



January 26, 2021

City of Victoria

1 Centennial Square

Victoria BC V8W 1P6

Dear Mayor Helps and Members of Council,

Re: 1114 Blanshard Street, Montrose Apartments and Wintergarden Hotel Rezoning, Development Permit and Heritage Designation Application

We are pleased to submit this summary of the background, intentions and design concept that is the subject of this proposal and part of an application for the Rezoning and Development Permission. The proposal is to construct a new mixed-use hotel project that includes the historic restoration, preservation and heritage designation of the Montrose Apartments building located at the corner of Blanshard Street and View Street. We are subscribers to the Victoria 3.0 vision and to that end, are prepared to invest and contribute in a meaningful way to the evolution of Victoria toward the *future-ready, globally-fluent influencer and innovator* that our city is set to become. Bringing a new hotel model to downtown will expand Victoria's tourism sector. It will contribute to a more resilient place where guest accommodation serves to support the city's innovation ecosystem and allows us to tell a different story and provide rich amenities for visitors seeking an immersive and authentic urban experience in the heart of Downtown Victoria.

The tourism sector plays an important role in Victoria and the CRD's economy, but has a history of being seasonal and volatile to global influences, as has been experienced in the COVID-19 pandemic. Our proposal offers diversification of the guest accommodation market to support visitors that are part of Victoria's innovation economy with an extended-stay model that we anticipate being in demand year-round. We are also investing in the creation of a new public face to a hotel building, with a bold atrium and wintergarden space opening onto the street and connecting to Victoria's local retail and commercial main street.

Site Context

The site includes the properties located at 780 Fort Street, 1106 Blanshard Street and 1114 Blanshard Street, spanning the eastern block of Blanshard Street between Fort Street and View Street. The property at 1114 Blanshard Street is developed with the Montrose Apartments building, originally constructed in 1912 and comprising ground floor commercial space with 21 rental apartment units above. Through careful heritage rehabilitation, these commercial and residential units will be preserved to continue to provide cherished local retail space and much-needed, affordable market rental apartments.

The redevelopment opportunity is then focused on the properties located at 1006 Blanshard Street and 780 Fort Street, currently developed with single-storey commercial buildings. Bringing vibrancy and



development in keeping with the City's Official Community Plan (OCP) and Downtown Core Area Plan (DCAP), our proposal represents new investment in Victoria's storied and historic Fort Street corridor that will serve as a landmark destination for residents and visitors alike.

We began work on this application in 2019 through research and dialogue with local stakeholders and a thoughtful exploration of the commercial and architectural history, and the development potential of the site within its unique context. Despite the uncertainty that arrived in early 2020, we have great confidence in the Victoria market - its attractiveness as one of Canada's most diverse and livable cities, its entrepreneurial spirit and surging technology sector, and its timeless appeal to visitors from near and far, that together contribute to the strength and resiliency of the local economy.

Hotel Proposal - Investing in the Experiential Economy

Our proposal envisions a new offering within the tourist accommodation space to deliver a hotel product that is tailored to serve visitors looking to experience an authentic Victoria stay. Away from the tourist bustle of the Inner Harbour, our site is immersed in the vibrant streetscape along Fort Street and its dynamic commercial mix influenced by the high-tech and innovation firms, restaurants, food-focused services, and local retailers. This is where Victorians live, work, eat, gather and experience community life. Our hotel will create a new destination at the important intersection of Fort and Blanshard streets, in the heart of an authentic Victoria experience.

The proposed 128 commercial guest accommodation units are designed to support extended stay visitors, with in-suite kitchenette and compact, flexible living spaces suited to working travelers and long-term visitors. The podium of the building is designed to include an efficient lobby space, ground-level cafe and commercial uses oriented to the street, with boutique office spaces above. An indoor/outdoor lounge, restaurant and amenity space at the fourth floor creates a destination on the podium's rooftop, supporting hotel guests and welcoming Victoria residents to experience a new view over the city.

