



Committee of the Whole Report

For the Meeting of April 1, 2021

To: Committee of the Whole **Date:** March 18, 2021

From: Karen Hoese, Director, Sustainable Planning and Community Development

Subject: **Rezoning Application No. 00745 for 780-798 Fort Street & 1106-1126 Blanshard Street**

RECOMMENDATION

That Council instruct staff to prepare the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application No. 00745 for 780-798 Fort Street and 1106-1126 Blanshard Street, subject to minor plan changes to correct the public realm details, and that first and second reading of the Zoning Regulation Bylaw Amendments be considered by Council and a Public Hearing date be set once the following conditions are met:

1. Preparation and execution of legal agreements, to the satisfaction of City Staff, to:
 - a. Secure 21 residential units as rental for 60 years;
 - b. Restrict the stratification of units at 780-798 Fort Street and 1106-1126 Blanshard Street;
 - c. Secure public realm improvements as indicated on the plans dated November 20, 2020;
 - d. Secure the historic rehabilitation of the ground floor storefronts to preserve the original transoms, and restore the altered transoms and bulkheads, as can be accommodated without displacing existing commercial tenants, in accordance with the heritage conservation plan, dated March 2021;
 - e. Secure sewer attenuation.
2. Confirmation of the communication with existing tenants within the Montrose Apartments, outlining the commitments made to not evict tenants as part of the proposed renovations and, in instances where this cannot be avoided, tenant assistant commitments identified, to the satisfaction of the Director of Sustainable Planning and Community Development.
3. That Council authorize the Mayor and City Clerk to execute encroachment agreements, to be executed at the time of the building permit approval, if the other necessary approvals are granted, in a form satisfactory to the City Solicitor and the Director of Engineering and Public Works, for:

- a. building encroachments adjacent to Blanshard Street and View Street for the existing Montrose Apartments;
- b. anchor-pinning in the City right-of-way.

LEGISLATIVE AUTHORITY

In accordance with Section 479 of the *Local Government Act*, Council may regulate within a zone the use of land, buildings and other structures, the density of the use of the land, building and other structures, the siting, size and dimensions of buildings and other structures as well as the uses that are permitted on the land and the location of uses on the land and within buildings and other structures.

In accordance with Section 482 of the *Local Government Act*, a zoning bylaw may establish different density regulations for a zone, one generally applicable for the zone and the others to apply if certain conditions are met.

In accordance with Section 483 of the *Local Government Act*, Council may enter into a Housing Agreement which may include terms agreed to by the owner regarding the occupancy of the housing units and provided such agreement does not vary the use of the density of the land from that permitted under the zoning bylaw.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning Application for the properties located at 780-798 Fort Street and 1106-1126 Blanshard Street. The proposal is to rezone the properties from the CBD-1 Zone, Central Business District, to a new variation of this zone. The proposal would increase the density on 780-798 Fort Street and 1106-1108 Blanshard Street, to allow for a 20-storey hotel with office and ground floor commercial uses, as a bonus density condition based on the heritage designation and secured rental tenure on the adjoining property at 1114–1126 Blanshard Street. The proposal includes minor renovations, secured rental tenure for 21 residential rental units, and heritage designation for the existing heritage-registered, three-storey Montrose Apartments at 1114–1126 Blanshard Street.

The following points were considered in assessing this application:

- The proposal is consistent with *Official Community Plan, 2012* (OCP) objectives related to advancing economic and tourism goals, achieving heritage designation of a registered heritage building and securing rental tenure of 21 existing residential units.
- The proposed densities and built form are in line with the relevant OCP urban place designation, noting that additional density may be considered in cases where heritage-designation is achieved.
- The proposed massing and density are consistent with the City form and placemaking objectives in the OCP, particularly in response to the landmark building radius and public realm goals to balance new development and heritage conservation.
- The proposal is consistent with the *Downtown Core Area Plan, 2011* (DCAP) guidelines aimed at revitalizing the central business district while balancing heritage values and views of heritage landmark buildings through the distribution of density proposed and through a high quality architectural and urban design approach.

