



January 10, 2020

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

Dear Mayor & Council,

**Re: 1306-1330 Broad Street and 615-625 Johnson Street, Victoria, BC
Rezoning and Heritage Alteration Permit Applications**

Over a period of more than four years, Chard Development Ltd. and UVic Properties have been working collaboratively with City Staff to create a proposal for redevelopment that balances the many competing priorities associated with the above-noted properties. Over that period, Chard has solicited input from area residents and business owners, immediate neighbours, tenants and the community at large. The proposal has received unanimous approval from the City's Heritage Advisory Panel and support from the City's Advisory Design Panel. As the attached letter attests, the proposal is supported by both co-executors of Michael Williams' estate and his architectural advisor, who have stated that they "firmly believe that Michael Collard Williams, were he alive today, would support it". The proposal is now under consideration by City Council to move forward to the next stage of the approval process – Public Hearing.

In the spirit of collaboration and community betterment that has driven this project since day one, Chard remains committed to listening and responding to ongoing feedback. As such, subsequent to the Committee of the Whole meeting held on November 21, 2019 and the Council Meeting that followed on November 28, 2019, Chard has continued to work with our dedicated team of consultants to refine the proposal.

The enhancements to the development respond to the following three major concerns Chard has heard:

- The Duck's Building is to remain the prominent element of the redevelopment.
- The North Building is to take design inspiration from the original Duck's Carriage Factory.
- A greater proportion of the interior elements are to be retained and reused.

In response to these concerns, we are pleased to present the attached revised drawing package and to highlight the improvements below for consideration:

1. Sympathetic Architectural Design

The architectural design of the new construction proposed to the north and south of the Duck's Building meets the Old Town Design Guidelines adopted by Council in early 2019. This design has been unanimously approved by Heritage Advisory Panel and approved by Advisory Design Panel. That said, recent feedback has suggested that there is room for improvement.

Over the years, repeated, unsympathetic renovations and additions to the original Duck's Carriage Factory have robbed this building of virtually all historically significant elements. The second storey bay windows were removed altogether. All exterior sheet metal ornamentation was removed. Brickwork was covered over with hard cement plaster. The hipped roof of the original structure was completely removed to accommodate additional height and a flat roof. The second storey was divided into two separate floors, turning the structure into a three-storey building. The interiors and all storefronts were completely rebuilt essentially leaving nothing of the original building intact.

Further, RJC Engineers has advised that the structural integrity of what currently exists is extremely poor. The original construction of this building is not typical of most Old Town buildings and lacks the heavy timber one might expect. In addition, the building has been extensively chopped up and altered over the years; changes and renovations have been made with little regard for structural integrity, heritage value, construction methods and quality of materials. The structure is water damaged, and some masonry walls have extensive cracks.

Sadly, very little historical evidence of the original Duck's Carriage Factory remains with only two archival images available for reference; neither show the full extent of the original building. But despite its decrepit condition and the lack of evidence regarding its original design, Chard's consultant team has made efforts to honour the site's heritage. The design of the North Building has been inspired by available historical data regarding the original Duck's Carriage Factory and is complementary yet subordinate to the surviving jewel that is the neighbouring Duck's Building. In response to additional feedback received in late 2019, over the past few months Chard has worked with our team of consultants to make the following refinements:

South Corner Setback

At the southern end of the North Building where this new construction will meet the existing Duck's Building, the full extent of the North Building's façade – from ground to roof – has been set back by approximately 4'6". In response to HAP comments that "there could be more distinguishability between the old and the new buildings", this setback – which is mirrored in the building to the south – will allow the Duck's Building to sit proud of the new construction, giving the impression of the Duck's Building "stepping forward" from its younger neighbours. In addition, a portion of both the north and south walls of the Duck's Building will be retained and showcased through the return that these setbacks create. This return will be particularly visible to drivers and pedestrians moving south along the one-way street.