The Architecture

Conceived as a contemporary architectural expression but sympathetic to its downtown neighbourhood and historic neighbours, the design concept had intentions to achieve:

- An architectural landmark at an important intersection contributing to Victoria's emerging skyline, while maintaining the characteristic roof cornice line of the surrounding early 20th century fabric;
- A compatible architectural foil to the historic Montrose Apartments and St. Andrew's Cathedral;
- A restored, preserved and Heritage Designated Montrose Apartments Building; and,
- The addition of an exceptional wintergarden as a public amenity for downtown Victoria.

The 16 storey triangular plan-form tower contains hotel suites. It resulted from extensive design studies to create an elegantly proportioned slender tower that while providing viable floor areas, reduces shadowing impacts and visual scale. The floorplan shape avoids forming a 'back' wall, while affording excellent light and views for all suites. The angled walls of the tower are accentuated by angled, vertical, bronze-toned



metal cladding and angled, raised penthouse roof corners. This will give the facade a dynamic effect of subtle changes in hue and brightness at different times of the day and night and a distinctive silhouette. Beyond the aesthetic effect, the angled façades, with minor averaging, all conform to the intent and largely exceeds minimum setback requirements from Blanshard and Fort Streets.

The three-storey podium of the composition forms the 'walls' of the Blanshard Street and Fort Street rights-of-way, their height visually aligning with that of the re-instated upper cornice of the Montrose Apartments. The new podium extends the brick and metal vocabulary of the Montrose, the horizontal rhythm of vertical pilasters, as well as the street alignment and scale of the historic building.

The proposed 200m² south-facing Wintergarden, we are confident, will become a landmark within the downtown public realm. Entered from Fort Street, the space is a glass-enclosed, heavy timber structure enclosing a three-storey, semi-public space. It serves as a grand entrance to the offices on levels two and three and with a soaring spiral stair, a restaurant and bar on level four. This glass atrium, in addition to nestling seating areas, and an open multi-purpose space, will be served by a ground-floor café. With tall trees echoing those along the street boulevards outside, this richly planted space will be a welcome green oasis at the prominent, busy, downtown intersection. A retractable glass façade, with bar seating will face a new Fort streetscape designed by Murdoch de Greeff Landscape Architects, adding new trees, planted boulevards, seating and lighting to a widened sidewalk and recently completed bike-way.

As mentioned, Level two and three of the building are specialty office spaces that enter from the atrium and overlook the Wintergarden. Level four is a fully equipped bar/restaurant with extensive terrace seating to the south and east, overlooking the two streets. The restaurant level is reached by a designated elevator and a spiral wood-clad staircase from the atrium.

Located at the farthest point on the block from the Cathedral, the proposed building respects St. Andrew's Spire and the slender tower maintains important street views of the landmark. For those who look, when viewed from the ground, the sloping parapets at the top of the new Wintergarden Building may make a spire-like silhouette against the sky. A subtle nod to the historic landmark.

The Landscape Architecture

Streetscape and Public Realm

The project has three distinct streetscapes that are influenced by available ROW space, land use, exposure and street/transportation uses. As such the design of the public realm varies between, and even within, the street frontages (eg. Blanshard Street). The Fort Street public realm space is unchanged from the existing condition while Blanshard and View Streets will both become larger due to road narrowing on Blanshard and a small reduction in parking on View Street.

Newly planted street trees, combined with benches and planting will provide shade and separation for the 2.7m wide pedestrian walkway on Fort Street and create a comfortable space for people to sit. This is a south facing frontage and will be a bright space for pedestrians to occupy. The added trees provide shade for pedestrians and the hotel atrium, and will enhance the City's urban forest canopy. The hardscape treatment, City New Town paving pattern, will be used on all public walkways.



The Blanshard Street frontage is split between the modern hotel and the heritage Montrose Apartments. The new trees and benches are offset from the existing trees to create pedestrian spaces in the public realm of the Montrose building. Heritage glass paving also is present in the Montrose sidewalk. Our team will work with City staff to determine whether these features can be retained or moved as the project progresses. These softscape and heritage elements 'soften' the hardscape treatment associated with the Montrose to better integrate the heritage building with a modern hardscape treatment. Removal of a few parking stalls on View St. enables the increased width of the sidewalk and the creation of space for street trees and bicycle parking.