BACKGROUND

Description of Proposal

This Rezoning Application is to increase the density from 3:1 Floor Space Ratio (FSR) to a combined density of 6.39:1 FSR for the comprehensive redevelopment of three adjoining properties. The two properties at 780-798 Fort Street are proposed to be redeveloped into a 20-storey hotel with office and ground floor commercial uses. The application also includes the heritage-registered Montrose Apartments at 1114-1126 Blanshard Street, which was originally constructed in 1912 and is proposed to be upgraded and heritage-designated. A housing agreement is proposed to secure rental tenure for the existing 21 units within the Montrose building for 60 years.

The proposal includes the following major components:

- retention and designation of the Montrose Apartments
- construction of a corresponding podium wrapping around Fort and Blanshard streets
- a 17-storey, slender, triangular tower with a 380m² floor plate above a new three-storey podium
- a 200m² three-storey, glass-enclosed, south-facing open space with an atrium commercial area
- office uses at levels two and three
- a green roof with a small patio above the third floor
- three levels of underground parking
- 21 rental residential units within the Montrose building with retained commercial units below.

The following changes from the current CBD-1 Zone are being proposed and would be accommodated in the new zone, which would allow an overall density across the site of 6.39:1 Floor Space Ratio (FSR) within two Development Areas. Regulations within the proposed zoning bylaw would:

- Development Area A – increase the density from 3:1 FSR to 9.13:1 FSR for the portion of the site identified as 780-798 Fort Street and 1106-1126 Blanshard Street
- Development Area B – reduce the density from 3:1 FSR to 2.53:1 FSR and limit height to 14.5m for the portion of the site identified as 1114-1126 Blanshard Street to align with the proposed heritage protection of the Montrose Apartments.

Affordable Housing

The applicant proposes the retention of 21 existing residential units in the Montrose Apartments building and a Housing Agreement to secure these units as rental for 60 years.

Tenant Assistance Policy

As part of this application, it is proposed to retain the existing Montrose Apartments building and its commercial and rental apartment units, and to only carry out renovations as vacancies become available. The applicant is working with the City's housing policy planners to document a strategy for managing renovations and supporting tenants through the renovation process. The recommended motion to Council includes language to ensure this commitment is communicated with the existing tenants and a strategy is formalized for tenant assistance in instances where unforeseen circumstances may necessitate vacating an apartment unit.

Sustainability

As indicated in the applicant's letter dated January 26, 2021, the proposal includes upgrades and retention of an existing heritage registered building along with several design strategies consistent with a LEED Certified building. However, the applicant is not seeking LEED certification.

Active Transportation

The application proposes curb alignments along Blanshard Street to allow for future bike lanes, which support active transportation.

Public Realm

The following public realm improvements are proposed in association with this Rezoning Application:

- increased sidewalk widths at Blanshard and View Streets
- higher quality paving patterns and materials employed on all public walkways consistent with the City New Town paving pattern outlined in the City's *Downtown Public Realm Plan*
- structural soil cells proposed for all street trees
- additional furnishings such as benches, garbage cans and bike racks.

These public realm improvements would be secured through a legal agreement registered on the property's title.

Accessibility

Accessibility measures beyond those contained in the British Columbia Building Code are not proposed. However, additional consideration has been given to the public realm and the pedestrian experience. The proposed landscaping is consistent with the Downtown Public Realm Plan and significantly improves the pedestrian areas surrounding the proposal. Existing street furniture is proposed to be formalized and co-located, thereby creating clear pedestrian paths and the removal of obstacles. Sidewalk widths are increased along Blanshard and View Streets which increases pedestrian safety and improves accessibility. Obstacle-free and tactile material changes are also proposed at enlarged pedestrian areas at the Fort and View Street intersections, which again improves the overall accessibility within the public realm.

Land Use Context

The area is characterized by one- to three-storey buildings within the immediate vicinity, with buildings of up to 12 storeys within the same block and within 100m of the subject property.

Immediately adjacent land uses include small format commercial uses such as barbers, bookstores, restaurants and independent retail stores as well as office towers, a parkade and St. Andrew's Church. Notably, this area is identified in the OCP as Core Business land, which envisions buildings of up to 20 storeys tall with floor plates more than double what is being proposed. From this perspective, contextually, this proposal is responding to both the existing as well as future context.

Existing Site Development and Development Potential

The site is presently occupied by retail stores in two single-storey and one two-storey building, surface parking and the three-storey Montrose Apartments building.

