed use development is 6:1 FSR, of which the residential portion shall not exceed 3:1 FSR. The Application proposes a residential FSR of 5.27, which is not consistent with the FSR limits in the DCAP, and does not meet the overall intent of this area serving as the primary employment, commercial and cultural centre for the City and the region. If Council chooses to approve the Application, the DCAP would also require amendments for consistency with the OCP amendment, including changing the district from Central Business District to Residential Mixed-Use District.
- The *City of Victoria Density Bonus Policy* does not identify an amenity contribution target (fixed rate target) for standard rezoning of properties that require an OCP Amendment. Therefore, land lift analysis is required. The land lift analysis has determined that the proposal would not increase the value of the property and therefore no amenity contribution would be expected under the Density Bonus Policy.
- A Housing Agreement is being proposed to secure the 113 dwelling units as rental in perpetuity.

Although the Application is inconsistent with a number of City policies related to its current land use designation of Core Business, as noted above, it would provide more than 100 units of rental housing stock, secured in perpetuity. The provision of these rental units would help to address the current rental shortage and may help to provide a stabilizing residential influence in an area of the City which is undergoing considerable transition. Based on these additional considerations, an alternate motion is provided at the end of this report for Council's consideration.

BACKGROUND

Description of Proposal

This Rezoning Application is to allow for a 14-storey, mixed-use building consisting of ground floor commercial and residential above with a density of 5.50:1 floor space ratio (FSR).

The following differences from the existing zones (CBD-1 Zone and MRD-1 Zone) are being

proposed. The proposal has no differences from the destination zone (CBD-2 Zone) except for the increased density and the location of one parking space. The increased density would require site specific regulations in the new zone and the parking location would require a variance (see concurrent Development Permit with Variance report):

- increase the maximum FSR to 5.5:1
- remove the requirement for a maximum FSR of 3.0:1 for residential uses
- increase the height requirement to 42.70m
- increase the site coverage to 77.6%
- locate one accessible visitor parking space outside of the building.

The request to amend the *Official Community Plan* is necessary in order to accommodate the increased residential density above 3.0:1 FSR. An amendment to the *Downtown Core Area Plan* would be required to accommodate the OCP amendment.

Affordable Housing Impacts

The applicant proposes the creation of 113 new residential units which would increase the overall supply of housing in the area. A Housing Agreement is also being proposed to secure 113 rental dwelling units in perpetuity.

Sustainability Features

The applicant has identified sustainability features which will be reviewed in association with the concurrent Development Permit Application for this property.

Active Transportation Impacts

The Application proposes 142 long term bike storage spaces and 13 short term bike spaces, which exceed the requirements in the *Zoning Regulation Bylaw* by one bike space.

Public Realm Improvements

No public realm improvements are proposed in association with this Rezoning Application.

Accessibility Impact Statement

The British Columbia Building Code regulates accessibility as it pertains to buildings.

Land Use Context

The area is predominantly characterized by low and mid-rise commercial, residential and mixed use buildings. Immediately adjacent land uses include:

- to the north: a 2-storey commercial building and surface parking lot
- to the south: a 1-storey commercial building and surface parking lot
- to the east: the 3-storey Royal Conservatory of Music building (Heritage-Designated)
- to the west: a 5-storey residential building.

Existing Site Development and Development Potential

The site is presently vacant and is undergoing remediation.

The site is currently partially zoned CBD-1 Zone (site specific) and MRD-1 Zone. The site specific CBD-1 Zone portion would permit a 15m high commercial office building at 1.5 FSR. The MRD-1 Zone portion would permit a 30m high mixed-use building. The site may be difficult to develop to its maximum potential under current zoning due to its size and configuration.

Data Table

The following data table compares the proposal with the existing CBD-1 (site specific) and MRD-1 Zones. An asterisk is used to identify where the proposal is less stringent than the existing zones. If the property is rezoned as proposed, the destination zone would be the CBD-2 Zone with a site specific regulation to accommodate the increased density. A variance would be required to locate one parking space outside of the building.

