



June 10, 2020

Mayor and Council
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

RE: Development Permit and Rezoning Application – 43-55 Gorge Road East and 2827-2831 Irma Street, Victoria, BC

Dear Mayor Helps, Council and Staff,

Introduction

PC Urban is pleased to submit this letter regarding our application for a Development Permit, Rezoning application and Official Community Plan amendment for a 5-storey mixed-use development at 43, 45 and 55 Gorge Road East and 2827, 2829, and 2831 Irma Street, Victoria, BC.

We would like to thank the City of Victoria Planning Department for their continued assistance and guidance in helping shape our project. We are excited to bring our latest design to Council as together with staff we have created a building that not only provides much needed rental housing and neighbourhood retail, but that it does so through a street-enhancing architectural design. We believe that this building, on this high-profile site designated *Large Urban Village* in the BGNP, will be precedent setting as the Gorge Road neighbourhood is further developed in line with the BGNP over the coming years.

Since our project was initially brought forward several changes have been made to accommodate planning and neighbourhood concerns. While these changes can be reviewed in greater detail in the attached drawing package, this is a summary of the key statistics:

- Proposed use: **a residential rental building with ground-floor retail** - *unchanged*
- Proposed building height: **18.14m / 59.50' (5 storeys)** – *previously 16.86m / 55.29' (5 storeys)*
Note: We are proposing 5 storeys effectively, but given the grade change on the site some portion of the parkade will be above grade which makes it technically 6 storeys per Victoria Bylaws, but only 5 storeys per the BC Building Code
- Proposed setbacks:
 - Front (Irma Street): **3.16m / 10.36'** – *previously 3.59m / 11.46'*
 - Rear (east): **2.93m / 9.60'** – *previously 3.03m / 9.96'*
 - Side (Gorge Road): **6.95m / 22.81'** – *previously 7.36m / 24.13'*
 - Side (south): **6.10m / 20'** – *previously 5.08m / 16.67'*
- Proposed floor area ratio (FAR): **2.43** – *previously 2.38*
- Proposed lot coverage: **52%** – *unchanged*
- Proposed dwelling units: **153** – *previously 157*
- Proposed unit types:
 - Studio: **0 (0%)** – *previously 1 (1%)*
 - 1 Bedroom: **76 (50%)** – *previously 87 (55%)*
 - 2 Bedroom: **69 (45%)** – *previously 64 (41%)*
 - 3 Bedroom: **8 (5%)** – *previously 5 (3%)*
- Proposed parking:
 - Residential: **106** – *previously 98 stalls*
 - Visitor: **10** – *previously 7 stalls*

- Commercial: **5** – *previously 4 stalls*
- Total: **121** – *previously 109 stalls*
- Proposed bicycle parking:
 - Short-term: 18 – *unchanged*
 - Long-term: **194** – *previously 128*
 - Total: **202** – *previously 146*

Project Benefits and Amenities

PC Urban is excited by the project benefits and amenities being proposed.

Building amenities include:

- **COMMUNITY GATHERING PLACE:**
 - At the corner of Gorge Road East and Irma Street there will be a new plaza a community coffee shop that is intended to have patio seating for the neighbourhood and residents to enjoy
- **LOCAL NEIGHBOURHOOD RETAIL:**
 - Along Gorge Road East there will be new retail space available for lease that will serve the neighbourhood and residents of the new building
- **ACCESS TO THE OUTDOORS:**
 - All homes have outdoor spaces in the form of decks, patios, and/or balconies. A common courtyard area is also available to residents with opportunities for urban agriculture, space for rest and relaxation as well as a petanque court and outdoor large chess board. Finally, there is an expansive rooftop amenity area proposed, complete with additional urban agriculture opportunities, barbeque area and a small children’s play area all overlooking the Gorge waterway
- **LANDSCAPED STREETS:**
 - Generous garden and yard space is proposed at the front of the building, creating a buffer between the groundfloor homes and the street. There will also be an enhanced boulevard along Gorge Road East and Irma Street with a new sidewalk and street trees

