



Committee of the Whole Report

For the Meeting of October 28, 2021

To: Committee of the Whole **Date:** October 14, 2021

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

Subject: **Update Report for Rezoning Application No. 00730 for 903, 911 & 1045 Yates Street, 910 View Street and 1205 & 1209 Quadra Street and associated Official Community Plan Amendment and Development Permit with Variances Application No. 00150 for 1045 Yates Street**

RECOMMENDATION FOR REZONING NO. 00730 (updates in bold text)

That Council instruct staff to prepare the necessary Official Community Plan (OCP) Amendment Bylaw in accordance with Section 475 of the Local Government Act and the necessary Zoning Regulation Bylaw Amendment that would authorize the proposed development outlined in Rezoning Application No. 00730 for 903, 911 and 1045 Yates Street, 910 View Street and 1205 and 1209 Quadra Street, that first and second reading of the Zoning Regulation Bylaw Amendment be considered by Council and a Public Hearing date be set once the following conditions are met:

1. Minor plan revisions as detailed in concurrent Development Permit with Variances Application No. 00150.
2. Incorporation of the following additional design guidelines within the "*900-Block Yates and 1045 Yates Urban Design Manual*" to the satisfaction of the Director of Sustainable Planning and Community Development:
 - a. to ensure the design of the roof top mechanical structures contribute positively to the urban skyline in terms of visually interesting shapes and high-quality materials
 - b. to limit the number of towers to no more than three on the 900 block of Yates Street
 - c. to incorporate a minimum 2.5m setback from the fifth floor of the podium on Vancouver Street
 - d. to include the requirement for a mini-plaza no less than 100m² on the corner of Yates Street and Cook Street finished with high quality, durable materials
 - e. to provide specific reference to the requirement for wind mitigation interventions at the corner of Yates and Quadra Streets and other affected areas as identified in the updated Wind Study
 - f. to include the requirement for public art within the main plaza
 - g. to include standards for interim landscaping

- h. to include the requirement for the plaza to be mostly park-like green space with clear standards for evaluating future Development Permits against
 - i. to include the requirement for an acoustic study for all rooftop mechanical equipment as part of all Development Permits (current and future).
- 3. Updates to the Pedestrian Wind Study to reflect the proposal in relation to building heights, to the satisfaction of the Director of Sustainable Planning and Community Development.
- 4. Updates to the Tenant Assistant Plan including further details related to information and communication with existing tenants to the satisfaction of the Director of Sustainable Planning and Community Development.
- 5. Confirmation from BC Hydro that the relocating of services underground is not supported to the satisfaction of the Director of Sustainable Planning and Community Development.
- 6. **Secure in the new zone in exchange for bonus density the irrevocable offer of a community space of approximately 930m² to be leased to the City for no base rent for the use of community and arts groups generally in accordance with the terms set out in Schedule B (Attachment E) and amended as follows to the satisfaction of the Head of Real Estate, the Director of Sustainable Planning and Community Development and the City Solicitor.**
 - a. that the community space to be provided within 10 years of the completion of Phase 2
 - b. the duration of the lease being a 10-year term with four 5-year renewals for a total period of 30 years
 - c. the terms of the lease to be registered on title
 - d. provision to allow the City to sub-lease the space to third party operators and/or non-profit community groups
 - e. the community space having a minimum active frontage of 12m accessed directly off the central plaza.
- 7. Preparation of the following legal agreements, executed by the applicant, in a form satisfactory to the City Solicitor, to:
 - a. Secure the rental units **for all phases** in perpetuity to the satisfaction of the Director of Sustainable Planning and Community Development.
 - b. Secure the provision of no less than **85 two-bedroom, 2 two-bedroom plus den and 75 three-bedroom units and 7 townhouse units** and a minimum of **40 units** within Phase 1 as affordable in perpetuity and allocated to median income households (**or lower**) as defined in the Victoria Housing Strategy to the satisfaction of the Director of Sustainable Planning and Community Development.
 - c. **Secure the provision of no less than 300 two-bedroom or larger units and a minimum of 40 units within Phase 2 and 3 combined being affordable in perpetuity and allocated to median income households (or lower) as defined in the Victoria Housing Strategy to the satisfaction of the Director of Sustainable Planning and Community Development.**
 - d. **Secure the affordable studio units across all phases as being a minimum size of 290 ft² (27m²) to the satisfaction of the Director of Sustainable Planning and Community Development.**

