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September 8th, 2020

To: City of Victoria
Development Services
1 Centennial Square
Victoria, BC

1125 Fort Street Rezoning | Economic Analysis Requirements

Dear Development Services Department,

It has been noted in the Planning Comments for our 1125 Fort Street Rezoning Application, received May 13th, 2020, that a third-party economic analysis is required to determine whether the proposal is subject to community amenity contributions. Due to the scale of this project and the density proposed, we feel that this should not be a requirement for the application and that it creates unnecessary additional costs to the owner.

We would like to provide the following outlining why we believe that an economic analysis should not be required:

Official Community Plan and Zoning Context

We have reviewed the *City of Victoria Official Community Plan* (OCP) and find that an increased density should be considered as base reference zoning for the property to be used in applying the *Inclusionary Housing and Community Amenity Policy* based on the following:

- a. Urban Place Designations
The property has an Urban Place Designation of Urban Residential. The neighbouring property is designated as Core Residential.
(City of Victoria OCP, Map 2 Urban Place Designations, pg. 37)
- b. Urban Place Guidelines
Urban Residential designation allows total floorspace ratios generally up to 1.2:1. It is also noted that increased density up to a total of approximately 2:1 may be considered in strategic locations for the advancement of plan objectives.
(City of Victoria OCP, Figure 8: Urban Place Guidelines, pg. 39)
- c. Urban and Traditional Residential
"Generally support new development in areas designated Urban Residential that seeks densities toward the upper end of the range identified in Figure 8 where the proposal significantly advances the objectives in this plan and is:
6.22.1 within 200 metres of the Urban Core;...
6.22.3 along arterial or secondary arterial roads"
(City of Victoria OCP, pg. 53)

d. Property Location

This property lies within 200 meters of the Urban Core, and lies on a secondary arterial road.

(City of Victoria OCP, Map 4 Functional Street Classification, pg. 58)

Based on the Urban Place Designation, and the location of the property, we feel that this justifies considering a density of up to 2:1 for the site based on the *City of Victoria Official Community Plan* as outlined above, and this density should be used when considering the *Inclusionary Housing and Community Amenity Policy*.

Heritage Contribution

As a part of this application, the owner is committing to an extensive scope of work in restoring the existing single family dwelling. The planned work includes seismic upgrading, a new foundation, to stabilize the building, restoration of the exterior of the home, and major upgrades to the interior. On top of the work to be completed, the owner plans to seek Heritage Designation status for the home.

Not only is the restoration work a significant financial commitment, but the work to be completed provides a contribution to the community in preserving a part of Victoria's history within the Fort Street Corridor.

Inclusionary Housing and Community Amenity Policy

The Inclusionary Housing and Community Amenity Policy outlines Community Amenity Contributions (CAC) based on density and the nature of the development. It also provides alternative amenities for policy exemptions such as "projects with heritage conservation contributions of equal or greater value to that of the community amenity contribution are exempt as determined through an economic analysis."

Based on this exemption we would like to provide the following information:

| | |
|---------------------------|---|
| As of Right Zoning | R3-1 = 1.2:1 (based on building of 4 storeys with enclosed parking spaces) |
| Urban Residential | 1.2:1 up to 2:1 |
| Proposed Density | 1.92:1 |

Using the Urban Residential density of up to 2:1, the additional density would fall in the category Level 'A' Bonus from Existing Zoning to OCP Base Density. This bonus density uses Cash-in-lieu calculated at \$5/ft² of bonus area.

Calculation of Cash-in-lieu payment based on site area of 420.6 m² (4527 ft²):

| | | | |
|--------------------|--------|--------------------|----------------------------|
| As of Right Zoning | 1.2:1 | 505 m ² | 5435 ft ² |
| Proposed Density | 1.92:1 | 808 m ² | 8697 ft ² |
| Bonus | | | 3262 ft² |

$$\text{Cash-in-lieu} = 3262 \text{ ft}^2 \times \$5/\text{ft}^2 = \$16,310.00$$

It is clear based on the scope of work, as previously noted, that the value of work to be completed to maintain the heritage home would far exceed the required cash-in-lieu contribution required if the increased density for the site is considered in the calculations.

Summary

As outlined above, we feel that the economic analysis should not be required for this development. Not only is the project conserving a heritage home, it is providing additional housing stock, as well as providing further variety to the housing available near the downtown core. These aspects of the project help in advancing the goals of the City's Official Community Plan. If you still feel this economic analysis is required, please outline in a response to this memo.

Please feel free to contact us regarding any questions.

Kind Regards,

A handwritten signature in black ink that reads "Nicole Showers". The signature is written in a cursive, flowing style with a small dot at the end.

Nicole Showers | Architect AIBC