Key benefits of the proposal include:

- **FAMILY ORIENTED HOUSING:**
 - The proposal will provide more family housing options with 50% of homes having two or more bedrooms
- **UNDERGROUND PARKING:**
 - Parking will be in a secured underground parkade for residents, commercial users and visitors, with entry from Irma street
- **ENHANCED PLAZA AND NEIGHBOURHOOD RETAIL:**
 - The corner plaza at Gorge Road East and Irma Street will house a neighbourhood-serving coffee shop with patio seating looking onto a public art piece, while additional retail extends along Gorge Road East
- **PEDESTRIAN EXPERIENCE:**
 - The proposal includes a generous front yard with a new boulevard as well as landscaped yards creating a privacy buffer between the ground floor homes and the street. The addition of a well lit, animated building will also improve pedestrian comfort. All at grade homes along Irma Street will have access from the street
- **INCREASED SAFETY:**
 - The proposed development has the potential to increase safety in the area at all times of the day, as it will provide for more “eyes on the street”. PC Urban will ensure the building is secure for residents and visitors, with lighting and security systems in place
- **BICYCLE FRIENDLY LIFESTYLE:**

- The proposal includes 194 long-term bicycle parking spaces and 18 short-term spaces. PC Urban is also considering a bicycle tune up/washing station for resident's use
- PROXIMITY TO TRANSIT:
 - The site is located within 100m of bus stops for the 8,9, and 11 bus lines going in either direction along Gorge Road East. It is a 6-minute drive / 13-minute bus ride / 11 min bike ride to downtown
- RETAINING KEY BYLAW PROTECTED TREES:
 - The proposal has been designed to retain a number of bylaw protected trees onsite and offsite:
 - A large Garry oak along Gorge Road (Tree #2)
 - A large Garry oak (Tree #34) and Cherry Tree (Tree #35) on 2831 Irma Street
 - A large Douglas-Fir (Tree #46) and Holly Tree (Tree #45) on the neighbour's property at 2821 Irma Street
 - See the attached Arborist report from Dunster and Associates for more information.

Need and Demand

Much of the existing rental housing in Victoria today is aging – over 90% was built before 2000 – which is causing the vacancy rate to drop and rents to increase. According to the CMHC, the vacancy rate in Victoria is currently 1.2%, which is clear evidence of the demand for more rental housing. The City of Victoria acknowledges in the Housing Strategy that "...supply is still not meeting demand. A healthy vacancy rate is said to be 3% –7%; but while rates have been improving over recent years... they still fall well short of the optimal range. More housing supply is needed to ease the crunch..."

The City of Victoria has seen a slight shift in this long-term trend due to the recent growth of new purpose-built rental housing stock. However, the City of Victoria also expects the region to add roughly 12,900 households over the next 20 years, growth that will require new homes at a range of incomes and sizes, including purpose-built market rental.

Much of the new housing will need to be market rental, which the City's Housing Strategy notes is "...an important part of the spectrum of choices that are available to renter households. It is the most stable source of rental housing and in relative terms, becomes more affordable over time as rental rates rise more slowly than housing prices..."

The Burnside Gorge Neighbourhood is home to 7% of the Victoria Population (5,860 residents) but is home to 20% (14,000) of the jobs in Victoria – thus there is a clear need for more rental housing to support this workforce in this neighbourhood.

PC Urban believes that this development with 153 condo-quality rental homes with 50% being family-housing, is a part of the solution.

Staff Comments

City of Victoria staff have been excellent in providing great guidance and comments to help bring our project to it's current design that ADP was very supportive of. There has been continuous dialogue however on staff's request for 2 buildings on the site and we'd like to provide our opinion on the matter:

- PC Urban has considered the request for two buildings and has examined various design options with our consultant team. We believe there are several reasons why 2 buildings are not feasible on this site:
 - Since the three properties along Irma Street were purchased by PC Urban (with guidance from Planning staff) constructing one building has been essential to make a neighbourhood rental project at this location economically feasible.