- e. Restrict strata titling of the buildings **in all phases**, to the satisfaction of the Director of Sustainable Planning and Community Development.
- f. Secure in perpetuity **in the new zone in exchange for bonus density** the provision and maintenance of a public plaza no less than 1600m² (minimum value to be verified by a Quantity Surveyor or other registered professional) centrally located on the 900 block between Yates and View Streets, which **shall be mostly park like** and shall incorporate a high quality public art installation valued at no less than \$350,000, all of which will be provided **within 10 years of the completion of Phase 2**, to the satisfaction of the Director of Sustainable Planning and Community Development.
- g. Secure the provision of a daycare of approximately **450m², in Phase 1**, for a minimum period of 10 years to the satisfaction of the Director of Sustainable Planning and Community Development.
- h. Secure the provision of a minimum of four Energized Electric Vehicle Outlets (charging stations) plus a minimum of 90 stalls (subject to consultation with BC Hydro) with the necessary infrastructure to be converted to Energised Electric Vehicle Outlets in the future (EV Ready), **and an equivalent provision for subsequent phases to be determined to the satisfaction of the Director of Engineering and Public Works** and to the satisfaction of the Director of Sustainable Planning and Community Development.
- i. Secure Statutory Rights of Way (SRW)s for unobstructed public access over the **central plaza on the 900 block (no less than 1600m² in size) and the mini-plaza at the intersection of Cook and Yates Street (no-less than 100m² in size)** and a SRW of 0.9 metres along the Quadra Street frontage; terms and conditions to the satisfaction of the Director of Engineering and Public Works **and the Director of Planning and Sustainable Development**.
- j. Secure TDM measures for Phase 1 including **two** shared vehicle parking stalls, **two** shared vehicles, **113** car share memberships, and long term, end of trip facilities, and an equivalent provision for subsequent phases to be determined to the satisfaction of the Director of Engineering and Public Works **and the Director of Planning and Sustainable Development**.
- k. Secure the design, supply and installation of the City's Downtown Public Realm Plan and Streetscape Standards (DPRP) **across all phases**, specifically the 'New Town District', including furnishings, materials, sidewalk scoring patterns, basalt banding and decorative heritage pedestrian lights, within the public plaza as well as along the Quadra Street, Yates Street, Vancouver Street, Cook Street and View Street frontages, to the satisfaction of the Director of Engineering and Public Works.
- l. Secure the detailed design, supply, and installation of a new traffic signal **associated with Phase 1**, with all associated hardware (poles, bases, junction boxes, conduits, loops, etc.) and software, at the intersection of Cook Street and View Street and in cooperation with adjacent concurrent developments, to the satisfaction of the Director of Engineering and Public Works.
- m. Secure required traffic signal upgrades **associated with Phase 1** at the Yates Street and Cook Street intersection and required hardware (poles, bases, junction boxes, conduits, loops, etc.) and software upgrades to adjacent existing traffic signals that may be required as a result of lane configuration changes, as determined by City Engineering staff, to the satisfaction of the Director of Engineering and Public Works.