Zoning Criteria	Proposal	Current Zone MRD-1	Current Zone CBD-1 (Site Specific)	Proposed Zone CBD-2
Site area (m ²) – minimum	1370.40	N/A	N/A	N/A
Density (Floor Space Ratio) – maximum	5.50:1 *	N/A	1.5:1	4.0:1
Residential density (Floor Space Ratio) – maximum	5.27:1 *	N/A	N/A	3.0:1
Office density (Floor Space Ratio) – maximum	N/A	0.6:1	N/A	N/A
Total floor area (m ²) - maximum	7537.00	N/A	N/A	N/A
Height (m) – maximum	42.70 *	30.00	15.00	45.00
Rooftop structure projection (m) – maximum	2.78	5.00	5.00	5.00
Storeys – maximum	14	N/A	N/A	N/A
Site coverage (%) – maximum	77.60 *	N/A	60.00	N/A
Front setback plane (ratio) (Quadra Street) – minimum	Within setback plane	N/A	5:1 (angle of Inclination)	5:1 (angle of Inclination)
Setbacks (m) – minimum				
Front (Quadra Street)	2.60	0.5	N/A	N/A
Rear (West)				
Under 20m in height	0.5	N/A	N/A	N/A

Zoning Criteria	Proposal	Current Zone MRD-1	Current Zone CBD-1 (Site Specific)	Proposed Zone CBD-2
20-30m in height	7.74 (5.50 for balcony)	N/A	3.0	3.0
30-45m in height	7.74 (5.50 for balcony)	N/A	6.0	6.0
Side (North)				
Under 20m in height	0.57	N/A	N/A	N/A
20-30m in height	7.03	N/A	3.0	3.0
30-45m in height	7.09	N/A	6.0	6.0
Side (Johnson Street)				
Under 20m in height	3.10	N/A	N/A	N/A
20-30m in height	5.91	N/A	3.0	3.0
30-45m in height	6.00	N/A	6.0	6.0
Projections into setbacks – maximum	Less than 0.6	0.60	0.60	0.60
Rooftop structure				
Setback from roof edge (m) – minimum	3.00	3.00	3.00	3.00
Rooftop coverage (m) – maximum	19.7	30.0	30.0	30.0
Height (m) – maximum	2.78	5.00	5.00	5.00
Vehicle parking stalls – minimum				
Total vehicle parking	104	80	80	80
Residential	93	69	69	69
Visitor	11	11	11	11
Vehicle parking location	1 space outside structure *	within structure	within structure	within structure

Zoning Criteria	Proposal	Current Zone MRD-1	Current Zone CBD-1 (Site Specific)	Proposed Zone CBD-2
Bicycle parking stalls – minimum				
Long term residential	142	141	141	141
Short term	13	13	13	13

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variances Applications*, the applicant has consulted the Downtown Harris Green CALUC at a Community Meeting held on May 18, 2017. A letter dated September 23, 2018 is attached to this report.

ANALYSIS

Official Community Plan

The subject property is designated Core Business in the *Official Community Plan (OCP, 2012)*, which supports commercial, including office and retail along with complementary uses including residential, hotels and other visitor accommodation. In terms of place character features, the OCP envisions three- to five-storey building façades that define the street wall with upper storeys set back above. The plan supports a maximum residential floor space ratio of 3:1 and total commercial floor space ratios ranging from a base of 4:1 to a maximum of 6:1.

The Application exceeds the residential FSR envisioned in this location and is not consistent with the overall intent of the Business Core Designation. The Application therefore requires an OCP amendment to change the designation from Core Business to Core Residential. The proposal would be consistent with the Core Residential Urban Place Designation which supports diverse housing types including low-, mid-, and high-rise multi-unit residential and mixed-use. The floor space ratio in this designation generally ranges from a base of 3:1 to a maximum of 5.5:1 across Quadra Street. The Development Permit Area would also need to change to be consistent with this OCP amendment (see concurrent Development Permit with Variances Application).

The OCP envisions the downtown as the cultural, employment, business and entertainment heart of the Capital Region. The proposed OCP amendment may detract from the overall intent of the downtown area and would decrease the potential for commercial services and employment.

The applicant has supplied a letter from Colliers International (attached) stating that the current market conditions would suggest that caution be applied to any new office development. It should also be noted that the proposal is located across the street from the Core Residential designation. If the OCP amendment is approved, the site would become a contiguous part of the Core Residential designation and not an isolated lot.