Most trees will be planted in hardscape in the public realm. Structural soil cells will be used to provide adequate soil volumes for the trees to reach maturity. Furnishings such as benches, garbage cans and bike racks will meet City specifications and contribute to creating an urban gathering place at the important corner of Fort and Blanshard. The benches are wood bench tops set on concrete slabs.

On-Site Landscape

The main level consists of exterior bike parking facilities and seating benches, and interior atrium café space, a second floor extensive green roof with patio and landscape features that provide separation and shade on the fourth floor restaurant patio. Bicycle parking and a custom bench will frame the building edge at the street level. The bench will create a space for hotel users to wait for cabs or the public to watch the busy street activity. The Wintergarden atrium will provide an oasis for hotel and restaurant users. The interior plants are suitable for interior landscape applications and will provide privacy and separation in the space. An extensive green roof with a small patio will create an open space area for the offices associated with the second floor. Tree species suitable for this shady area will be planted in planters within the green roof landscape. The restaurant patio on the fourth floor provides a variety of outdoor spaces for people to enjoy the city environment. The south face patio will have a linear planter to soften the edge and act as a protective rail while a sun-shading canopy will provide shade for guests. The east facing patio provides tables with adequate separation for guests with planters that support small trees and low height shrubs and flowering plants.

Vegetation

Plant material in the public realm will be suitable for the urban streetscape condition with final approval for shrubs and trees to be obtained from City Parks staff. The proposed plant material on Fort Street consists of columnar trees with a screen of tall grasses and low growing plantings in the planters. Four columnar trees will be retained on Blanshard Street. New trees will contribute to the urban forest and street canopies along Blanshard Street and View Street. Plants on the rooftop landscape areas have been picked to fit the site conditions and to function with the proposed uses. Plants have been selected that provide habitat for beneficial insects and pollinator species.

Montrose Apartments Heritage Designation

The Montrose Apartments building was constructed for Andrew Sheret Ltd. in 1912, providing ground floor commercial space with housing units above. The 3 storey brick building was designed by Victoria-born architect C. Elwood Watkins and was named by Andrew Sheret after his birthplace in Montrose, Scotland. A painted sign advertising Sheret's Plumbing is still visible on the western facade today. The



building was listed on the Canadian Register of Historic Places in 1995, but has not been designated as a heritage building. Andrew Sheret's plumbing business operated out of the building until the 1950s.

Donald Luxton and Associates has been engaged to prepare a heritage conservation plan for the Montrose Building, which is included in support of the Rezoning and Development Permit applications.

Some of the key character-defining elements of the Montrose Apartments include its:

- continuous use as an apartment building with retail storefronts at ground level;
- form, scale and massing as expressed in its three-storey height, full basement, rectangular plan, flat roof and central entry with raised parapet above, built to the property lines with no setbacks;
- Edwardian-era decorative features including: symmetrical design that demonstrates a Classical Revival influence; pressed metal cornice above the storefronts; arched window hoods with keystones; herringbone brick nogging in spandrels; decorative sandstone insets; and central arched entry with inset oak door assembly;
- masonry construction, including pressed tan brick for two main façades, high-fire iron-spot brown brick for quoins and piers, concrete window sills, and common red brick for side and rear façades;
- original fenestration, including: variety of 6-over-1 and 8-over-1 double-hung wooden sash windows in single and double assembly; 1-over-1 double-hung wooden sash windows in lightwell on south side; and multi-paned casement window assemblies with transoms in central stairwell;
- surviving early storefront elements including transoms, bulkhead tiling, and mosaic tile insets at the entries;
- early painted wall sign on west façade;
- area ways that extend under the sidewalk, with purple glass prism lights; and,
- interior features including original room configuration, central staircase with cut-out flat balusters, lath-and-plaster walls and wooden trim.

The Canadian Register of Historic Places states that the Montrose Apartments building is valued as a "reflection of the surge of development that characterized Victoria's gateway economy" in the height of the pre-World War One real estate boom:

The Montrose illustrates the continuing redevelopment of the eastern edge of downtown, through the replacement of earlier buildings on prime sites during a time of great prosperity. At the time it was built, Blanshard Street was being established as a significant north-south commercial street that rivalled Douglas and Government Streets.