- n. Secure upgrades to the existing mid-block crosswalk **associated with Phase 2**, as necessary on the 900 block of Yates Street, to the satisfaction of the Director of Engineering and Public Works.
 - o. Secure the design and installation of the two-way protected bike lane on Yates Street **across all phases** as detailed on the **conceptual plans included in the Rezoning Booklet date stamped June 15, 2021**.
 - p. Secure the provision of soil cells **across all phases** to achieve recommended soil volumes for all new street trees along the municipal frontage, to the satisfaction of the Director of Parks, Recreation and Facilities.
 - q. Secure City of Victoria standard tree guards **across all phases** for all street trees in grates to the satisfaction of the Director of Parks, Recreation and Facilities.
 - r. Secure the provision and installation of the proposed boulevard rain gardens **associated with Phase 1** on Yates Street and View Street, to the satisfaction of the Director of Engineering and Public Works and the Director of Parks, Recreation and Facilities.
 - s. Secure the design, provision and installation of a stormwater management infiltration system **across all phases** along the municipal frontages of Quadra Street, Yates Street, Vancouver Street, Cook Street and View Street for treatment of road water runoff, to the satisfaction of the Director of Engineering and Public Works.
 - t. Secure requirement of a geotechnical report prior to application for a Building Permit including the implementation of recommendations from a qualified geotechnical engineer for City property surrounding the development site, to the satisfaction of the Director of Engineering and Public Works and the Director of Parks, Recreation and Facilities.
 - u. **Secure no less than 5% of the total units (across all phases of the development) as being adaptable as defined by the BC Building Code and that the applicant is responsible for any costs associated with retrofitting the units to meet the specific accessibility needs of individuals in perpetuity to the satisfaction of the Direction of Sustainable Planning and Community Development. Triggers and monitoring mechanisms to ensure longevity of this commitment will also be identified.**
8. That Council determine, pursuant to section 475(1) of the *Local Government Act* that the affected persons, organizations and authorities are those property owners and occupiers within a 200m radius of the subject properties; that the appropriate consultation measures would include a mailed notice of the proposed OCP Amendment to the affected persons; posting of a notice on the City's website inviting affected persons, organizations and authorities to ask questions of staff and provide written or verbal comments to Council for their consideration.
- a. That Council, having provided the opportunity for consultation pursuant to Section 475(1) of the *Local Government Act* with persons, organizations and authorities it considers will be affected, specifically, the property owners and occupiers within a 200m radius of the subject properties have been consulted at a Community Association Land Use Committee (CALUC) Community Meeting, consider whether the opportunity for consultation should be early and ongoing, and determine that no further consultation is required.

- b. That Council specifically consider whether consultation is required under Section 475(2)(b) of the *Local Government Act* and determine that no referrals are necessary with the Capital Regional District Board, Councils of Oak Bay, Esquimalt and Saanich, the Songhees and Esquimalt First Nations, the School District Board and the provincial and federal governments and their agencies due to the nature of the proposed amendment.
 - c. That Council give first reading to the Official Community Plan Amendment Bylaw.
 - d. That Council consider the Official Community Plan Amendment Bylaw in conjunction with the City of Victoria 2017-2021 Financial Plan, the Capital Regional District Liquid Waste Management Plan and the Capital Regional District Solid Waste Management Plan pursuant to Section 477(3)(a) of the *Local Government Act*, and deem those Plans to be consistent with the proposed Official Community Plan Amendment Bylaw.
 - e. That Council give second reading to the Official Community Plan Amendment Bylaw.
 - f. That Council refer the Official Community Plan Amendment Bylaw for consideration at a Public Hearing.
9. That Council authorize the following encroachment agreements, to be executed at the time of the building permit approval, if the other necessary approvals are granted:
- a. excavation encroachments in the City property during construction for the parkade walls, at the fee of \$750 plus \$25 for each square metre of excavation face supported with anchor rods or shoring, with form and contents satisfactory to the City's solicitor and the Director of Engineering and Public Works.
 - b. anchor-pinning in the City right-of-way, with form and contents satisfactory to the City Solicitor and the Director of Engineering and Public Works.

RECOMMENDATION FOR DEVELOPMENT PERMIT WITH VARIANCES NO. 00150
(updates in bold text)

That, subject to minor plan revisions to address the following:

- a. Further consideration of the design of the roof top structures including a reduction in height (with variance updated accordingly) and enhancements to the form and finishes to ensure consistency with the guidelines to the satisfaction of the Director of Sustainable Planning and Community Development.
- b. Incorporation of 2m guardrails on the roof terrace and any other wind mitigation measures that are recommended in the updated Pedestrian Wind Study to the satisfaction of the Director of Sustainable Planning and Community Development.
- c. Further consideration of the design of the public seating area at the intersection of Yates and Cook Street to ensure this space contributes positively to a vibrant streetscape experience to the satisfaction of the Director of Sustainable Planning and Community Development.
- d. Clarification of the window treatment along Yates and Cook Streets to ensure the proportion of clear glazing creates an active street edge and is consistent with the guidelines to the satisfaction of the Director of Sustainable Planning and Community Development.

