

DESTINATION GREATER VICTORIA

November 14, 2019

Mayor Helps & Council
City of Victoria
City Hall
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor & Council,

I write in support of Chard Development's proposal to build a new hotel at 1312-1324 Broad St. in Victoria, BC. There are several reasons that this development is important, and it should be evaluated through the following lenses.

Market Demand Lens:

The demand for new hotel stock in Greater Victoria is robust. Hotel occupancy in 2018 was over 76 per cent, with occupancy exceeding 90 per cent August 2018. These underlying numbers reveal the need for additional hotel rooms. As Greater Victoria grows and evolves as a destination, local hoteliers have renovated and updated their hotel stock, but there is still a need and a strong business case for new hotel developments. Visitors require choice in their accommodation and our clients need options for meeting spaces. New hotel developments help achieve these objectives.

The visitor economy has experienced a structural increase in demand through a recovery and growth period from 2013 to 2018. Specifically, significant progress has been made in growing off-peak season visitation through conference and sports tourism. This breathes life into small business year-round. As the official tourism board, we struggled to find full-service accommodation during several large citywide conferences and sports events. We experienced capacity issues for bids and events such as the North American Indigenous Games, Jehovah's Witness Conference and IIHF World Junior Hockey Championships. We are fortunate and grateful to have a strong working relationship with the Hotel Association of Greater Victoria and can accommodate most groups. While 2019 saw a modest softening and it is likely that we are heading into a cyclical downturn in the medium term, additional high quality, purpose built commercial accommodation will be required should we wish to continue to host significant events and have year round economic benefits.

Chard Development's proposal would add 139 rooms to Greater Victoria's hotel stock, as well as 2,000 sq. ft. of meeting space and 3,650 sq. ft. of restaurant space, creating \$5.9M in GDP and 40 direct jobs. The operations of the hotel will generate almost \$2M a year in taxes for all levels of government, with visitors contributing an additional \$1.1M a year in taxes for all levels of government as well.

This proposed new development will bring direct benefit to nearby shops and restaurants. Many were very negatively affected by the recent fire on Government Street. This proposed development will not only bring direct benefit through new customers, but also hope of new investment and new customers

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to many small businesses who we know are struggling from the fire due to prolonged insurance claims and other impacts.

Accommodation Mix Lens:

It is very important to consider the mix of commercial accommodation that a city and region would like to have. There are several options. This proposal is for a full-service hotel. These are predominately in downtown cores that trade off business travelers, conference delegates, leisure travelers, government clients and other segments. Full-service hotels encourage their guests to walk to local sights or take organized tours. There are also limited service hotels, built to the driving customer, typically with large parking lots which encourage customers to drive from point-to-point as part of their vacation through their personal vehicles. We also have short term vacation rentals. Industry and City of Victoria mayor and council had a long and significant debate about short term vacation rentals in the last few years. The City of Victoria was wise to bring in a regulatory scheme as those cities that do not face severe risks.

There are lobbyists in the short-term vacation rental business who would try to position the hotel industry as one that is outdated, or old fashioned. This is not accurate. Hotels have adapted, developed new brands, different services and we are now seeing a market-led resurgence of hotel development worldwide.¹ Depending on trip purposes many customers, sports teams and conventions require the services that only full-service hotels can provide, including: security, business support, culinary including professional chefs for dietary needs and meeting space. Despite regulations, we continue to hear complaints from residents whose quality of life in their strata tower, townhouse complex or residential neighbourhood has been disrupted by short term vacation rentals. The key for regulators is to determine whether you want your visitors staying in purpose-built housing or purpose-built commercial accommodation.

Competition Lens:

It is often said and is very true, that a vibrant and interesting city is attractive for locals and for visitors. An energetic attractive to all. This hotel development will breathe new life into Broad Street and will become a node of energy and economic focus. It nicely connects the Chinatown area through Old Town to Government Street. The design will reflect Victoria's heritage but also will boldly look to the future as our city evolves.

A city's attractiveness is a blend of its physical geography, its built environment, its shops, culinary scene and services, attractions (things to see and do), its history, heritage, culture and arts and most importantly its people. This proposed new hotel is designed with a new generation of younger travelers in mind - both for leisure and business. Business travelers require full-service amenities and having an interesting, forward looking hotel in this part of Old Town will bring energy and vibrancy to our city.