Upper Level Setbacks (Duck's Building)

Along Broad Street, the proposed set back of the uppermost level of the Duck's Building has been increased by approximately 6' to 27'. This helps to further the success referenced by ADP in "mitigating the effect of one height across the site" and allows the historic Duck's Building frontage to take centre stage. With this setback, the uppermost level of the proposed development will be no more visible than the existing Duck's Building ballroom, which is to say, this level will be virtually invisible from street level.

Upper Level Setbacks (North Building)

For the North Building, the uppermost level of the proposed development has been set back along Johnson Street by 5'6". Along Broad Street, the proposed setback has increased by 5' to 15'6", reducing the scale of the North Building overall and thereby allowing the Duck's Building to remain the dominant feature.

Chamfered Corner

In response to ADP's comments to "consider refining the architectural expression and windows at the corner of Broad and Johnson Streets", the chamfered corner of the North Building at Broad and Johnson has been extended up the building. Reminiscent of the original Duck's Carriage Factory, the chamfered corner is an element that was appreciated by HAP. This change – along with the set backs noted above – has reduced the overall project FSR by almost 10% from 4.37 to 4.0 and has resulted in the loss of four hotel rooms – reducing the total proposed number to 135. While this results in additional financial pressure on the project – which at 139 rooms was already deemed by a third-party appraiser to carry no land lift – Chard believes it is the right thing to do. With this element retained, all four corners of the intersection of Broad and Johnson will continue to reflect this historically significant treatment.

Bay Windows

Inspired by the limited historical evidence regarding the original Carriage Factory design, the contemporary bay windows remain on the North Building. Working in tandem with the chamfered corner, this design approach works to honour two of the long lost but most significant historical elements of the original Duck's Carriage Factory.

Colour Palette

In response to HAP's comments that "there would be greater difference between the old and the new with a more contemporary expression" and their request for "more distinguishability between the old and the new buildings", the exterior colour palette of the North Building has been adjusted. A softer, lighter-toned brick allows the original red brick of the Duck's Building to visually dominate. A more monochromatic palette – achieved through an adjustment to the colour of the lintels and cornices of the North Building – is both contemporary in nature and subordinate to the ornate detailing of the adjacent Duck's Building. This softer palette also allows highlights the original rubble stone wall as the prominent feature on the western façade of the North Building.

2. Salvage & Reuse of Materials

Chard has heard from the community a desire to salvage a greater amount of the existing interior elements. Prioritizing structural, seismic and life safety remains the driving objective of this redevelopment and hence full retention of interior elements in situ remains out of reach. However, Chard has met with a team of salvage experts dedicated to the responsible disassembly of buildings in a manner that allows for reuse of materials. Working by hand, this team minimizes disruption and maximizes benefit, with a recorded salvage and recycle rate as high as 97% of the existing building! In the case of the Duck's Building and the Duck's Carriage Factory, the team will work to salvage materials, including brick, timber floor joists, subfloors,

flooring, doors and trim work. The team will also work to salvage finish materials from the existing “Madam’s Room”, including a small fireplace. Working together with the interior design team, Chard will prioritize the reuse of these materials – with appropriate recognition of their origin – within common areas of the redevelopment. Given the proposed use of the redevelopment as a hotel, this will ensure that these historically significant materials will be seen and enjoyed by residents and guests alike. Materials that cannot be salvaged or reused – including those that were irreparably damaged by the significant fire that broke out in the building just one week after the Plaza Hotel was destroyed – will be recycled.

In addition, the interior design team will prepare commemorative plaques to highlight the history and reuse of materials within the project. Professional photographers will be engaged to document the rehabilitation, salvage, and restoration of materials, both inside and out. The intent will be to educate the community, guests, and all that visit regarding the history of the site and the process undertaken to salvage and celebrate these elements.

3. Housing Reserve Fund

1324 Broad Street is owned and operated by UVic Properties and currently contains eight, one-bedroom residential rental units. While two of these units are currently rented for 6% above the CMHC average rent for a one-bedroom unit in Victoria, monthly rental rates average 9% below that average. As part of the rezoning application associated with this property, a detailed Tenant Assistance Plan has already been submitted to City staff and has been deemed to exceed the minimum requirements set forth in the City’s Tenant Assistance Policy with regard to tenant compensation, moving expense compensation and relocation assistance.