- e. Further consideration to enhance the appearance of the west elevation and that practical maintenance can be achieved for the climbing vine system to the satisfaction of the Director of Sustainable Planning and Community Development.
- f. Clarification of the design of the garage doors on View Street to the satisfaction of the Director of Sustainable Planning and Community Development.
- g. Corrections to the paving patterns and street furnishings consistent with the Downtown Public Realm and Streetscape Plan to the satisfaction of the Director of Engineering and Public Works.
- h. Clarification of the details on the preliminary Utilities Plan to the satisfaction of the Director of Engineering and Public Works.
- i. Submission of an updated and corrected preliminary Electrical Plan to the satisfaction of the Director of Engineering and Public Works.
- j. Corrections to the road and curb alignment and lane configuration on View Street with associated updates to the traffic simulation models, to the satisfaction of the Director of Engineering and Public Works.
- k. Incorporation of additional building setback from the property line along Cook Street to ensure a minimum distance to any protrusion (including balconies) is no less than 1 m and greater than 1 m wherever possible to the satisfaction of the Director of Parks, Recreation and Facilities.
- l. Corrections to the landscape plan (or other relevant plan) to show all proposed trees to be removed and retained as well as proposed soil volumes for all new trees in beds and grates along Yates and View Streets to the satisfaction of the Director of Parks, Recreation and Facilities.
- m. Confirmation of whether CREST would be required to occupy equipment on the roof level for a new communication transmission site, to the satisfaction of the Fire Chief.
- n. Corrections to plans to ensure the compliance with the BC Building Code.

And that Council, after giving notice and allowing an opportunity for public comment at a meeting of Council, and after the Public Hearing for Rezoning Application No. 00730, if it is approved, consider the following motion:

“That subject to receipt of a letter from the Ministry of Environment confirming that the landowner has met the requirements of Section 557(2) of the *Local Government Act* with respect to contaminated sites that Council authorize the issuance of Development Permit with Variances Application No. 00150 for 1045 Yates Street in accordance with:

- 1. Plans date stamped June 15, 2021.
- 2. Development meeting all *Zoning Regulation Bylaw* requirements except for the following variances:
 - i. Increase the maximum number of storeys from 20 to 21
 - ii. Increase the maximum height from 60m to 68.51m
 - iii. Increase the maximum height allowed for rooftop structure from 5.0m to 9.46m
 - iv. Reduce the required number of residential vehicle parking stalls from **282 stalls to 273 stalls**

- v. **Reduce the required number of residential visitor vehicle parking stalls from 52 to 39**
 - vi. Reduce the required number of commercial parking stalls from **60 to 43**
 - vii. Reduce the required number of daycare parking stalls from **5 to 3**
 - viii. allow for 28 short term bicycle stalls to be located further than 15m of a public entrance.
3. Final plans to be generally in accordance with plans date stamped June 15, 2021.
 4. The Development Permit lapsing two years from the date of this resolution.”

BACKGROUND

On August 5, 2021, Council advanced Rezoning Application and Official Community Plan Amendment No. 00730 and Development Permit with Variances Application No. 00150 to a Public Hearing (presented to Committee of the Whole on July 15, 2021). In addition to a number of plan revisions and legal agreement conditions identified by staff, Council included the following additional requirements:

- *That at least 15% of the units, with at least one-third in the first phase of the development, achieve the median income of affordability in the city’s housing affordability strategy.*
- *Revise the unit mix to reflect more 2- to 3-bedroom units for all phases.*
- *That the public plaza be mostly park-like green space and that a Development Permit for the plaza be submitted now with an expiration timed with the proposed build out of phase 2.*
- *5% accessible units across all phases of the development.*
- *That at least 450 square metres be designated for childcare.*
- *That noise mitigation be in place for all rooftop equipment.*

The full minutes are attached. The purpose of this report is to provide Council with information and analysis in relation to the applicant’s response. The recommendation provided above has been updated to integrate the commitments the applicant is willing and able to make and are identified with bold text and summarized in the body of this report.

