



Mayor Helps and Council
City of Victoria
No.1 Centennial Square
Victoria, BC V8W 1P6

31 January 2021

Re: 1106 Blanshard Street, Montrose Winter Garden Hotel

Dear Mayor Helps and Council,

The DRA LUC hosted a CALUC meeting for this application on 29 January 2020. Thirty-six people registered their attendance at the door. David Fullbrook - Merchant House Capital, Jennifer Kay - TownSquare, and Frank D'Ambrosio - D'Ambrosio architecture + urbanism conducted the presentation and answered questions from attendees. A summary of the public meeting with the public's comments is appended to this letter. A follow up meeting was held via Zoom with the applicants and LUC members on 12 November 2020.

Response from the LUC:

- It was generally acknowledged by the committee that the proposed building is strikingly unique for Victoria and a handsome building that would be a landmark for the city. There are, however, serious fundamental concerns. The proposed height, density and lack of consideration for the Heritage Corridor or St Andrew's Cathedral reflect an underlying degradation of our core planning documents if it were approved as proposed.
- The OCP mandates a maximum density of 6:1 in the Downtown Core. This density is already exceedingly generous even when compared to other jurisdictions including London, UK and Manhattan. This application is requesting a 6.5% increase over the maximum to 6.39:1 but this appears misleading as this calculation includes a transfer of unused density from a separate legal property. The effective density for the proposed hotel project considered on its own lot is actually 9.13:1 which is higher than maximums for Hong Kong.
- The use of a Master Development Agreement for the singular purpose of stripping potential density from a separate legal parcel in exchange for Heritage Designation (with no other significant building improvements) and transferring it to another legally

separate parcel is highly irregular, not permitted in bylaw, sets a dangerous precedent and provides for no community benefit.

- The proposed improvements to the Montrose Building promoted as a part of this application appear to constitute little more than deferred maintenance.
- DCAP's Density Bonus Objective #7 states: *That the density bonus system encourages the rehabilitation and permanent protection of more heritage properties through seismic upgrading.* No seismic upgrade is proposed for the Montrose Building as part of this application in exchange for the irregular transfer of density to an adjacent property. City policy is to require/support seismic upgrading as the opportunities arise. We find it problematic that by avoiding property amalgamation, millions of dollars worth of density can be removed from this site without the seismic upgrades that will save the lives of tenants, reduce the risk of building collapse and increase public safety on the street during a significant seismic event.
- It has not been explained how this proposal reconciles with the Fort Street Heritage Corridor designation of the OCP.
- The properties included in this proposal all fall within the 90m proximity for the protection of views from public vantage points of a Heritage Landmark Building: St Andrew's Cathedral. The proximity protection was established in the OCP to maintain the prominence of 16 significant heritage buildings in the City of Victoria while development continues around them. A rationale has not been offered as to why this provision in the OCP is not being upheld.
- While this is a business model that excites the developers - an Airbnb style experience "operated by an international hotel platform" in a non-touristy part of downtown – it doesn't appear to do much to sustain the Fort Street corridor. Likewise, the business model relies on minimal staffing, so it will not provide the level of new employment opportunities that would be anticipated with a traditional hotel operation.
- Land Lift analyses for past projects provided a pittance to the city due to early City policy failures to set a realistic price for increases in property value. We anticipate this project, as presented, will again leave the City with little opportunity to capture the amenity contribution equivalent to 75% of the additional land value created by the rezoning to support currently unfunded public amenities.

This proposal appears to have been structured in such a way as to strip all additional density from the Montrose property while avoiding the expenses involved with seismic upgrades in order to maximize the developer's benefit and profit. The applicant is not providing any essential life safety upgrades to the Montrose building. This building is on the Heritage Registry, located in a Heritage Conservation Area and is within the 90m-proximity for protection of the Heritage Landmark Building of St. Andrew's Cathedral. As such, there are general protections in place for the Montrose building even in the absence of Heritage Designation. We suggest that this is a dubious approach offered to justify Hong Kong densities along a Heritage Corridor for an Airbnb-type hotel tower. Neither the public nor the community will likely receive any benefit from permitting this to take place. However, its approval would provide the precedence for other applicants to engage in what is, in fact, the sale of potential density between separate parcels of land: a process that is not currently permitted (for good reason) in the City of Victoria.

We are concerned that Staff has reinterpreted aspects of our core planning documents in order to bring this proposal before Council. We suggest that it's not the job of our Planning Department to maximize the profit of developers but to uphold the vision for the city and the downtown; bringing an objective eye to all applications, leaving the political decisions of compromise to Council, having been informed by the applicant's presentation, Staff's objective review and community input.

Council's approval of applications such as this will only encourage others to come forward with equally inappropriate proposals that are outside the bounds of our recently updated core planning documents and contrary to the vision they represent for the future of our city.

Sincerely,

A handwritten signature in black ink, appearing to be 'Ian Sutherland', with a large loop at the start and a trailing flourish.