Under the current CBD-1 Zone, Central Business District, the property could be developed with a variety of uses, at a density of up to 3:1 FSR and a height of up to 43 metres, or approximately 14 storeys. Rooftop additions and increased density could also be proposed for the existing heritage-registered Montrose Apartments.

Data Table

The following data table compares the proposal with the existing CBD-1 Zone, Central Business District. An asterisk is used to identify where the proposal does not meet the existing Zone. Additionally, the key City policy that pertains to the area has been included in this table.

Zoning Criteria	Proposal Development Area A	Proposal Development Area B	CBD-1 Zone, Central Business District	OCP Policy	Downtown Core Area Plan
Density (Floor Space Ratio) – maximum	9.13* (6.39* Combined)	2.53 (6.39* combined)	3.0	6.0	6.0
Height (m) – maximum	65.93*	14.5	43	60.0	60.0
Storeys – maximum	20	3	n/a	20	20
Setbacks (m) – minimum (above level 4, 5:1 setback plane)					
Front (Blanshard)	3.44*	Existing	3-9		3-9
Rear (west)	2.69*	Existing	3-9		3-9
Side (north)	1.95*	Existing	3-9		3-9
Side (south)	2.07*	Existing	3-9		3-9
Vehicle parking – minimum	39	Existing	32		
Bicycle parking stalls – minimum					
Long Term	14	0*	13		
Short Term	14	0*	14		

Community Consultation

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, the applicant has consulted the Downtown Residents Association CALUC at a Community Meeting held on January 20, 2020. The intent of CALUC process is to get early community feedback on proposals so applicants can consider this feedback in the review and revision process.

The Downtown Residents Association CALUC provided a letter on January 31, 2021, which is attached. Although the letter was received approximately a year after the meeting, many of the points raised in the CALUC's letter have been addressed in the application and discussed in the analysis section of this report.

ANALYSIS

The analysis below focuses on land use, density and OCP objectives, which are the main issues for Council's attention when considering a Rezoning Application. The concurrent Development Permit Application report (DP No. 000580) provides an analysis of the application against the relative design guidelines.

The following City policies were used to assess the Rezoning Application: *Official Community Plan* (2012) and *Downtown Core Area Plan* (2011).

Official Community Plan

The subject property is located within the Core Business Urban Place Designation in the *Official Community Plan* (OCP, 2012) and in an area that specifies maximum building heights of 60m (20 storeys) and a density of 6:1 floor space ratio (FSR).

The proposal is for a building height of 65.93m at an overall density of 6.39:1 FSR. Maximum densities and heights outlined within the OCP and design guidelines are interpreted with some flexibility, taking into account site conditions, local context and the array of objectives the OCP seeks to encourage. In this instance, specific policies also permit varying the densities identified in the OCP to achieve heritage conservation objectives. As such, an OCP amendment is not required given the retention and heritage designation proposed for the existing Montrose Apartments. Additionally, one block farther north, the same OCP designation envisions buildings up to twenty-four storeys (72m), putting this site at the boundary where building heights are envisioned to change.

The proposed hotel use and retention of the existing rental building, to be secured with a housing agreement, also advance OCP objectives, which are consistent with the land use designation for this area.

Density

To best regulate the uses and the form of development for this application, it is proposed that two development areas be created, but that they be considered comprehensively. One of the development areas would contain the hotel site and the other would contain the Montrose Apartments site. Combined, the overall density would be 6.39:1 FSR; separately, the density would be 9.13 and 2.53 FSR for the hotel site and the Montrose Apartments site, respectively.

Having separate development areas within a comprehensive development provides the opportunity to shift density from that portion of the site with a heritage resource, to a location

where it has the least impact, thereby preserving the heritage asset without additions or alterations. This approach is reinforced with the heritage designation of the Montrose Apartments.

Downtown Core Area Plan

The *Downtown Core Area Plan*, 2011 (DCAP) provides guidance on the overall form and character of proposals to influence a sustainable and balanced approach to growth, and, in terms of its relationship with the OCP, it is used to evaluate density impacts and alignment with the objectives of the OCP Urban Place Designation.

To achieve objectives around balancing heritage values and views of heritage landmark buildings, the proposal utilises a slender tower on a low podium to distribute the proposed building massing. This building form creates a unified podium between the existing heritage Montrose Apartments and the portions of the new proposed podium and helps to maintain views to the landmark St. Andrew's Cathedral to the north.