Description of Proposal

The proposal is to rezone one and a half city blocks to a site-specific zone in order to construct a multi-phased mixed-use development including commercial, daycare, office and community uses with purpose built rental residential above. The Rezoning Application is concurrent with Development Permit with Variance Application No. 00150. An Official Community Plan Amendment is required to include the *900-Block Yates and 1045 Yates Urban Design Manual* under Development Permit Area 3, Core Mixed-Use Residential as well as to allow the proposed increase in height and density.

PROPOSAL UPDATE

An updated applicant letter is attached to this report and provides further details on how the applicant proposes to respond to the additional Council requests. A summary is provided below.

Affordable Housing

Council requested: *That at least 15% of the units, with at least one-third in the first phase of the development, achieve the median income of affordability in the city's housing affordability strategy.*

The applicant notes that meeting this target would pose a significant burden on the overall viability of the project. Instead, the applicant is proposing to increase the total number of affordable units from 23 (as originally proposed) to 80, with 50% of these being delivered in Phase 1. This equates to approximately 5% of the total 1576 units being proposed across all phases.

A summary of the unit mix of the affordable homes is provided below:

Phase	Studio (min. 290 ft²)	1-bedroom (min. 405 ft²)	3-bedroom (min. 735 ft²)	Total
1	32	4	4	40
2-3	32	4	4	40
Total	64	8	8	80

From a policy perspective, there are no requirements for the provision of affordable housing for 100% rental projects where the tenure is secured through a legal agreement. If the proposal was for condominiums, the City's Inclusionary Housing and Community Amenity Policy would require 10 to 20% of the total FSR or total units as inclusionary housing rental units.

Unit Mix

Council Requested: *Revise the unit mix to reflect more 2- to 3-bedroom units for all phases.*

The applicant has committed to increasing the number of two and three-bedroom units as requested by Council. Approximately 33% of all units within Phase 1 are proposed to be two-bedroom or larger. The revised unit breakdown for Phase 1 is included in the table below:

	July 15, 2021 COTW proposal			Updated proposal		
Unit Type	Unit size range (ft²)	Number of Dwelling Units	% of Total Units for Phase 1	Unit size range (ft²)	Number of Dwelling Units	% of Total Units for Phase 1
Studio (bachelor)	340-400	35	7%	290-390	16	3.1%
Studio (bachelor) (affordable)	340-400	8	1.6%	290-345	32	6.2%
One-bedroom	450-650	210	41%	420-590	219	42%
One-bedroom (affordable)	450-650	13	3%	405-420	4	0.8%
One-bedroom + den	450-650	80	16%	505-695	78	15%
Two-bedroom	700-800	80	16%	630-915	85	16.4%
Two-bedroom (affordable)	700-800	2	0.4%	-	-	-
Two-bedroom + den	850-900	64	12%	840-920	2	0.4%
Three-bedroom	950-1050	12	2%	735-1050	71	14%
Three-bedroom (affordable)	950-1050	0	-	735	4	0.8%
Townhouse	1100-1400	6	1%	950-1310	7	1.3%
Total		510	100%		518	100%

For Phase 2 and 3, the applicant has committed to providing no less than 300 family sized units (defined as two-bedroom and larger) which equates to approximately 28% of the total units for these phases combined. The recommendation has been updated to secure this unit mix through a legal agreement prior to a Public Hearing.

The proportion of studios has marginally increased since the application was presented to Committee of the Whole in July, and it is noted that the unit sizes have decreased to account for the increased proportion of affordable units. The applicant has stated that the affordable studio units across all phases would be between 290 ft² (27m²) and 345 ft² (32 m²), with an average size of 320 ft² (29 m²), and the updated recommendation includes appropriate wording to secure the minimum size through a legal agreement. Through the revised development permit plan submission, staff will work with the applicant to encourage the majority of the affordable studio units being on the larger end of this scale.

Plaza

Council requested: *That the public plaza be mostly park-like green space and that a Development Permit for the plaza be submitted now with an expiration timed with the proposed build out of phase 2.*

The applicant has committed to ensuring the public plaza will be mostly park-like green space. The applicant's letter provides a conceptual plan which illustrates some of the high-level principles for how this may be achieved and there is a commitment that a more detailed design will be

provided prior to a Public Hearing.