- Due to setbacks, protected trees, limited street frontage for the Irma sites, and distance required between 2 buildings, achieving the density as per the BGNP is not possible with 2 buildings.
- The construction cost of two buildings with lost density eliminates the opportunity for rental at this location.
- The site has unique proportions that make it challenging to properly mass 2 buildings in a form that would alleviate the privacy, overlook, building transition and shadowing concerns of staff.
- 2 buildings would have a greater environmental impact and would be less sustainable given the need for double the building systems, as well as would require more overall building material as there are no efficiencies of building envelope.

Nevertheless, PC Urban has taken a number of steps to address staff concerns within a 1 building form:

- Significant planting has been proposed along the entire southern property line increasing privacy for neighbours (8 new trees are being proposed across this frontage).
- The rooftop patio has been stepped back and programmed such as to have the uses away from the building edge on the southern property line to limit overlook and noise concerns.
- A section of massing along this elevation has been removed to create greater separation from the neighbouring property. PC Urban has also met with this property owner and had excellent conversations about the impacts to their site and they are fully supportive of our design and bringing more rental to the neighbourhood.
- The building setback has been increased to over 6 metres / 19.68' at the shortest distance point, leading to a total separation between the proposed building and the existing building of 10.13 metres / 33.23' at the maximum.
- The western corner units have been re-oriented towards Irma Street.
- The patios have been enclosed within the envelope to reduce overlook concerns.

The revisions made significantly reduce the impact of the proposed development from the previous design, help make the southern elevation more liveable and serve to present an engaging frontage towards the neighbour.

The building has also been redesigned along Irma Street to ease the transition from the commercial units to the residential neighbour's to the south through the massing vocabulary. The balconies have generally been recessed or have the appearance of being recessed per the request from Planning.

Finally, Advisory Design Panel was fully supportive of the design of our project with no comment on the need for two buildings on this site at the February 26th, 2020 meeting. Comments were also made by panel members that the design is one of the best rental buildings they have seen in recent memory, which is a testament to the hard work city Staff and our design team have undergone to bring the project to this point.

Parking By-law Amendment

PC Urban has designed this proposal to include 106 residential stalls, 7 visitor stalls, 6 commercial stalls and 2 MODO parking stalls for a total of 121 stalls.

This requires a variance on the visitor parking, however the six commercial parking spaces could be dedicated visitor parking after business hours and on weekends. Parking studies have shown that commercial and visitor parking have different peak hours/demand, which is why staff have said they can support this parking arrangement. We can also secure in a legal agreement that six of the parking spaces will be dedicated visitor parking after business hours and on weekends.

For a variety of reasons, we believe we are proposing more than sufficient parking for the building:

- The form of development proposed by PC Urban responds to the North American wide *shift* of establishing and intensifying town and neighbourhood centres, encouraging residents out of their cars by providing convenient walking, cycling, and rapid transit options. This reinforces communities that will attract people who want to live, work and play in their communities
- In 2012, Metro Vancouver prepared an Apartment Parking Study (the “Study”) that examined parking supply and demand through the Lower Mainland. The Study examined emerging and current trends, precedents in other jurisdictions, and established a database to establish parking supply targets for the Metro area. The Study noted parking supply in rental apartment buildings close to transit generally exceed the demand by a wide margin (18-35%) The Study determined on a Metro-wide basis, the parking demand for purpose built rental apartments is 0.58-0.72 stalls per unit. While this study is not the Capital Regional District, these trends are applicable in Victoria as well. Additionally, conversations with current rental building managers indicates that current rental stock is over-parked
- As discussed with Staff, the economics of a purpose-built rental building are reflected in the rent charged to the residents. A significant cost affecting the feasibility of developing purpose-built rental apartments is the construction of underground parking. Since the inception of the proposal, a single level of parking has been an integral component of a rental development to allow for its economic viability
- Establishing the correct parking supply is essential to the successful delivery of housing choices to the community. Providing an adequate amount of parking for future residents in the building is in PC Urban’s best interest as we will have to find potential tenants upon completion – if there are not enough stalls for the residents then it will financially impact the rents of the building. Furthermore, providing excess parking would be costly to construct (impacting future rents) and would also result in additional local traffic
- There are a few constraints on this site that have led to this lower parking ratio and ensuring parking is kept to 1 level, including an irregular site (offering little in the way of efficiencies of design and access) that is further compromised by multiple by-law protected trees
- Alternative forms of transportation in the future will continue to reduce the need for private car ownership, including ride-hailing companies such as Uber and Lyft entering the BC market
- Transportation Demand Management (“TDM”) measures will be implemented to promote and facilitate inclusive, balanced and sustainable modes of transportation including walking, cycling, transit, and car share. The recognized benefits of TDM include: compact neighbourhoods with a variety of uses that allow people to live and work in closer proximity; balanced transportation system with transit, pedestrian and cycling infrastructure, and reduced car ownership; and promotes an active lifestyle
 - The parking supply is adequate for the project and addresses the current trend of reduced automobile ownership in rental apartments in close proximity to frequent transit networks
 - More than required bicycle facilities will be provided, including exceeding the amount of long-term bicycle spaces required and a bicycle repair station
 - PC has confirmed with MODO car-share that this development is desirable for up to 2 parking stalls and has designed the parkade to include their requirements. PC has a tentative agreement with Modo to provide:
 - 2 parking stalls to Modo
 - 121 Partnership Memberships in Modo valid for the lifetime of the development and allowing a maximum of 121 residents of the rental dwelling units in the

- development to simultaneously benefit from Modo membership privileges and lowest usage rates without the need to themselves pay a \$500 membership fee;
- A promotional incentive worth \$100 of driving credits to each resident of the development joining Modo for the first time
 - With proximity to frequent transit, and acknowledging the trend to sustainable forms of transportation, providing monthly bus passes will be explored
- PC Urban will be undertaking a transportation impact analysis and parking study to determine the full extent of this development's demand

If we are to successfully support a significant shift in parking, we must encourage, promote and support a new relationship with transit that is less reliant on the automobile. Our location is near local community amenities and downtown Victoria via bus (in 13 minutes) and bicycle (in 11 minutes) and we believe the amount of parking provided will be sufficiently offset by renters who do not need a parking space.

As such, we respectfully request Council and Staff to support the proposed parking supply variance.

Conclusion

Greater Victoria, similar to many large urban centres in BC, is experiencing an unprecedented housing affordability crisis. The redevelopment of 43, 45 and 55 Gorge Road and 2831, 2829 and 2827 Irma Street is an opportunity to help address this affordability by bringing 153 much needed rental homes to this neighbourhood, offering attainable housing costs for more people and employment housing only a short bike-ride, bus-ride or car-share to downtown Victoria.

These homes offer the opportunity to help create a vibrant new community hub, with local area-serving retail services and a new plaza with public art to help fulfill the vision of the BGNP.

PC Urban is excited by the potential for this area and looks forward to continually engaging with the neighbours, community, staff and council to fulfill the community vision for this neighbourhood. If additional information is required, please do not hesitate to request.

We strongly believe that we have advanced and further enhanced our project design with the collaborative assistance of Staff. We are confident that this project not only meets the goals and vision of the Burnside Gorge Neighbourhood Plan for this location, but that the project will be set a positive, strong precedent for rental housing design in Victoria.