Ian Sutherland
Chair Land Use Committee
Downtown Residents Association

Summary of CALUC Meeting Held January 29, 2020

Based on the information the applicant provided at the meeting and relevant documents, we understand the project includes the following:

Project Overview:

- Proposal encompasses three properties with Blanshard frontage between View and Fort and includes Montrose Building.
- All three properties are located within the Core Historic Urban Place Designation in the OCP and the Central Business District in DCAP.
- This is a Heritage Conservation Area so there are general protections for Registered buildings.
- The Montrose is a Heritage Registered Building but not Heritage Designated.
- The property at 780 Fort is located along the Fort Street Heritage Corridor: Antique Row.
- The properties are all within the 180m radius of a Heritage Landmark Building: St Andrew's Cathedral.
- DCAP proscribes Maximum Building Heights at 60 m or ~15 storeys.
- The properties are included in an Area for Density Bonus System with a base density for commercial of 4:1 and a maximum density of 6:1.
- Proposed density of 6:41:1 is calculated with combined area of all 3 properties but the properties will not be amalgamated. Instead 1106 Blanshard and 780 Fort will be "combined" for the new building.
- The applicant identified the need for an OCP amendment for height and density but will rely on the advice of Staff.

Montrose:

- Proposal includes renovating the building envelope, re-establishing the cornice, re-establishing the flag over the main entry and renovating individual units.
- The building will not be seismically upgraded.
- Will apply for Heritage Designation to provide additional protections.
- Tenants (commercial & residential) will be retained in situ while renovations occur.

Winter Garden:

- Height: ~3-storey podium (~12m) with 20-storey tower (66.87 m).
- Setbacks: L1-L4: 0m, L5-L20: 1.95-2.69m. Setbacks on upper storeys conform to about +90% because of the triangular shape the wedges of space do intrude.
- Shadow studies: triangular shape of tower minimizes shadowing on adjacent buildings.
- 128 hotel suites with an Airbnb concept.
- Vehicle Parking: 32 stalls required, 43 provided. Two or three levels underground accessed from the driveway cut of the current parking lot beside Monks. There's also a drop off area for luggage.
- Bike parking: 26 required, 29 provided.
- Ground floor: The atrium has direct connection with spiral stair up to the restaurant level next to the elevators. They also connect the offices with the ground level.
- Second and third floors: specialty office space.

- Fourth floor: an amenity floor. Hasn't been determined. Could be restaurant, bar, dining. It has two roof decks.
- Fifth floor and above contain the hotel units with kitchenettes.

Comments and concerns raised by the public at the CALUC meeting:

Overview

- Point raised that we have an OCP and why can't the development community work within it. As opposed to asking us every time, not some of the time, just give us a little more. And if there's an economic rationale that's being used, then use a neutral third party to assess and show us the actual numbers.
- This proposal includes a density transfer from the Montrose property to the hotel properties. There's no City policy that supports a transfer of density.
- The density calculated for the proposal understates the impact the tower will have in the area and the City's skyline. It's estimated that the effective density of the Winter Garden portion of the proposal is approximately 9.18:1.
- The transfer of density is problematic and dangerous for the rest of downtown, and Old Town, in particular, which we're trying to keep to 3:1 FSR.
- Concerns that the trade-off being offered; putting a hotel tower on the block with this height, in exchange for preserving the Montrose, may come at too high a cost to the City and risks increasing development pressures in the area.
- Developers consistently ask for more density and yet the community is not being given anything in return. No amenities, no parks, no non-market daycares. None of the things we need for a complete community. One project can't provide everything, but each projects adds to the deficiency and is a missed opportunity.
- A question whether there were designs created that keep within the proscribed FSR.
- Concerns raised regarding the impact on the neighbouring local businesses on the Fort St block and possible strategies to mitigate the disruptive effects of construction in the area.
- The question regarding the timeline for this project was answered with an estimate of 4 years.
- Comment noting that there had been no discussions about environmental standards and whether there had been any thoughts on that aspect. The applicant answered that they aren't at that point in the project.

Montrose

- Increased protection of the Montrose Building through Heritage Designation is appreciated.
- Concerns were raised regarding the lack of seismic upgrade for life & safety considerations and for long-term viability of this 1912 Registered Heritage Building.
- Concerns were raised that the work proposed for the Montrose is merely an aesthetic upgrade rather than a comprehensive preservation or rehabilitation strategy.
- Commend the plan for respecting the existing building and its tenants.
- Commercial tenant appreciates that tenants would be retained.
- Concerns regarding the impacts on existing tenants in terms of increased rents and elimination of affordable rental units.
- Appreciation expressed for keeping the interior character and wide hallways.

- A question of whether or not parking will be created for residents as part of the proposal (none).

Winter Garden

- Several comments regarding the height, including:
 - Several general statements that the building is too tall;
 - Height not consistent with local context;
 - Height is competing with the church spire;
 - Is this height is permitted this close to the landmark spire; and,
 - Rather see 2 extra floors if that's what's needed to make it an exceptional project if 2 less would make it a mediocre project.
- Great design of the triangular shape that does not loom over the street but is elegant and slender.
- Concern for whether existing view corridors of cathedral will be blocked.
- It's great architecture by one of Victoria's better architects.
- An interesting building but concern expressed for the preservation of small shops along Fort St that are disappearing and being replaced represents a loss of local character and history.
- Question of what special considerations and references are used when a property such as this one is located along the Fort St Heritage Corridor. Does the application comply?
- Concern for the Airbnb concept of a hotel and whether the units would be sold individually. The applicant assured that the units would be operated by an international hotel platform.
- Questions whether the Winter Garden will be classified as a hotel by the City and pay relevant taxes, licensing, etc.
- Concern whether this is an appropriate location in the City for a hotel.
- Concerns were expressed for the feasibility of a restaurant concept and all the challenges the industry is facing with increased costs and a changing competitive landscape.
- Appreciation expressed for the thoughtful design considerations and programming to create an active and animated streetscape on the corner of Fort and Blanshard.
- Concern expressed for the risk of damage to St Andrews Cathedral and other heritage buildings in the area during blasting/construction.