Council also requested that a Development Permit be submitted now with an expiration date timed to coincide with the proposed build out of Phase 2. The applicant previously noted that phasing boundaries are dictated by existing structures on site (above and below grade) and that it is not possible to commence construction of the plaza until the centrally located existing tenants vacate the site. Since the realization of the plaza cannot be delivered until Phase 3, this aspect of Council's request for delivery of the plaza with Phase 2 is not being met and although the recommendation reflects the later delivery, the applicant has committed to providing the plaza within 10 years of completion of phase 2. The applicant has also agreed to providing a greater level of detail on the design of the plaza but due to uncertain timing implications for the later phases, the applicant has requested alternative mechanisms to providing these specifications, which may include a phased development agreement or design covenant. Since the level of detail required is similar to those required in a Development Permit, staff are supportive of this approach.

Additionally, the design guidelines have been amended in the 900-Block Yates and 1045 Yates Urban Design Manual to require that the design of the plaza be more park like. Ultimately, with the Phase 3 Development Permit, Council will be asked to review and approve the design of the plaza area, thereby allowing some flexibility to ensure the area responds to the local needs at the time it is constructed.

Accessible Units

Council requested: *5% accessible units across all phases of the development.*

The applicant is proposing that 5% of the units would meet adaptability standards as per the BC Building Code (BCBC). Inclusion of adaptable dwelling units requires a building to have several features that make the building and units more accessible. Although this does not include a full suite of accessibility features, it does provide the dimensional requirements in washrooms, corridors and doorways as well as locating switches at an appropriate height. The provisions do not equate to full accessibility, but they do ensure dimensional capacity exists and this is often the largest barrier in terms of cost to achieving accessibility at a later date. Furthermore, the applicant has committed to paying for additional costs associated with retrofits required to meet individual renter accessibility needs and appropriate wording is included in the recommendation to secure this through a legal agreement and determine what would trigger this requirement and how it would be monitored over time.

Staff therefore recommend that the proposed inclusion of adaptable units would be appropriate to meeting the original intent of Council's request.

Daycare

Council requested: *That at least 450 square metres be designated for childcare.*

The applicant has committed to providing a daycare of no less than 450m² for a minimum period of 10 years as requested by Council. This is an increase of 265m² from the proposal presented in July.

Noise Mitigation

Council requested: *That noise mitigation be in place for all rooftop equipment.*

The applicant has responded to Council's request that noise mitigation be in place for all rooftop

equipment with a commitment to include an acoustic study for each Development Permit phase. The study for Phase 1 will be completed prior to a Public Hearing and the recommendation includes wording to amend the design guidelines to ensure this is a requirement for all phases of development.

Community Space

Since the application was presented to Committee of the Whole, the applicant has included the provision of a lease for a 930m² (10,000 ft²) community space accessed off the central plaza on the eastern half of the 900 block of Yates Street, which would be delivered within 10 years of completion of Phase 2. This would be centrally located between the commercial units fronting Yates Street and the townhouse units fronting View Street and would have a minimum of 12m active frontage along the eastern edge of the plaza.

The applicant is proposing the space will be managed by the City. The base building provisions of the community space would **include** a store frontage, unfinished perimeter walls, unfinished floors, and two accessible washrooms; and, **exclude** interior partitions, electrical, lighting, mechanical, plumbing, drywall and interior finishes. A detailed breakdown of the draft lease terms is appended to this report; see Attachment E: Schedule B: Terms of Proposed Community Space. While the draft lease terms do not currently specify that the City can sub-lease the facility, it is recommended that Council provide explicit direction to include this provision in the lease terms. Appropriate wording is included in the updated recommendation.

As noted above, the applicant has offered this space for community use and has requested certain use restrictions that would prevent dwelling units, temporary accommodation, medical services, food production facilities, food sales and restaurant, all of which would be captured in the terms of the lease.