Sincerely,

PC Urban (Acquisition) Corp



Chris Karu
Development Manager

June 22, 2020

Mayor and Council
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

RE: Tree Preservation – 43-55 Gorge Road East and 2827-2831 Irma Street, Victoria, BC

Dear Mayor Helps, Council and Staff,

Further to conversations with staff, retaining the 2 trees (#3 Silver Fir, #4 Douglas-Fir) on Gorge and the 1 tree (#16 Douglas-Fir) on Irma would essentially kill this project in its current iteration. Nothing is impossible, but for the reasons listed below, in order to meet the *Burnside Gorge Neighbourhood Plan's* vision for this site as *Large Urban Village* with a village commercial uses along the full street frontage, while also providing the much needed rental for the neighbourhood, the retention of the additional 3 trees is not feasible.

The 3 trees that have been requested to be retained are not possible with the current design for the following reasons:

- Building Area
 - In order to provide the setbacks needed to keep all trees onsite, the project would simply not be feasible to provide rental. Notwithstanding the increased construction costs of a very inefficient parkade and building envelope, we've estimated that the overall building area would be reduced by as much as 20%. A loss of this much area would absolutely prohibit the provision of rental homes that are sorely needed in Victoria and that this project delivers.

The site has significant challenges with an irregular shape, the provision of the statutory-rights-of-way in favour of the City along Gorge Road East and Irma Street, and other design requests by Staff and through the BGNP (including setbacks, height maximums, and other concerns) and within these parameters we've designed the building to ensure as many trees can be retained as possible while also providing 153 rental homes for families.

- Retail Area
 - One of the key concerns expressed at the Public Information Meeting, and is a stated policy goal of the BGNP, is to provide retail space along the street frontage. We have committed to designing the building to ensure this is met and feel the space designed will provide a great benefit to the community in the new neighbourhood commercial. By retaining trees #3 and #4 along Gorge Road East, these spaces would no longer be possible and the community benefit of a new commercial space along the Gorge frontage would be completely compromised.

Indeed, the 2 additional fir trees on Gorge would mean that upwards of 50% of the retail frontage would be removed from the current design which would go against the BGNP as well as community and CALUC requests for additional retail that PC Urban has worked hard to include in the current design.

- Utilities Connections
 - In order to service a building with 153 units, we've had our civil engineers work with City Engineering to determine access points for underground utilities. The location of the sewer service connection, drain service connection and irrigation sleeve was determined by the location of the other trees and access to the City mains. The location of these utilities conflicts with trees #3 and #4 and would be difficult to design around.
- Underground Parkade

- The location of the parkade entry ramp was initially in a location that would have allowed tree #16 to be retained, but a request from Planning was to re-locate the parkade entry further away from the corner of Gorge Road East and Irma Street. The current location is the furthest away possible that works with the significant grade change along Irma Street and conflicts with the retention of tree #16. Locating the parkade access further north along Irma would not only reduce the urban design intent of the building (specifically the townhouse rhythm that has been designed) but would add to community concerns with vehicle access and traffic along Irma street. Thus, we feel the current location is ideal.

Additionally, the retention of the 2 fir trees on Gorge would also mean that the parkade would be redesigned resulting in a much more complicated parkade design that would have increased costs, but also result in less parking provided for the project.

- **Additional Design Cost**
 - This project has already undergone multiple re-designs to meet and exceed conditions requested from various departments. While PC Urban is committed to working with staff, we have spent a substantial sum on consultant design fees to bring the project to it's current iteration which we think is a great addition to the area. To re-design the entire building and parkade to address Parks' request for 3 additional trees being retained would cost hundreds of thousands of dollars in re-design fees and interest payments that only further reduce the feasibility of this project while also adding potentially months to the project timeline.

While these redesigns came at a cost to PC Urban, we feel that the hard work between our design team and the City have resulted in an excellent building. Indeed comments were also made by Advisory Design Panel members that the design is one of the best rental buildings they have seen in recent memory, which is a testament to the hard work city Staff and our design team have undergone to bring the project to this point.

We believe that the retention of the trees we've committed to, the significant number of new trees that will be planted on site, and the overall benefits of our project to the community and neighbourhood significantly outweigh the 3 additional trees being retained.

Sincerely,

PC Urban (Acquisition) Corp



Chris Karu
Development Manager