

S A L I E N T

The Salient Group (Pty) Ltd, 200 Central Street, Vancouver, BC, V6C 1B1
 Tel: 604.681.1111 Fax: 604.681.1111 Email: info@salientgroup.com

Letter to Mayor and Council

November 30th, 2018

City of Victoria
 1 Centennial Square
 Victoria, BC V8W 1P6

Mayor Lisa Helps
 Members of City Council
 City of Victoria

Dear Mayor and Council,

Re: Proposed Redevelopment at 819-827 Fort Street ("825 Fort") - Rezoning, Development Permit and Heritage Alteration Permit Application (REZ000621, DPV00058)

On behalf of the ownership group of 825 Fort Holdings Ltd, The Salient Group is pleased to enclose this updated application for a mixed-use development at 819-827 Fort Street ("825 Fort"). This application includes a proposal for:

- 100 rental homes secured for the life of the building through a housing agreement;
- A mix of studio, 1, 2 and 3-bedroom homes;
- Retention and rehabilitation of the historic Edwardian building façade at 825 Fort Street;
- Designation, retention and rehabilitation of the historic Edwardian building façade at 819-823 Fort Street;
- Historically scaled retail storefronts at ground level, designed and curated to support the local community and add vibrancy to the neighbourhood;
- 139 bicycle parking stalls, along with bicycle repair and cleaning stations, and 57 parking spaces in 2 levels of underground parking accessed from Fort St;
- Building amenities in a pet-friendly environment, including a roof deck and common room for social gatherings, and an outdoor pet run and pet wash area;
- A mid-block urban form that is contextually respectful and reduces the overlook of neighbours;

This proposed redevelopment application was initially submitted November 2017 to the City, and has been revised in response to feedback received from the City and from community consultation, with Architectural plans dated October 24, 2018 and Landscape plans dated April 19, 2018.

The goal for the proposed redevelopment is to create quality rental homes for a variety of household types, in close proximity to Victoria's employment and hospitality centre. The new residents and businesses at 825 Fort will be an integral part of a vibrant, high density mixed-use urban community that is rooted in the historic commercial spirit of Fort Street.



The building form, incorporating authentic historic elements, are inspired by urban lofts and include a range of sizes to accommodate the changing space needs of an urban lifestyle. The diversity of homes, from studios to 3-bedroom suites, are expected to attract a diversity of residents from singles through to families with children. Given the location of the project in the heart of Victoria's technology corridor and emerging gastronomic district, we expect the residents to be largely working in the downtown technology, government, hospitality and service sectors.

Community Consultation

This application presented to you today is an evolution of the proposal initially submitted in November 2017. The modifications and clarifications undertaken have resulted from ongoing consultation with community, neighbourhood and stakeholder groups, feedback from City's Staff, Advisory Design Panel and Heritage Advisory Panel Committees, and from the desire of the developer to create a building that will easily fit into the existing fabric of the City while introducing a much-needed mix of urban rental homes to the area.

Two public open houses have been held to date as part of a broader community engagement process. The first open house event was held in August 2017. The second open house event was held in March 2018, following feedback received from the City's technical review comments on the initial application. These events were attended by approximately 40-50 people each, including members of the surrounding businesses and community, the neighbouring "Escher" development on Broughton Street, the Chamber of Commerce, the Downtown Residents' Association, the Victoria Civic Heritage Trust, City Council, the Fairfield Gonzales CALUC, the Urban Development Institute, as well as other attendees who did not identify themselves or an affiliation.

In addition, there has been ongoing communications with these groups and other members of the immediate and broader community, such as consultation with executives at VIATEC to better understand the housing needs and dynamic of the technology-sector workforce. The feedback we received was positive overall with enthusiasm and support for the continued revitalization of Fort Street.

As part of this project's evolution, there have been various iterations of our application to the City. The summary of applications and communication with the City to date is as follows:

- 1) *November 8th, 2017* – An initial rezoning, development permit and heritage alteration permit application was made to the City,
- 2) *April 19th, 2018* – A revised application was made in response to technical review comments from the City,
- 3) *September 6th, 2018* - A further revised application was made, following an Advisory Design Panel meeting held on May 23rd, 2018 and Heritage Advisory Panel meeting held on June 12th, 2018,
- 4) *October 18th, 2018 – October 26th, 2018* – A subsequent and final revised application was made, to clarify various comments received via email correspondence from the City.