OCP Amendment Consultation

The *Local Government Act* (LGA) Section 475 requires a Council to provide one or more opportunities it considers appropriate for consultation with persons, organizations and authorities it considers will be affected by an amendment to the OCP. Consistent with Section 475 of the LGA, Council must further consider whether consultation should be early and ongoing. This statutory obligation is in addition to the Public Hearing requirements. In this instance, staff recommend for Council's consideration that notifying along with posting a notice on the City's website will provide adequate opportunities for consultation with those affected, should Council consider the alternate motion that would advance the proposed OCP Amendment.

The OCP Amendment Application is to change the Urban Place Designation from Core Business to Core Residential. Given the surrounding area is predominantly low and mid-rise commercial, residential and mixed-use buildings, and given that through the Community Association Land Use Committee (CALUC) Community Meeting process all owners and occupiers within a 200m radius of the site were notified and invited to participate in a Community Meeting, the consultation proposed at this stage in the process is recommended as adequate and consultation with specific authorities, under Section 475 of the LGA, is not recommended as necessary.

Should Council support the OCP amendment, Council is required to consider consultation with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board and the provincial government and its agencies. However, further consultation is not recommended as necessary for this amendment to the Urban Place Designation as this matter can be considered under policies in the OCP.

Council is also required to consider OCP Amendments in relation to the City's *Financial Plan* and the *Capital Regional District Liquid Waste Management Plan* and the *Capital District Solid Waste Management Plan*. This proposal would have no impact on any of these plans.

Downtown Core Area Plan

The subject property is within the Central Business District in the *Downtown Core Area Plan* (DCAP, 2011). The Central Business District supports a strong concentration of commercial employment uses, along with such complementary uses as multi-residential development, hotels, restaurants, public institutions, personal service businesses and retail stores. Objectives of this district include serving a long-term function as the primary employment centre for the City and the region, and to provide an adequate land base to primarily accommodate commercial and office development in the future. The maximum density for mixed use development in this location is 6:1 FSR, of which the residential portion shall not exceed 3:1 FSR.

The Application proposes a residential FSR of 5.27 which is inconsistent with the DCAP. The proposed increase in residential density would also not meet the overall intent of this area providing a land base to accommodate commercial and office development in the future.

If Council chooses to approve this Application, the DCAP would also require amendments for consistency with the OCP amendment, including changing the district from Central Business District to Residential Mixed-Use District.

Density Bonus Policy

The City of Victoria Density Bonus Policy does not identify an amenity contribution target (fixed rate target) for standard rezoning of properties that require an OCP Amendment. Therefore, land lift analysis is required. This study was completed by G.P. Rollo and associates, September 25, 2018 (attached), and it has been determined that there would be no land lift from the proposed zoning for market rental as compared to a strata project at 3.0 FSR with commercial at grade.

Tree Preservation Bylaw and Urban Forest Master Plan

There are no Tree Preservation Bylaw impacts with this Application. There are five public trees impacted by this Application – two *Fraxinus ornus* and three *Carpinus betulus*. These trees will be removed because they will not withstand the impacts of the proposed underground parkade and new utility installations for the development. Six new trees are to be planted within the public realm on Quadra and Johnson Streets, with a net gain of one tree.

Regulatory Considerations

The following differences from the existing zones, CBD-1 Zone (site specific) and MRD-1 Zone, are being proposed and would be accommodated in the proposed CBD-2 Zone (site specific):

- increase the maximum FSR to 5.5:1
- remove the requirement for a maximum FSR of 3.0:1 for residential uses
- increase the height requirement to 42.70m
- increase the site coverage to 77.6%.

If Council chooses to approve the Application, the new zone would be based on the CBD-2 Zone except with the density increased as noted above. A variance would also be required for one accessible visitor parking space to be located outside of the building.

The increases to the overall density, height and site coverage are consistent with the OCP and DCAP policy. The residential density increase is not consistent with City policy and would require an OCP amendment (see above). The DCAP would also require amendments for consistency with the OCP amendment, including changing the district from Central Business District to Residential Mixed-Use District.