The proposal before council to redevelop this property will bring significant economic and employment benefits to Victoria. As the proposal is for a purpose-built hotel, residential rental units cannot be replaced. As such, Chard and UVic Properties are offering a voluntary contribution to the City’s Housing Reserve Fund. To determine an appropriate contribution, Chard met with a number of not-for-profit organizations who have received the City of Victoria Housing Reserve Grant. It was shared with Chard that the maximum grant per one bedroom of \$10,000 per suite greatly assists in leveraging support from other levels of governments. In fact, if a not-for-profit is able to demonstrate funding from the City of Victoria, they receive 10 points (out of a possible 100) towards a grant from the Community Housing Fund with BC Housing. This \$10,000 contribution makes a real difference, as the attached letter from BC Housing confirms.

As such, the applicant is pleased to confirm the following voluntary contribution to the City’s Housing Fund:

\$10,000 per unit for a total contribution to the Housing Fund of \$80,000

In accordance with the Victoria Housing Reserve Fund Program Guidelines, this will allow for funding of up to eight “very low” to “low” income rental units or as many as 16 “median” income rental units.

At Chard Development, we are excited to have the opportunity to once again demonstrate that we are builders of – and believers in – downtown Victoria. As the attached letter from MNP confirms, if approved, the proposed development will bring economic vitality and significant employment benefits to the City,

creating 344 full-time construction jobs and 163 ongoing full-time positions for Victorians. Each year, the operation of the hotel will add \$5.9 million to the local economy along with almost \$2 million a year in tax contributions. Visitor spend will bring an additional \$5.1 million annually to the local economy and \$1.1 million in annual tax contributions. It would be an economic win!

We look forward to the opportunity to present the proposed development at Public Hearing.

Sincerely,

CHARD DEVELOPMENT LTD.

A handwritten signature in dark ink, appearing to read "David Chard", written in a cursive style.

David Chard

Enclosures: 4

CC: Miko Betanzo, Senior Planner
John O'Reilly, Senior Heritage Planner
Alison Meyer, Assistant Director, Development Services
Peter Kuran, President & CEO, UVic Properties



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www.bchousing.org

January 10, 2020

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

Dear Mayor & Council,

**Re: 1306-1330 Broad Street and 615-625 Johnson Street Rezoning Contribution proposed
contribution to The City of Victoria Housing Reserve Fund**

We appreciate our ongoing positive relationship with the City and the various projects and opportunities we are cooperatively working on in partnership with non-profit and market housing providers to create new homes in Victoria. Contributions to the City's Housing Reserve Fund are an important part of funding these projects and partnerships.

Typically, the funds are used to assist non profit housing providers with projects in the City. These funds help to leverage BC Housing funds, CMHC funds and other partners. The provision of these funds by the City to a non profit is a clear indication of the City's financial support for the affordable housing being funded. This fund can also be used to buy land for future affordable housing projects.

We appreciate all contributions to this fund and appreciate the use of these fund to assist in providing affordable housing in Victoria.

Respectfully

A handwritten signature in black ink, appearing to read "Malcolm McNaughton", with a large, stylized flourish at the end.

Malcolm McNaughton

BC Housing

Director of Regional Development – Vancouver Island

**McCONNAN
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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

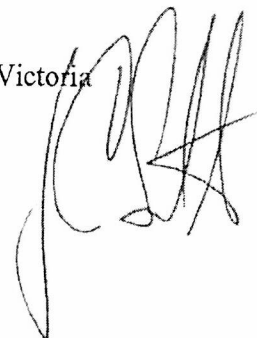
Robbie McAdams
Co-executor of the Estate of Michael Collard Williams

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/Int

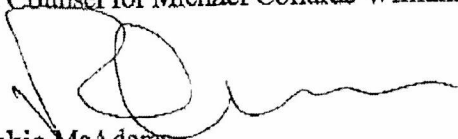
cc: Carmen Charette, External Relations, University of Victoria
David Chard, Chard Development Ltd.



