



15 September, 2021

City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

Dear Mayor Helps and Members of Council,

Re: Victoria Press Building, 2615-2629 Douglas Street, Rezoning and Development
Variance Permit Application

We are pleased to present our application for rezoning of the Victoria Press building to add new **commissary kitchen, cafe, distillery, brewery, brewpub and liquor retail sales** to the complement of existing permitted uses. We are the stewards of the Victoria Press building and have crafted a vision for its revitalization and reuse to bring a strong sense of place and diverse Midtown concept for Victoria as an emerging destination of choice for commerce, culture and creativity. The Victoria Press building encapsulates all of these ideas into a truly unique experience, centred around the reimagined mid-Century Victoria Press building.

Our designation of the Victoria Press building last year, supported by Council's approval of a Heritage Tax Incentive Program application, offers recognition of the architectural significance of the building and its place in our community. Bringing new uses to the building and the site presents a view toward the future of Victoria, with an emphasis on supporting innovation, entrepreneurship and small business. Economic uncertainty over these 18+ months has brought a heightened focus on supporting local businesses and providing opportunities for new investment in our community. We are committed to realizing a vision of renewed economic diversity for the Victoria Press building. With a year of construction now behind us, the first phase of the project is on-target for completion in June 2022. This newly designated heritage building will transform a 150,000 sf newspaper production facility into a modern urban office campus. With expansive 45,000 sf floor plates over three floors, the Victoria Press Building features the new Press Hall Lobby, the stunning Print Reel Room, roof-top patio and café, and all new operating system infrastructure to meet modern demands for sustainable and earthquake preparedness development.

The new building interior corridor system, illuminated by expansive skylights that penetrate from the roof to the ground level and the two massive seismic cores pinned to the bedrock, are now underway.

Our current application is the next step in our iterative development process to rezone the property to add new uses that will bring vitality to the building. The first set of uses include distillery, brewery, brewpub and liquor retail sales. We have an interested tenant planning to establish a craft distillery within the print reel room space of the Victoria Press building. The space is reflective of the industrial character of the former printing business, with a large volume suited to a new light-industrial use. Establishment of the distillery operation would be complemented by an accessory tasting lounge and retail sales component that would add to the experience and contribute to Victoria's growing craft brewery and distillery operations. The plans also propose reclassification of existing floor area for new office uses, as already permitted in the zoning.



The second set of uses include a commissary kitchen and associated cafe. Again, we have a new to Victoria tenant seeking space for a unique commissary kitchen use that offers commercial kitchen space to support food truck, catering and other food services businesses. The commissary kitchen concept is transforming the food and beverage business model, allowing smaller, start-up and established operators to build or expand their business operations through shared kitchen and food services. By eliminating the start-up capital risks of brick-and-mortar restaurant service, commissary kitchens allow users to share kitchen costs and reduce their operating costs and capital risks. A restaurant/cafe space is proposed to complement the commissary kitchen use and serve as a venue for the sale of goods produced on-site. The commissary kitchen use supports local food entrepreneurs and businesses and we believe will be unique in scale and format within the region.

Concurrent with the rezoning is a request for a parking variance to reflect the new parking calculations associated with the reclassified floor areas. The floor areas for each use are as follows:

1. Office | A total of approximately 98,167 sq.ft. (9,120 m²) of office space is proposed.
2. Restaurant | a rooftop restaurant is proposed, with 2,432 sq.ft. (226 m²) of interior space and 2,530 sq.ft. (235 m²) of exterior patio space.
3. Distillery / Brewpub | A distillery or brewpub is proposed consisting of approximately 6,619 sq.ft. (615 m²) of production / manufacturing area, a retail sales area (i.e., beer shop), approximately 1,345 sq.ft. (125 m²) in size, where customers could purchase growlers of beer from the brewpub
4. Commissary Kitchen and Restaurant/Cafe | The commissary kitchen spaces include 14,596 sq.ft. (1,356 m²) for the commercial kitchen, 215 sq.ft. (20 m²) for the office uses and 1,722 sq.ft. (160 m²) for the restaurant/cafe space.
5. Service / Mechanical | Approximately 9,052 sq.ft. (841 m²) is proposed as service and mechanical space to support new uses.