The Montrose Apartments is a superior example of the dense, cubic apartment blocks typical of the Edwardian era, which provided housing alternatives in a rapidly urbanizing environment. Originally an apartment-hotel, it provided a variety of accommodation in a location that provided convenient access to downtown amenities. The city relied increasingly on trade and commerce and was growing swiftly with large numbers of immigrants. Apartment blocks suited people and families in transition who could not afford or did not want a single-family home. This was a familiar housing type to those from denser eastern cities and from Europe, who were fuelling coastal settlement.



This is also notable as a superior example of the work of Victoria-born C. Elwood Watkins (1875-1942). Watkins began his architectural apprenticeship in 1890 in the office of Thomas Hooper, and by 1902 had become a full partner. He opened his own office in 1909, and in addition to his many commercial, institutional and residential projects, Watkins was the official architect of the Victoria and Saanich School Boards. Reflective of the architectural expression of the Classical Revival styles that were popular during the Edwardian era, the Montrose is articulated in a tripartite division of base, shaft and capital. The richly-detailed main façades are clad in two tones of brick, with sophisticated detailing that demonstrates a high quality of design and craftsmanship.

Our proposal is to retain the Montrose Apartments building and its commercial and rental apartment units through designation of the property as a heritage building. We are currently updating and renovating the suites as vacancies become available to address life-safety requirements. Careful rehabilitation of the windows and of the exterior facade, including reconstruction of the historic upper cornice, restoration of the windows with historic colours, and restoration of the lower cornice with historic colours, is proposed.

Full seismic upgrading of the building was explored, but deemed to be impractical considering the form and function of the existing development. Retention of the existing commercial and residential rental units is paramount to the project. The loss of long established commercial tenancies unique to this area, in addition to residential tenants, resulting from the substantial construction time and cost to achieve full seismic upgrading of the building is not compatible with this endeavour. Final cost analysis would prescribe retention of only the facade of the Montrose Apartments building and creation of new floor area to support market condominium residential development. The role of the Montrose Apartments has always been to provide rental housing and commercial spaces to support the local Victoria community. The building contributes to the urban fabric in an authentic and meaningful way, which this proposal engrains through heritage designation of the building and retention of the residential units as rental units for 60 years or the life of the building.

Consistency with City Policy

Our proposal is consistent with City planning policies, representing investment in the local economy and development aligned with the OCP and DCAP.

The properties are currently zoned CBD-1. We are proposing rezoning to a site-specific Comprehensive Development (CD) zone to the density envisioned in the Core Business section of the OCP Urban Place Designation. The proposed density of 6.41 to 1 is slightly above the anticipated 6.0 to FSR for commercial density, and the proposed height of 20 storeys, (67m), about 2 storeys higher than the 60 m anticipated height; however, the preservation of the low heritage building, the comprehensive site redevelopment and unique slender building form coupled with the commitment to heritage designation offer a compelling rationale for consideration of the proposed design and solution. The OCP includes building heights up to 24 storeys in the Core Business area in select locations; however, the exact 'select locations' are not specified. The DCAP Maximum Building Height is 60m; however buildings up to 72m are allowed on the neighbouring block to the north. We believe the proposed density and height are appropriate for the site and that the building positioning, architectural design, amenity-rich ground floor, the podium typology and beautiful streetscape improvements offer strong rationale in support of the proposal. Further, the OCP specifies that guidelines may be varied to achieve heritage conservation objectives.



The OCP growth concept envisions the Core Business area remaining the region's government headquarters and central business district through retention of office uses and guidance for new high density commercial development. The objectives of this designation reference revitalization of the central business district through high-rise commercial buildings and low-to-medium rise residential mixed-use buildings, with greatest heights along Douglas Street, Blanshard Street and Yates Street, balanced with protection of the views from public vantage points of heritage landmark buildings on Pandora Avenue, Blanshard Street, Broughton Street and Humboldt Street. The site planning approach taken for the block was guided by current revitalization policy with a focus on preserving public views of St. Andrew's Cathedral.