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

A handwritten signature in black ink, appearing to read 'Robbie McAdams', with a stylized, flowing script.

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/Int

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

January 13, 2020

Byron Chard
Chard Development
500-509 Richards Street
Vancouver, BC V6B 2Z6

Re: Economic Impacts of the Proposed Hotel Development in Victoria

Dear Mr. Chard,

You have requested that MNP prepare a letter summarizing the findings of an economic impact study that we conducted for a proposed hotel in Victoria. It is our understanding that the letter will be included in a submission to Victoria City Council by Chard Development with respect to the proposed hotel.

Limitations

The letter is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, professional advice. In preparing the economic impact estimates we have relied upon the completeness, accuracy and fair presentation of all information and data obtained from Chard Developments and public sources, believed to be reliable.

The reader must understand that our analysis is based upon projections, founded on past events giving an expectation of certain future events. Future events are not guaranteed to follow past patterns and results may vary, even significantly. Accordingly, we express no assurance as to whether the projections underlying the economic and financial analysis will be achieved.

Background

In May 2019 Chard Development engaged MNP LLP ("MNP") to conduct an economic impact study of a proposed hotel development in Victoria (the "proposed hotel"). The scope of the study encompassed estimating the economic impacts associated with the construction of the hotel, the hotel's annual operations and the spending by visitors staying at the hotel.

MNP developed economic impact estimates for the proposed hotel based on information available in May 2019. At that time, the proposed hotel was planned to be a boutique lifestyle hotel of about 75,000 square feet, located in Old Town Victoria, which would be managed and operated by an international hotel franchise brand.

Summary of Economic Impacts

The economic impacts associated with the proposed hotel were estimated based on data on construction expenditures provided by Chard Developments, and projected occupancy and projected operational spending in a stabilized year from a study conducted by Cushman and Wakefield for Chard Developments.

The projected total economic impacts (direct, indirect, and induced) arising from the following are summarized in Table 1:

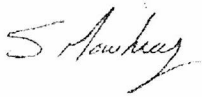
- **Construction:** Proposed construction expenditures of \$50.9 million over a period of two years.
- **Operations:** Projected operational spending of \$6.3 million in a stabilized year.
- **Visitors:** Projected visitor spending (excluding spending at the hotel) associated with hotel guests of \$6.2 million in a stabilized year.

Table 1: Projected Total Economic Impacts

	Output (millions)	GDP (millions)	Employment (FTEs)	Federal Tax (millions)	Provincial Tax (millions)	Municipal Tax (millions)
Construction (over a two year period)	\$74.3	\$37.9	344	\$4.3	\$3.3	\$2.6
Operations (annual)	\$8.9	\$5.9	78	\$0.6	\$0.5	\$0.7
Visitors (annual)	\$9.8	\$5.1	85	\$0.5	\$0.4	\$0.2

If you have any questions or need any further information regarding our study, please don't hesitate to contact us.

Sincerely,



Susan Mowbray
Partner, MNP

APPENDIX A – ABOUT MNP

MNP is the fastest growing major chartered accountancy and business advisory firm in Canada. Founded in 1958, MNP has grown to more than 70 offices and 4,000 team members across Canada. The map below shows our office locations. In British Columbia, MNP has more than 800 staff located in 19 offices throughout the province.

MNP provides a wide range of accounting, finance and business advisory services to clients. These include:

- Assurance
- Taxation
- Corporate Finance
- Mergers and Acquisitions
- Enterprise Risk Services
- Forensic Accounting
- Consulting
- Insolvency and Corporate Recovery
- Succession
- Valuations and Litigation Support



About MNP's Economics and Research Practice

Economic and industry studies are carried out by MNP's Economics and Research practice. Based in Vancouver, the Economics and Research practice consists of a team of professionals that has a successful track record of assisting clients with a wide variety of financial and economic impact studies. Our work has encompassed a wide range of programs, industries, company operations and policy initiatives, and has helped clients with decision-making, communication of economic and financial contributions, documentation of the value of initiatives and activities, and development of public policy.