Purpose-Built Rental Homes

During consultation with the City and ongoing consultation with the community, we heard concerns around a lack of family appropriate housing available in the downtown core. In response to this we have worked to create a diverse mix of home types that includes 2-bedroom and 3-bedroom homes geared towards families. For clarity, the project's proposed mix of homes, ranging in size from 300-870sf, is as follows:

10	Studio homes	(10%)
47	1-bedroom homes	(47%)
36	2-Bedroom homes	(36%)
7	3-bedroom homes	(7%)
100	Total Homes	(100%)

We are proposing that these homes be secured under a housing agreement with the City as rental in perpetuity, for the life of the building.

Bonus Density Policy

In accordance with the City of Victoria's Density Bonus Policy, as this rezoning is located in a Core Residential Area and proposes to increase density by more than 30,000 square feet over the existing base density, it requires an economic analysis by a consultant retained by the City. This economic analysis was completed to determine whether the rezoning of the lands created any additional land value, 75% of which the City would seek as an amenity contribution.

Given that the 825 Fort Street redevelopment is a purpose-built rental project, and will be secured in perpetuity under a housing agreement, the detailed financial evaluation completed by the City's consultant determined that this rezoning results in a "negative land lift" valuation – and therefore no Community Amenity Contribution (CAC) is supportable by the project. For clarity, the City's consultant has determined that the value of the land decreases under any tenure of rental covenant, and the additional density granted under the rezoning does not increase the value of the land.

As determined from the detailed financial analysis completed by the City's consultant, this project cannot support specific affordability measures over those already inherently provided in a project of this size, location and unit-mix. However, to support the City's goal for delivering affordable housing, we have evaluated our projected rental rates against the City's recently defined parameters of 'Affordable Housing' (from the November 22nd, 2018 Committee of the Whole meeting). We are pleased to note that, based on the current market rates projected for this building, under the 'Moderate Income' bracket of \$55,000-\$85,000, more than 50% of the suites within this project would be deemed 'Affordable' for Moderate Income Households as defined by the City.

Neighbourhood Context

The project site is comprised of 3 existing buildings, and 2 legal lots with civic addresses of 819-823 Fort Street, and 825-827 Fort Street. It is a mid-block property, on the south side of Fort Street adjacent to a large proposed redevelopment to the east. To the west are the "Fort Common" properties, a collection of neighbourhood scaled restaurant, service and retail buildings that together comprise a site of significant future growth.

The west elevation carries over the design from both north and south elevations with a field of dark grey to create a vertical expression and visual interest on this elevation. The fenestration pattern has been carefully designed to maximize light within units while minimizing possible overlook for future development to the west. There are no primary windows on this west elevation.

Above the historic 825 façade, the modern addition is setback but continues the fenestration pattern from below, complementing the historic facade without detracting from its significance.

The proposed new storefront and podium comprising the eastern half of the project is clad in a white brick that provides a contemporary design and residential aesthetic. This is a modern interpretation of the existing building at 827 Fort Street. Similar in massing and tone to the existing building, this further strengthens the project's intent to maintain a traditional feel to the ground level experience. Juliet balconies have also been introduced on this podium, with a full width expanded metal mesh balcony at levels 2 and 3, to strengthen the base. Above, Juliet balconies in the intermediate body section have been staggered to be playful while also facilitating a connection to its more formal base. This approach to balconies enhances the relationship to the outdoors for the suites while adding subtle visual interest by introducing contrasting material without sacrificing function for these homes.

Where possible, all homes will have large opening windows or patio doors to provide natural ventilation and improve the relationship to outdoor space. Homes are also designed with over-height ceilings. Interior bedrooms will have sliding translucent glass doors that provide bedroom privacy while increasing access to natural light and enabling the rooms to be opened to the suite for greater flexibility.

Common areas within the building are designed with greenery to provide buffers between public and private spaces. At the second floor, private patios are defined with linear planters and shrubs, providing natural privacy that does not exclude genuine social interaction. The same condition exists on floors three through eight. Homes with large terrace spaces will be provided with hose bib locations to encourage residents to grow herbs and vegetables, and also to provide a means of maintenance for the common terraced landscaping areas.

On the third floor, the project will have a common collegium and outdoor common space designed to foster connections within the community of the building. It is designed to be as flexible as possible for various uses and for multiple groups as relevant amenity space for residents. The amenity area includes a pet run and play area, barbeques, trees and planting, and flexible seating-eating-gathering space.

Parking and Alternative Transportation

The site is highly accessible given its central location within the downtown core and proximity to community amenities, and has excellent walkability and access to public transit. In addition, it is located on the City's new Fort Street Bike Path. As a purpose-built rental building that is intended to service those who are within walking distance to their place of work, it is expected that vehicle ownership rates will be significantly lower than typical condominium projects and older rental buildings located further from the city centre.