Consistency with City Planning Policy

The City of Victoria's Burnside Gorge Neighbourhood Plan was adopted in July 2017 and provides the planning directions to guide the future development and growth of the neighbourhood. The Victoria Press site is part of the Douglas Corridor sub-area of the Burnside Gorge Neighbourhood, characterized as a mixed employment area. The lands are designated as a Large Urban Village, and part of a Special Planning Area: the Humber Green.

Large Urban Villages are intended to have a mix of commercial and residential uses. The Humber Green area, bounded by Douglas Street, Hillside Avenue, Bay Street and Blanshard Street, is identified as a gateway to downtown. The area is envisioned to evolve into "a denser, centrally located hub for employment as well as mixed use residential buildings, focused on a future rapid transit station. Development will result in enhanced amenities, improved walkability and more greenery." Humber Green is envisioned as an evolving employment and mixed use area which will become the northern edge of downtown.



The proposed new uses support the envisioned mixed-employment character of the area and provide new commercial amenities within the highly accessible, walkable and transit-oriented district. New mechanical systems help mitigate against the potential for noise and odour impacts.

Consistency with Liquor Retail Stores Policy

Our proposal adds liquor retail sales as a new use, to enable accessory retail sales of the spirits produced on site. The proposal is consistent with the City of Victoria Liquor Retail Stores Policy, as summarized below.

- We have engaged with the Provincial Government. The province indicates that an applicant must receive appropriate zoning from the local government/First Nations prior to submitting their Manufacturing liquor licence application to the LCRB for consideration. We are working through this process.
- We petitioned the neighbours, as required by the Liquor Retail Stores Policy. A letter and summary of the project proposal was distributed to 25 neighbouring properties in June 2020. Given the requirements for social distancing, we did not canvass door-to-door. However, we have received limited response to the petition, with only 1 of 25 responses received to date. We will strive to continue engagement and can reinstate a petition should the City require.
- The site is within a designated Large Urban Village that is intended for commercial retail use. The retail sales area, with 1,345 sq.ft. (125 m²) of floor area, is intended to be accessory to the principal distillery use for the sale of spirits produced on-site.
- Entrance to the print reel room where the store will be located is from an existing street, utilizing Kings Road.
- Parking for the liquor retail store, which requires 2.5 parking spaces, is provided in the existing surface parking lot.
- The site is greater than 200 m from an elementary school or secondary school, with the closest being SJ Willis, which is being used by the School District while other schools are undergoing seismic upgrades. This school is located approximately 300m from the subject property.
- A BC Liquor Store is located at 787 Hillside Avenue, in the shopping plaza at the corner of Hillside Avenue and Blanshard Street. This physical location is approximately 200 m



away from the proposed Kings Road entrance, although the two properties are located kitty corner from one another at the corner of Ross Lane and Hill Street. However, the Large Urban Village designation supports consideration of a reduced separation distance. In addition, the size and character of the accessory liquor retail store for the distillery use, with only 1,345 sq.ft. (125 m²) in floor area, is not intended as a primary sales venue and would not attract the same volume and frequency of customers as the Provincial Liquor Store.

- Finally, the proposed liquor retail store is part of the revitalized Victoria Press building. Although the Print Reel Room is not part of the original building and therefore is not included in the heritage designation, the overall intent is to bring new uses to the newly designated heritage building. The distillery use is characteristic of the building's industrial past and adaptive reuse of the large space previously occupied by the newspaper operation is a fitting approach to revitalization.