From an operational perspective, staff see value in the proposed community space and that it may be an asset to arts and culture events or other user groups such as Community Association Land Use Committees (CALUCs) or other community focussed organisations. During Create Victoria's Arts and Culture Master Plan's (2017) the highest priority was the need for more strategic investment, innovative policy solutions and a collaborative community wide effort to create more creative spaces throughout Victoria.

The applicant has offered to lease the space to the City free of charge with building operating costs being proportionately applied based on other commercial tenants. The proposed lease would be for a 10-year term with four 5-year renewals for a total possible period of 30 years. Given the extended length of the lease, staff recommend that the terms of the lease provide that the City may register the lease on title to the land to best protect the City's interest in the event of a future sale of the land after the lease is issued. If the full term and renewals were used by the City, it would allow for adequate time to initiate start-up and operate programs for more than two decades. However, as a leased space the City would need to either negotiate a new lease, wind down programming, or find alternative locations for user groups towards the end of the lease term.

While the applicant has offered to lease the space to the City for no base rent, there are financial implications for the City, both in terms of fitting out the space to a commercial standard, and ongoing costs associated with operation and maintenance. These are discussed in more detail under the Resource Impacts section.

The delivery of the proposed community space would not be until the third phase of the development (in conjunction with the proposed public plaza), but there is no guarantee the final

phases of development will occur. However, if Phase 2 is initiated the applicant has committed to delivering the community space within 10 years of receiving occupancy of Phase 2. Similar to the approach for securing the plaza, this community amenity would be secured through bonus density provisions in the new zone, so that the maximum density would only be granted subject to delivery of the community space.

Other Updates and Clarifications

Parking Variance

Because of changes to the unit mix and increased level of affordability, the required amount of residential parking has reduced from 316 to 282. As a result, the parking variance being requested for residential use has reduced from 48 stalls to 9. The applicant has proposed to reallocate some of this surplus to commercial visitor and / or residential visitor stalls to reduce the magnitude of the variance which has reduced from 40 to 32 stalls for visitor stalls (13 residential visitor, 17 commercial, 2 daycare). A shortfall of 11 bicycle parking stalls (10 long term and 1 short term) has been identified in the data provided from the applicant but there is an expectation that this will be corrected as the application progresses to ensure the minimum requirements are being met. Updated plans will follow in due course and should the requested parking variance change this will require reporting back to Council. The table below provides a summary of how the current vehicle and bicycle parking provision differs from the original proposal presented to Committee of the Whole in July, and for further clarity the visitor vehicle parking categories have been separated according to bylaw requirements and use. An asterisk is used to identify where the proposal is less stringent than the existing zone(s).

Zoning Criteria	Proposed Parking July 15, 2021	Required Parking July 15, 2021	Updated Proposed Parking	Updated Parking Requirement
Vehicle parking – residential (minimum)	268*	316	273*	282
Vehicle parking – residential visitor	See sub-total below	See sub-total below	39*	52
Vehicle parking – commercial			43*	60
Vehicle parking – Daycare			3*	5
Vehicle parking – residential visitor, commercial retail and daycare (minimum)	77*	117	85*	117
Total vehicle parking (exc. car share)	345	433	358	399
Vehicle parking – car share stalls	3	N/A	2	N/A

Zoning Criteria	Proposed Parking July 15, 2021	Required Parking July 15, 2021	Updated Proposed Parking	Updated Parking Requirement
Bicycle Parking				
Long Term (minimum)	587	586	587*	597
Short Term (minimum)	70	70	70*	71
Location (ST) within 15m of a public building entrance	42*	70	42*	71

As a result of the reduced parking requirement, the applicant is proposing a reduction in Transportation Demand Management (TDM) programs from three car share vehicles and three car share stalls to two car share vehicles and two car share stalls. The proposed reduction in TDM programs is comparable to other developments seeking similar parking variances and therefore staff recommend Council support these proposed revisions.

The updated recommendation includes the appropriate wording to reflect the reduced parking variance and TDM measures associated with the Development Permit with Variances for Phase 1.

Clarifications

A minor correction to the recommendation for Rezoning Application No. 00730 has been included to reference the conceptual plans for the two-way protected bike lane along Yates Street in the Rezoning Booklet, not the Development Permit application, as detailed in the July 15 Committee of the Whole staff report. Other minor corrections to the recommendation have been included and relate to providing further clarity on the proposed legal agreements, with the corrections noted in bold text.