The DCAP sets a height limit of 60m. Our proposal reaches a maximum of 67m, or 20 storeys, comprised of a 17 storey hotel tower above a 3 storey podium. The relatively small and constrained site results in a slender building form and small floor plates. These constitute positive elements of the design solution, with a strong street relationship achieved through the expressive atrium and podium composition. All parking is provided underground with access to the garage located at the driveway from Blanshard into the current surface parking lot.

While the City's policies typically encourage buildings to taper toward the top and to have a distinctive base, body and top, our design solution is intentional in its presentation of a unique architectural form that differs from what would result from the current prescriptive guidelines. Our team's participation in the current initiative to revisit and reinvigorate the DCAP guidelines encouraged creative interpretation of the intent of the guidelines. The resulting podium and slender tower form will contribute to a distinctive skyline while creating a humane and beautiful pedestrian street experience. The building as designed is largely outside of the step-back planes, with greater distances, with only the tips of the 'wings' protruding.

Housing Policies

The application proposes retention of the existing 21 residential rental units, which will be secured through legal agreement to remain rental for 60 years or the life of the building. We have been working with the City's Housing Policy Planners to document our strategy for managing renovations and supporting tenants through the renovation process and provide the following information to be clear about our plans.

It is our intention to complete renovations through residential attrition and to not have any tenants impacted by the work: no tenants will be evicted due to renovations or repairs. In the case where termination of tenancy of a unit may be unavoidable due to unforeseen major renovations, tenants will be offered right of first refusal back to the unit at the same rent, with permitted rent increases, and provided with temporary accommodation at a comparable units. We have been upgrading units as the rental tenancies have turned over, without requiring the displacement of tenants. The scope of renovations address life safety issues with respect to lighting, exiting, signage, and fire detection systems, in addition to replacement and upgrades to building mechanical and electrical systems, roof, skylight and window replacement, along with cosmetic renovations to upgrade interior finishes and building envelope and heritage restoration and have been managed on a unit-by-unit basis as vacancies have come up. These improvements support the ongoing use in keeping with its original intent as a purpose-built rental building, while extending the life of the building into the future. There is a unique mix of residents and business owners that form the Montrose community and our intention is to minimize disruptions as the development and renovation processes advance. We commit to maintaining open lines of



communication with our tenants as the rezoning application advances to ensure there is clear understanding of our intent to retain existing tenants. A copy of our letter will be provided to Tenants prior to the project advancing to a Public Hearing.

Green Building Practices

While the building is not registered with Canadian Green Building Council, and at the time of this writing, will not be applying to be LEED certified, the design team includes experienced LEED-accredited Green-Building Professionals. All the people involved take seriously their environmental responsibility and their designs include careful consideration and progressive recommendations toward reduction of energy consumption and the production of greenhouse gasses in all material, methods, systems and equipment selections. The building will incorporate ecologically responsible strategies as follows:

Site Selection:

The prominent downtown site is a redevelopment, located along major public transit and biking routes and is walking distance to extensive services, public recreation and cultural amenities.

Innovation and Design:

- i. Coordinated multi-disciplinary, integrated design team approach from the outset of the project.
- ii. Preference for durable building & cladding materials
- iii. Resilient landscape specified for streetscape vegetation adding trees to urban tree canopy.
- iv. A public Wintergarden atrium with extensive indoor planting to serve as an urban 'living room' and thereby contribute to resilient city building.

Transportation:

- i. Service for electric vehicle charging stations.
- ii. Streetscape design to enhance Bike Lane infrastructure and thereby improve cycling experience and encourage use.
- iii. Provision of at-grade secure bicycle storage and short-term bike racks exceeding city requirements.
- iv. Proposed curb alignment along Blanshard to allow for future bike lanes.

Energy Efficiency / Renewable Energy:

- i. Whole-building energy modelling to meet BC Energy Step Code parameters.
- ii. Energy efficient building systems including heat recovery from the Hotel's exhaust air
- iii. Specification of 'Energy Star' rated appliances throughout.