Our hoteliers in Victoria have done a fantastic job of renovating their existing properties to be as modern and competitive as they can be. However, nothing can compare to a new purpose-built hotel to

¹ *Due to Strong Tourism Demand, Boom in Hotel Building in Canada Expected.* Daily Hive, April 24, 2019 citing a Colliers International Canadian Hotel Demand Study.

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incorporate new innovations and design features that are aligned with today's customer trends. We do risk structurally falling behind the competition should we not permit new hotel development in our downtown area.

Location Lens:

In the short to medium term, it is well understood that there will be structural demand for additional purpose-built commercial accommodation. It is up to each developer to conduct their due diligence to assess their risk and if they choose to deploy their capital. For city councilors, the decision is to consider if it is preferable to have new investment in the downtown core or if this development should be in suburban areas of the region.

Climate Lens:

We continue to learn more about what is needed to contribute to meeting our collective carbon emission reduction goals. The latest and most efficient building technology will be used in this development. Density will be improved. Most importantly this proposal encourages visitors to explore our city by foot or bicycle, discovering its charms as opposed to the alternative, which is purpose-built hotels built elsewhere and encourages driving from point to point.

Destination Greater Victoria has a letter of support policy which supports new investment, increases competitiveness and respects all local laws, regulation and zoning requirements. It is encouraging to learn that this development is supported by the Heritage Advisory Panel and the Urban Design Panel.

Sincerely,



Paul Nursey
CEO - Destination Greater Victoria

CC – Byron Chard, Chard Development Ltd.

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Reply to the attention of: Michael J. O'Connor

File No.

November 15, 2019

Her Worship Mayor Lisa Helps & Council
City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

Dear Mayor Helps & Council:

**Re: *Chard Development Ltd. and University of Victoria Proposal for the
Redevelopment of 1424 Broad Street and 615/625 Johnson Street***


On behalf of J.C. Scott, Donna Thomas and David Chard, I support the current Broad Street – Duck's Building Hotel Development proposal and firmly believe that Michael Collard Williams, were he alive today, would support it. For this, we are thankful.

Specifically, and in memory of and with respect to the stated intentions of Michael Collard Williams, we wish to confirm:

1. We support the lease of the land and buildings as opposed to the sale of the land and buildings which were bequeathed to the University of Victoria by Michael Collard Williams for its proposed use as a hotel.
2. We support the preservation of and restoration of the primary architectural aspects of the Duck's Building, which is one of the most important heritage buildings on Broad Street in downtown Victoria, a street for which Michael Collard Williams had bold visions.
3. We support the revitalization of the alley at the rear of the Duck's Building, running off of Johnson Street, and the associated preservation and restoration of the heritage rubble stone masonry wall, which is the primary remaining architectural feature of the original Johnson Street building. We agree that this is a feature that Michael Collard Williams would have wanted to preserve and protect.
4. We support the overall development following the updated and revitalized Old Town Design Guidelines for architectural materials, form and character. <https://www.victoria.ca/EN/main/residents/community-planning/heritage/old-town-design-guidelines.html>

For the reasons stated, and in memory of Michael Collard Williams as both a hotelier and an advocate for and active proponent for the revitalization of Old Town Victoria, to the point that Michael Collard Williams achieved the moniker, 'Father of Old Town', we support this development.

Respectfully submitted,



Michael James O'Connor, Q.C.
Co-executor of the Estate of Michael Collard Williams
and Counsel for Michael Collards Williams

Robbie McAdams
Co-executor of the Estate of Michael Collard Williams

Donna Thomas
Fundraiser and motivator of the Michael Collard Williams Bequest to the University of Victoria

J. C. Scott
Architectural advisor to Michael Collard Williams and Old Town Properties consultant

MJO/lnt

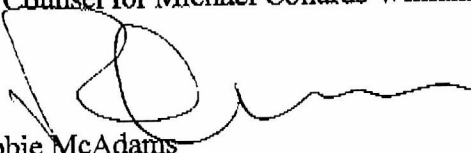
cc: Carmen Charette, External Relations, University of Victoria
David Chard, Chard Development Ltd.



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