

I. REPORTS OF COMMITTEES

I.1 Committee of the Whole

I.1.b Report from the November 22, 2018 COTW Meeting

**I.1.b.b 205 Simcoe Street - Rezoning Application No. 00653
(James Bay)**

Moved By Councillor Thornton-Joe
Seconded By Councillor Potts

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00653 for 205 Simcoe Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council, and a Public Hearing date be set subject to an amendment of the existing restrictive covenant to add daycare as one of the permitted uses on the property, executed by the applicant to the satisfaction of City staff.

CARRIED UNANIMOUSLY

D. UNFINISHED BUSINESS

D.1 205 Simcoe Street - Rezoning Application No. 00653 (James Bay)

Committee received a revised report dated November 21, 2018, from the Acting Director of Sustainable Planning and Community Development regarding an application to allow for a preschool daycare.

Moved By Councillor Loveday

Seconded By Councillor Thornton-Joe

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00653 for 205 Simcoe Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council, and a Public Hearing date be set subject to an amendment of the existing restrictive covenant to add daycare as one of the permitted uses on the property, executed by the applicant to the satisfaction of City staff.

CARRIED UNANIMOUSLY



Committee of the Whole Report

For the Meeting of November 22, 2018

To: Committee of the Whole **Date:** November 21, 2018

From: Alison Myer, Acting Director, Sustainable Planning and Community Development

Subject: Rezoning Application No. 00653 for 205 Simcoe Street

RECOMMENDATION

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00653 for 205 Simcoe Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council, and a Public Hearing date be set subject to an amendment of the existing restrictive covenant to add daycare as one of the permitted uses on the property, executed by the applicant to the satisfaction of City staff.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with new information and recommendations regarding the Rezoning Application for 205 Simcoe Street. The proposal is to rezone the property from the current C1-C Zone, Club District, to a new, site-specific zone to allow for a preschool daycare. At the November 15, 2018 Committee of the Whole meeting, Council approved a motion directing staff to explore options for greater affordability of the proposed child-care in return for the City relaxing the covenant currently registered on title. Staff have since met with the daycare operator and the property owner to explore this possibility. Specifically, staff explored the feasibility of subsidizing the daycare spaces by reducing the lease rate and passing on these savings as a means to reduce the fees for the child-care spaces. Both the applicant and the owner have stated that this is not financially feasible. Both parties have provided letters of response, which are attached to this report.

The property owner the James Bay Athletic Association, which is a non-profit society, has indicated that a reduction in the lease revenues would affect funding for their other programming. As the daycare operator, the applicant has also indicated that the daycare business could not afford to provide this subsidy directly. Further, the option of requiring that the daycare business directly subsidize the daycare by reducing their fees could have negative impacts on the stability of the daycare and the employees. Both the applicant and the property owner have stated that if any such condition were to be a requirement of the Rezoning approval, they will not proceed with the application.

Respectfully submitted,



Chloe Tunis
Planning Analyst
Development Services Division



Alison Myer, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date:

Nov 21, 2018

List of Attachments:

- Attachment A: Letter from property owner
- Attachment B: Letter from applicant

Mayor and Council
City of Victoria
Victoria, BC

November 19th, 2019

RE: Change to Covenant at 205 Simcoe to include 16 Seat Daycare

Council,

At the November 15th Committee of the Whole meeting it was noted by JBAA there was some concern about the profits to be made by JBAA from a rental to a daycare and how those profits would be spent. That perhaps a kickback to daycare clients of JBAA profits from rent would be fair and that since the existing covenant needed to be changed to allow for the daycare the City may want to "leverage" this situation to complete the kickback.

It might be helpful for Council to know the actual costs to run the building and the projected benefit.

Projected Day Care Rental Income	36,000.00
Actual Building Operating Expenses 2018	

Property Taxes	11,347.00
Utilities	6,223.49
Repairs/Maintenance	3,445.66
Insurance	4,240.40

Total expenses based on 2018	25,256.55
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Projected Benefit	10,743.45
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This benefit will help replace other income streams that have been on a steady decline. An example would be Bar Revenue which decreased from 2017 sales of \$76,000 to 2018 sales of \$50,000. Leading to a benefit reduction of \$16,000. It has been JBAA's desire to find more passive forms of income to replace the change in pattern of declining alcohol consumption. It will also mean JBAA can avoid the current patchwork of one off rentals, dances etc.

JBAA felt having a steady primary client that operated during daytime hours outside of weekends would best benefit the organization. Plus, a daycare seemed a good fit to the neighbourhood and the building itself.

Below is JBAA's stated purpose as outlined in our Constitution:

2.01 The objects of the Society are the promotion and furtherance of amateur sport in all forms through encouraging playing, promotion, coaching, and refereeing the same.

2.02 To maintain and preserve the historical assets of the James Bay Athletic Association

You might be interested to know that currently 75% of the 200 registered playing members at the club are boys and girls between the ages of 8 and 18. JBAA currently only has Rugby teams playing but, in the past, has sponsored amateur athletes in all sports and continues to look for ways to benefit amateur athletics in Victoria. In 2017/18 JBAA earned \$18,000 in direct registration fees from players but incurred \$65,000 in direct player expenses. The difference is made up by the organization through fundraising. The income from the daycare rental will be part of that fundraising and assist with these expenses to benefit sport and recreation in the City of Victoria.

The income earned from the daycare rental will assist in our operations. Making it a requirement for JBAA to return part of the income to the clients of the daycare would defeat the purpose of the rental. JBAA would not proceed with the daycare rental if the City mandates this in exchange for a change in the covenant.

Please contact me if I can be of more assistance.

John de Goede
President
James Bay Athletic Association

November 20, 2018

To Mayor and Council

Regarding the motion put forward on November 15 2018 at the Committee of the Whole meeting, I, Marley Cummings, the applicant, and the James Bay Athletic Association, the owner, have found it not financially feasible.

The JBAA is charging me, the applicant, \$2950.00 per month for rent and utilities. Based on information from a local Pacific Coast realtor, John Papaloukas, the going rate for a commercial facility in the James Bay area would be \$22-28 per square foot. This works out to a monthly rental fee of \$4583.34-\$5,833.34. It would be not be possible for me to find a similar sized space in this area for less than \$4000. I am lucky to have found this facility at this price.

The JBAA has made the decision to have a long-term rental at a higher financial cost to them in order to be more connected to the community. Previous to our daycare rental existing in the space, profits were made from bar sales and event rentals. This caused some friction in the community in the form of noise complaints. The JBAA has chosen to invite a service into their facility that is desperately needed, as well as creating a quieter and more family-friendly environment for the neighbouring residential and school properties.

The JBAA has made it clear that they will not be in favour of pursuing this application if a subsidy via lease reduction or a hit to the daycare revenue would be required.

If the city should insist upon this, we will lose this space for a childcare facility and we will not be in a financial position to seek out another. My business partner, Kayla McBride, and myself have already invested over \$28,000 of our personal money to open our centre, and we would be devastated if the city's attempt at influencing our rental agreement meant we lost the opportunity. Please take this into consideration in making your decision.

Thank you

Marley Cummings