CONCLUSIONS

The proposal to construct a 14-storey, mixed-use building consisting of ground floor commercial and residential above, is not consistent with OCP and DCAP policy with respect to proposed land use and density. The proposed residential density does not reinforce and enhance this location as the primary employment, commercial and cultural centre for the City and the region. However, it would provide more than 100 units of rental housing stock, secured in perpetuity. The provision of these rental units would help to address the current rental shortage and may help to provide a stabilizing residential influence in an area of the City which is undergoing considerable transition. Additionally, the property is located on the edge of the Core Business District, directly across the street from an area of the City which is in a land use designation which would support this form of development.

ALTERNATE MOTIONS

Option 1 (Approve Current Proposal)

1. That Council instruct staff to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 475 of the Local Government Act and the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No.00595 for 1400 Quadra Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council and a Public Hearing date be set once the following conditions are met:
 - a. Preparation of the following documents, executed by the applicant, to the satisfaction of City Staff:
 - i. Housing Agreement Bylaw securing all dwelling units as rental in perpetuity.
 - b. That Council determine, pursuant to section 475(1) of the Local Government Act that the affected persons, organizations and authorities are those property owners and occupiers within a 200m radius of the subject properties; that the appropriate consultation measures would include a mailed notice of the proposed OCP Amendment to the affected persons; posting of a notice on the City's website inviting affected persons, organizations and authorities to ask questions of staff and provide written or verbal comments to Council for their consideration.
 - c. That Council, having provided the opportunity for consultation pursuant to Section 475(1) of the *Local Government Act* with persons, organizations and authorities it considers will be affected, specifically, the property owners and occupiers within a 200m radius of the subject properties, have been consulted at a Community Association Land Use Committee (CALUC) Community Meeting, consider whether the opportunity for consultation should be early and ongoing, and determine that no further consultation is required.
 - d. That Council specifically consider whether consultation is required under Section 475(2)(b) of the *Local Government Act*, and determine that no referrals are necessary with the Capital Regional District Board, Councils of Oak Bay, Esquimalt and Saanich, the Songhees and Esquimalt First Nations, the School District Board and the provincial and federal governments and their agencies due to the nature of the proposed amendment.
 - e. That Council give first reading to the Official Community Plan Amendment Bylaw.
 - f. That Council consider the Official Community Plan Amendment Bylaw in conjunction with the City of Victoria 2017-2021 Financial Plan, the Capital Regional District Liquid Waste Management Plan and the Capital Regional District Solid Waste Management Plan pursuant to Section 477(3)(a) of the *Local Government Act*, and deem those Plans to be consistent with the proposed Official Community Plan Amendment Bylaw.
 - g. That Council give second reading to the Official Community Plan Amendment Bylaw.
 - h. That Council refer the Official Community Plan Amendment Bylaw for consideration at a Public Hearing.

2. That, if approved, Council direct staff to prepare the following plan amendments:

- i. Consequent amendment of the *Downtown Core Area Plan, 2011* to change the Central Business District designation covering the site to the Residential Mixed-Use District designation.

Option 2 (Revise)

That Council direct staff to:

1. Work with the applicant to revise the Application to be more consistent with the OCP and DCAP, particularly in relation to decreasing the residential density and increasing support of this area as the primary employment, commercial and cultural centre for the city and the region.
2. Bring the revised proposal back to a Committee of the Whole meeting.

Respectfully submitted,



Rob Bateman
Senior Process Planner
Development Services Division



Jonathan Tinney, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date: _____

Sept. 28, 2018

List of Attachments

- Attachment A: Subject Map
- Attachment B: Aerial Map
- Attachment C: Plans date stamped September 18, 2018
- Attachment D: Letter from applicant to Mayor and Council dated September 24, 2018
- Attachment E: Community Association Land Use Committee Comments dated September 23, 2018
- Attachment F: Letters from Colliers International dated July 11, 2017 and October 2, 2017
- Attachment G: Land Lift Analysis Report dated September 25, 2018
- Attachment H: Staff Report for Advisory Design Panel Meeting of August 22, 2018
- Attachment I: Draft Minutes from the Advisory Design Panel Meeting of August 22, 2018.