- iv. Incorporate motion sensor lighting activators in common areas; high efficiency LED lighting.
- v. Programmable digital thermostats.
- vi. Designed to manage solar heat gains through shading and high-performance glazing

Water:

- i. Low-flow plumbing fixtures and water efficient appliances will be specified.
- ii. Selection of native and adaptive planting and water efficient irrigation techniques (drip, rainwater catchment in planted areas) to reduce demand on the city's water service.

Landscape Urban Wintergarden:

Extensive indoor planting to accomplish goals including:

1. Creation of a unique, vibrant, indoor public space in downtown Victoria.
2. Improvement of building's indoor air quality for all podium levels.
3. Increased connection to nature for all building users and passersby.

Materials & Resources:

- i. Provision of facilities for storage & collection of recyclables & compost on site for hotel guests and commercial tenants.
- ii. Use of durable materials to prolong the lifespan of the buildings and site elements.

Community Engagement

We have made available and presented details of all aspects of the proposed development and actively engaged with a range of stakeholders throughout the design of the proposed building. Through public engagement and research we have come to understand the local community context and recognize how this proposal can contribute to the ongoing success of the Fort Street corridor and the Downtown Precinct.

We introduced and presented the preliminary concept to the Downtown Residents Association in October 2019 and received encouraging feedback. Following further design development, we then presented to a Community Meeting hosted by the DRA CALUC on January 29, 2020. A summary of the feedback received is provided below:

Montrose Building

- Strong support for retention of Heritage-Registered Montrose Building and sensitive approach to retaining the existing residential units and commercial spaces along Blanshard Street,



while pursuing building envelope, life-safety, and interior upgrades as vacancies allow and mitigating potential construction impacts on existing buildings.

Wintergarden Hotel

- Strong support for the proposed design, with many commending the proposal, the elegant, slender tower design and the 'wintergarden' space within the podium.
- Support for the hotel use and associated commercial, cafe, restaurant and lounge spaces, with some comments warning of the challenging financial climate for restaurants, and some wondering if locating a hotel here will encourage other hotel proposals to follow.
- Some questions about the proposed additional height (+6.0 m/2 floors), with some supporting the project noting it's the right location for height (corner site, and up to 72 m is allowed directly to the north), and some inquiring about the financial rationale for the proposed development.
- Some questions about the relationship between the proposed building and St. Andrew's Cathedral, and the need to preserve views toward the spire.

Neighbourhood Context / Urban Design

- Some concern about the potential construction disruptions and sensitivity of existing commercial businesses along Fort Street following the impacts of the bike lane construction and noting a need for a comprehensive communications and construction management plan.
- Inquiry about the proposed streetscape and plans for trees, seating, etc. in the outdoor spaces along Fort and Blanshard.

We have worked to incorporate feedback and comments into the development plans through further design development since the Community Meeting. We are incredibly thankful to have had the opportunity to share the development plans with many stakeholders prior to the pandemic's onset and we have continued to engage around our proposal using new approaches and technology to meet physical distancing requirements as the application has advanced. Most recently, we shared an update with the DRA via virtual meeting on November 12, 2020.

We are pleased to have had a thorough discussion with the Advisory Design Panel at their meeting on January 13, 2021 and that the project received their unanimous support, with design suggestions. We will address their suggested consideration with respect to the interior planting plan and pedestrian circulation plan for the atrium of the wintergarden at the Building Permit stage. We will also take into consideration the suggestion to incorporate a rooftop treatment on the Montrose Apartments building to address the overlook down from the hotel units and surrounding buildings. We propose that these items can be considered in full at the Building Permit stage.

Investing in Economic Resiliency

Our proposal is firmly on the pathway toward Victoria 3.0. We are innovative and are supporting the innovation ecosystem. We are telling a new story of Victoria through elegant and sophisticated architecture and welcoming visitors to experience the city from the perspective of the people who live and



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work here. We look forward to your input into the evolution of the story and are confident that collectively we will arrive at the best possible plan for reimagining the future of this landmark corner at Fort and Blanshard.

Sincerely Yours,

Merchant House Capital Inc.
David Fullbrook, CEO