While Fort Street is an existing and vibrant commercial area, the proposal adds significant density in line with objectives to revitalize the area and proposes a unique semi-public commercial atrium area that reflects the emerging character of the area. The three-storey, glazed, south facing atrium, termed the "Wintergarden", is similar to features in other developments around the City have proven to be well-used.

Overall, the high quality architectural and urban design approach advances the objectives of the DCAP and meets the intent of the relevant design guidelines. A more fulsome analysis of the application's consistency with DCAP is provided in the concurrent Development Permit report DP No. 00580).

Tree Preservation Bylaw and Urban Forest Master Plan

The goals of the *Urban Forest Master Plan* include protecting, enhancing, and expanding Victoria's urban forest and optimizing community benefits from the urban forest in all neighbourhoods.

This Rezoning application was received after October 24, 2019, so it falls under Tree Preservation Bylaw No. 05-106, consolidated November 22, 2019. The tree inventory in the Arborist Report (attached) includes seven trees on the municipal frontage along Blanshard Street. There are no bylaw-protected trees impacted on the subject property or on adjacent properties. The following is a summary of the tree-related considerations:

- Five trees along the Blanshard Street frontage are proposed for retention: two upright European purple beech, two oak leaf purple beech, and one upright green leaf beech. All are in good health with fair-good structure.
- Due to required site servicing and driveway access, two municipal trees are proposed for removal along Blanshard Avenue: both trees are upright European purple beech, one has a 30cm diameter at breast height (DBH) and the other has a 38cm DBH.
- Five trees are proposed to be planted along the frontage: two small trees along Blanshard Street and three medium trees along Fort Street. Soil cells are proposed to be installed to achieve recommended soil volumes. Tree species are proposed to be selected in coordination with Parks staff.
- At-grade shrub planting beds are provided at the curb edge in select locations along the Fort and Blanshard Street frontages.

Tree Information Table

Tree Type	Total	To be REMOVED	To be PLANTED	Net Change
On-site tree, bylaw protected	0	0	0	0
On-site trees, non-bylaw protected	0	0	0	0
Municipal trees	7	2	5	+3
Neighbouring trees, bylaw protected	0	0	0	0
Neighbouring trees, non-bylaw protected	0	0	0	0
Total	7	2	5	+3

Operating Budget Impacts

Increased Inventory	Annual Maintenance
Five new Street Trees	\$900
Planting Beds	\$1,500
Irrigation	\$600
Total Annual Maintenance	\$3,000

Encroachment Agreement

A number of existing street-level decorative features and awnings, associated with the existing Montrose Apartments, project above the City right-of-way. To facilitate these existing encroachments, the applicant is required to enter into an Encroachment Agreement with the City. Appropriate wording is included in the recommendation for Council's consideration.

CONCLUSIONS

This proposal reflects a continuation of recent development proposals along Fort Street, with increased density and building heights. Densities and uses proposed are consistent with the OCP urban place designation when considering the retention of the existing heritage building. It also achieves a number of outcomes that align with OCP objectives, including:

- adding a unique use to this area that complements an emerging district and diversifies the tourism economic sector while adding vibrancy to the area
- transitioning density, through a comprehensive plan, in a way that respects a heritage landmark building and minimizes impacts on the public realm
- retaining and securing existing rental housing and commercial uses
- improving the quality and accessibility of the public realm.

Additionally, the expression of the proposed density uniquely aligns with the intent of the design guidelines as outlined in the concurrent Development Permit report. As such, this application is recommended to advance to a public hearing.

ALTERNATE MOTION

That Council decline Rezoning Application No. 00745 for the property located at 780-798 Fort Street & 1106-1126 Blanshard Street.

Respectfully submitted,

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Development Services

Karen Hoese, Director
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Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Subject Map
- Attachment B: Aerial Map
- Attachment C: Plans date stamped November 20, 2020
- Attachment D: Arborist Report dated November 16, 2020
- Attachment E: Letter from applicant to Mayor and Council dated January 26, 2021
- Attachment F: Community Association Land Use Committee Comments dated January 31, 2021
- Attachment G: ADP minutes and motion dated January 13, 2021
- Attachment H: Correspondence (Letters received from residents).