



Committee of the Whole Report For the Meeting of December 6, 2018

To: Committee of the Whole **Date:** November 29, 2018
From: Andrea Hudson, Acting Director, Sustainable Planning and Community Development
Subject: **Update on Rezoning Application No. 00634 and Development Permit Application No. 000527 for 324/328 Cook Street and 1044, 1048, 1052/1054 Pendergast Street**

RECOMMENDATION

Rezoning Application No. 00634

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00634 for 324/328 Cook Street and 1044, 1048 and 1052/1054 Pendergast 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:

1. Preparation and execution of the following legal agreements:
 - a. Statutory Right-of-Way securing 1.38 metres of the site adjacent Pendergast Street, to the satisfaction of the Director of Engineering and Public Works.
 - b. Housing Agreement ensuring that future strata bylaws cannot restrict the rental of units to non-owners, to the satisfaction of the Director of Sustainable Planning and Community Development.
 - c. Section 219 Covenant securing an amenity contribution in the amount of \$136,163.47 toward the Local Amenities Reserve Fund, to the satisfaction of the Director of Sustainable Planning and Community Development.
 - d. Section 219 Covenant to secure the construction of the following public realm improvements, to the satisfaction of the Director of Engineering and Public Works:
 - i. raingardens along Pendergast Street
 - ii. enhanced boulevard planting and low seating walls
 - iii. permeable and impermeable concrete sidewalk pavers.
 - e. Section 219 Covenant to secure the maintenance of the proposed rain gardens and boulevard planting for a period of one year, to the satisfaction of the Director of Parks, Recreation and Facilities.

2. Update report to Council on the proposed day-care facility located at 380 Cook Street and execution of any necessary legal agreements, to the satisfaction of the Director of Sustainable Planning and Community Development.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with updated information regarding the Rezoning Application and Development Permit Application for the properties located at 324/328 Cook Street and 1044, 1048, 1052/1054 Pendergast Street. The recommended motion for Rezoning Application No. 00634 has been updated above (bold text) to reflect the applicant's proposal, as of November 28, 2018, for a day-care facility within the adjacent building (380 Cook Street) and associated subsidies. Given the late nature of this proposal, staff have not had an opportunity to review the proposal; therefore, should Council choose to advance the application to a Public Hearing, the motion has been updated to include a report back to Council following staff's review of the proposal and the execution of any necessary legal agreements to secure the day-care facility and associated subsidies.

BACKGROUND

On November 28, 2018, the applicant provided the attached supplemental letter to Mayor and Council outlining the proposal for a subsidized day-care facility to be located in a ground-level strata unit, which they own, in the building at 380 Cook Street. While the proposed use is permitted within the existing CR-SC Zone, Commercial Residential Southgate & Cook Streets District, staff have not had an opportunity to conduct a detailed review of the proposal to determine if any variances would be required; as well as, whether the proposed exterior changes are consistent with the applicable design guidelines. Furthermore, legal agreements would likely be required to secure the proposed subsidies and potentially an easement agreement for the proposed outdoor play area.

CONCLUSIONS

The recommendation provided for Council's consideration contains updated language to allow for staff review of the proposed day-care facility, and associated subsidies, and to advance the Rezoning Application to a Public Hearing.

Respectfully submitted,



Alec Johnston
Senior Planner
Development Services Division



Andre Hudson, Acting Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date:

NOV 30, 2018

List of Attachments

- Attachment A: Letter from applicant to Mayor and Council dated November 28, 2018

November 28th, 2018

ARAGON

City of Victoria
No.1 Centennial Square
Victoria BC
V8W 1P6

Attn.: Mayor & Council

Re: Inclusion of Childcare in the Rezoning and Development Permit Application
1044, 1048, 1052/54 Pendergast St. and 324/328 Cook St.

Dear Mayor and Council,

This letter is to provide a recent update which serve as a supplemental entry to the already submitted letter to mayor and council by the project Architects, Greg Damant and Peter Johannknecht, from Cascadia Architecture.

As part of this project we have a unique opportunity to subsidize a childcare provider to occupy a strata unit which is currently owned by Aragon with the entrance directly across the future courtyard between the buildings. The space is roughly 2500 ft2 and under the current childcare provider guidelines would allow for 50-57 kids, depending on how the space is programmed.

To pursue this option, Aragon has put together a Request for Proposal (RFP), which has gone out to many childcare providers in Victoria, outlining the subsidies provided, the space, and how it would integrate with the future development. In this RFP it outlines the following items which Aragon is offering to assist a Childcare provider in operating in this space:

- Reduced rent to a rate 50% below market for 7 years, and 25% below market for 3 additional years. Our market analysis of this location shows a market rate of \$16, triple net per square foot, increasing 2% annually. Therefore a market rate of \$8, triple net per square foot would be offered for the first year, increasing by 2% annually until the 8th year. Additional operating costs is presently estimated to be \$8 per square foot.
- Provide the daycare, at Aragon's cost, with a minimum 1500ft2 outdoor area from the development site, designed by Murdoch de Greeff Landscape architects. A SRW would be provided over the development sites lands for this use.
- One additional parking spot would be provided from Aragon's development in order to allow the Daycare to meet the parking requirements per City of Victoria parking bylaw Schedule C.
- To encourage young families to this development Aragon proposes to subsidize up to 5 childcare spots for families who have purchased in the project to enroll in the future day care. This subsidy would be by way of a payment by Aragon of 50% of the child's daycare fees, in the first 2 years after the project is complete.

The feedback we have heard is the terms above make this a feasible option for childcare providers and with due diligence and planning, this can become a reality.

For absolute clarity, Aragon has already committed to paying a Community Amenity Charge (CAC) which is in line with the OCP. We are not requesting these subsidy costs to be deducted from the CAC which would be paid as the result of the Rezoning.

Sincerely,



Luke Ramsay Development | Aragon Properties Ltd.