Due to the constrained area of this site, the ability to efficiently accommodate all of the required parking is severely limited. The project proposal includes 57 parking stalls within 2 levels of underground parking. Of these stalls, 13 are labelled as dedicated for visitors and commercial tenants, interchangeably, as the use and operation of these spaces will complement each other throughout the day with more commercial demand during the day and more residential visitor demand during the evenings. The City's newly



adopted "Schedule C" to the Downtown Bylaw requires 75 parking spaces for this project (including 10 parking spaces for residential visitors and 6 parking spaces for commercial tenants).

Given this variance of 18-stalls between the proposal and the City's newly adopted Schedule C, we have retained the transportation planning & engineering firm of Bunt & Associates to evaluate the 825 Fort Street project, advising on the amount of parking or alternative transportation measures (as Engineering refers to as Traffic Demand Management TDM's) appropriate given the building's use and location.

To summarize their findings, a Parking & Trip Generation Review Report ('Traffic Report') has been prepared and included as part of this application. The Traffic Report suggests that the project should provide between 47-71 parking spaces for both residential and commercial uses, depending on what offsetting TDM measures are being proposed.

For the 18-stall parking variance requested at 825 Fort Street, the off-setting TDM measures proposed include:

Car Share Program

We will be providing 45-Modo car share memberships that will be "tied to the building" and will last in perpetuity. These membership accounts will remain with the building, and will be provided as available to new qualifying tenants without vehicles. In addition, there will be one designated parking spot within the building reserved for a Modo vehicle. In addition to being easily accessible for residents within the building, it will also publicly accessible for the larger Modo community.

Comprehensive Bicycle Amenities

Fort Street is central to the City of Victoria's growing network of urban bicycle routes. It is intended that, given its close urban context, bicycles, skateboards, scooters, and other non-vehicular modes of transportation will be popular with the residents of 825 Fort street.

The redevelopment of 825 Fort Street includes 139-bicycle parking stalls, 21-more than required under the City's new Schedule C. These are located on the main floor, in the bicycle storage and amenity area that includes electrical outlets for residents to charge electric bicycles and scooters, a bicycle wash/cleaning area, and 2-bicycle repair stations complete with tools for tune ups and repairs.

Motorcycle & Electric Scooter Parking

Further to the rise in popularity of electric bicycles, we also recognize the increased popularity of alternative vehicles such as motorcycles and electric scooters. Within the 2-levels of underground parking, at least 4 motorcycle & electric scooter parking spaces, each equipped with electrical outlets, will be provided.

Education & Information

In addition, and in further support for reducing the required number of vehicle parking stalls, incoming residents will be provided with a "New Resident" welcome package and manual that summarizes the various transportation options available in the building and in the neighbourhood. It will also include more information on the incentives listed above, and is an important but often overlooked TDM measure recommended by Bunt & Associates.

Project Team

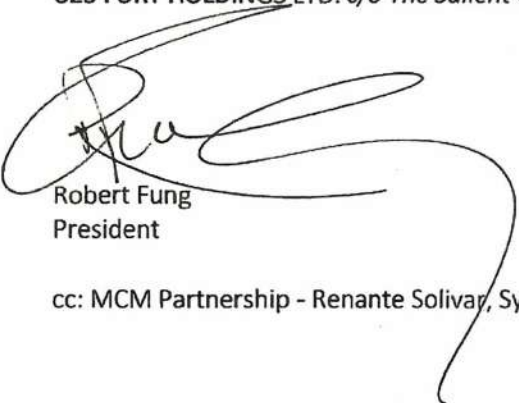
We are pleased to be working with such a talented team with extensive experience in Victoria:

- The Salient Group, Developer
- Musson Cattell Mackey Partnership, Architect, Building Code
- Waymark Architects, Heritage Architect
- Don Luxton, Heritage Consultant
- JEA, Civil Engineer
- Considered Design, Landscape Architect
- Bunt & Associates, Traffic Consultant
- RJC, Structural Engineer
- AES, Electrical Engineer
- Rocky Point, Mechanical Engineer
- JRS, Building Envelope Engineer
- Portico Design Group, Interior Designer
- Ryzuk Geotechnical, Geotechnical Engineer

We are excited about the opportunity to work with the City, continuing in the sensitive revitalization of Fort Street, to provide more, purpose-built rental housing in the downtown.

Yours Truly,

825 FORT HOLDINGS LTD. c/o The Salient Group



Robert Fung
President

cc: MCM Partnership - Renante Solivar, Sydney Schwartz / The Salient Group – Kristine Liu