Resource and Financial Plan Impacts

With respect to the City's *Financial Plan*, the applicant is proposing to provide a 930m² (10,000ft²) community space in the third phase of the proposed development. While the applicant has offered to lease the space to the City for no base rent, there are financial implications for the City, both in terms of fitting out the space to a commercial standard, and ongoing costs associated with operation and maintenance. Part of these operations and maintenance costs would include additional rent to be paid to the lessor for the community space's allocation of common area maintenance costs related to the commercial tenant area of the building. The additional rent costs are estimated to be \$80,000 to \$90,000 per year (assuming community space is property tax exempt) in 2021 dollars. Additional operating and maintenance costs would be incurred for the community space for janitorial, utilities, insurance and similar charges to operate the unit.

The applicant has provided staff with a value of the free rent for the community space at \$1.25 million for the first 10-year term of the lease assuming it was delivered and occupied in 2030. This estimate appears generally reasonable to staff given the estimated lease rates used. However,

as there are several aspects to the future space that are yet to be determined, staff's review of the value being placed on the initial 10-year term can only be approximate at this time.

While the applicant has offered a one-time tenant improvement credit of \$150,000, accurate fit out cost estimates are difficult to determine when an end user has not yet been established and tenant improvement specifications are not yet defined. However, using square foot improvement rates the City estimates the one-time cost required to fit out the space beyond the shell specifications (listed in Attachment E: Schedule B: Terms of Proposed Community Space) to commercial retail standards would be in the magnitude of \$2,500,000 to \$3,000,000 based on 2021 rates. This amount will increase in future years to account for market escalation when the final phase of development is constructed.

The offer to provide the City with community space as part of this proposal will impact the City's Financial Plan and strategic priorities. Therefore, this item will be brought forward for discussion in future years in the context of those plans, as they are updated.

CONCLUSIONS

The proposal is for a significant addition of rental housing and commercial space in the Harris Green Neighbourhood and in addition to the provision of a significant public plaza, the proposal has been updated to increase the provision of affordable housing and the proportion of larger family-sized units. The lease of an indoor community space on the 900 block Yates Street is also being offered for a term of 10 years, plus renewals to a maximum total term of 30 years, which would be secured as a community amenity in exchange for bonus density in the zone. Council's additional requests related to the provision of a larger daycare, accessible units and noise mitigation measures are also being met.

The proposal is consistent with the *Official Community Plan* except for the overall density and height sought; however, the rationale as to why this is consistent with the goals and objectives of the OCP has been provided. The proposed uses, character and siting are all consistent with the applicable policy and design guidelines; therefore, staff recommend for Council's consideration that the application be advanced to a Public Hearing once all the requirements contained in the revised resolution are met. Should Council not want to include certain aspects of the updated resolution, an alternate motion may be considered.

ALTERNATE MOTION – OPTION 1

That Council provide alternate direction to staff in relation to Application No. 00730 for 903, 911 & 1045 Yates Street, 910 View Street and 1205 & 1209 Quadra Street and Development Permit with Variances Application No. 00150 for 1045 Yates Street.

ALTERNATE MOTION – OPTION 2

That Council decline Rezoning Application No. 00730 for 903, 911 & 1045 Yates Street, 910 View Street and 1205 & 1209 Quadra Street and Development Permit with Variances Application No. 00150 for 1045 Yates Street.

Respectfully submitted,

Charlotte Wain
Senior Planner – Urban Design
Development Services Division

Karen Hoesel, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager.

List of Attachments

- Attachment A: Link to July 15, 2021 Committee of the Whole Report and Attachments
- Attachment B: Letter from applicant to Mayor and Council dated October 8, 2021
- Attachment C: Letter from applicant listing Transportation Demand Management programs, dated October 5, 2021
- Attachment D: Community Association Land Use Committee Comments dated July 13, 2021
- Attachment E: Schedule B: Terms of Proposed Community Space
- Attachment F: Correspondence (Letters received from residents).