Crime Prevention Through Environmental Design

The Victoria Press building is well-suited to commercial uses and to providing a safe and accessible venue for employees and visitors. The principles of CPTED are observed in the following design elements of the site.

Surveillance

Natural surveillance can occur at the main entrances to the building as both face public roads. The proposed entrance for the distillery and accessory liquor retail store are located off of Kings Road. The entrance is designed with large amounts of curtain wall glazing and curtain wall doors to allow visibility between inside and out and the entrance portal has exterior lighting. The entrance is highly visible from the sidewalk along Kings Road, and minimal landscaping along this frontage includes the grassed boulevard and street trees. The mix of tenants and uses at the Victoria Press building also contribute to the natural surveillance of the property.

Formal surveillance measures exist in the form of exterior CCTV security cameras, scheduled patrols, active graffiti control and management measures and participation in neighbourhood engagement activities to help keep the community safe and enjoyable.

Territoriality

Redesign of the building's frontage along Kings Road to add new curtain wall glazing and entrance doors creates a strong presence on the street and a sense of destination for the commercial tenants. The glazing opens the inside spaces to the street and extends the sense of ownership and territoriality into the public realm to create an inviting environment.

Lighting

New exterior lighting at the building's entrances help direct commercial clients to the welcoming portals into the building. The highly glazed frontage along Kings Road will enable interior



lighting to illuminate the entranceway, opening up the previously dark and solid exterior with visual sightlines into the building.

Community Engagement

We have shared the plans with the Burnside Gorge Community Association and have their support for this application. A CALUC Community Meeting was held prior to submitting the application in 2018 and the CALUC Chair has confirmed that a second meeting is not requested.

Parking Development Variance Permit Application

The rezoning application for new uses is presented concurrently with a Development Variance Permit to address parking for the full range of reclassified uses to be accommodated on site.

Schedule C (2018) requirements for the proposed uses in the building after rezoning would result in 214 vehicle parking spaces, 1 loading space, 66 long-term bike parking spaces and 35 short-term bike parking spaces.

At present the site is developed with a surface parking area that accommodates 131 vehicle parking spaces, 2 loading spaces, 32 long term bicycle storage spaces, and 16 short term bicycle storage spaces. Reallocation of the space, removal of parking along the northern drive lane, and the most efficient layout of the existing parking lot results in the provision of 122 parking spaces and 2 loading spaces. The proposal also makes a significant contribution to support cycling by exceeding the bicycle parking requirements including the provision of 92 long term bicycle parking spaces and 48 short term bicycle parking spaces.

Based on these calculations we are requesting a variance for the vehicle parking to maintain the existing parking lot area, resulting in a reduction of 92 vehicle parking spaces from the Schedule C requirements.

The parking variance is supported by our location along Victoria's main transit corridor, with the Douglas Street priority bus lanes, and the bicycle infrastructure with bike lanes along Douglas and Blanshard Streets.

There is a northbound bus stop immediately in front of the site and a southbound stop on the far side of Douglas Street. These bus stops are served by over 18 bus routes that provide service to key employment hubs and destinations within the region including downtown Victoria, the University of Victoria, Camosun College, Swartz Bay, the West Shore (e.g., Colwood, Langford, and Metchosin), and Sidney. With access to a multiplicity of bus routes serving a variety of destinations, future employees and visitors to the site can reliably use transit for both commuting and non-work trips. We support granting of a new Statutory Right of Way on site to accommodate an enhanced bus shelter installation that will encourage greater transit use. The new transit plaza area and T4 Bus Shelter will be enhanced with additional benches for seating, landscaping and lighting.

In addition to the transit plaza, the project provides a number of amenities to support cycling. A range of visitor, secure indoor and covered bike parking is included, exceeding the bicycle parking requirements, to encourage employees and visitors to cycle to and from the Victoria



Press building. The application is proposing 92 long-term bicycle parking spaces and 48 short-term spaces. Ten of the 92 long-term bicycle parking spaces will be designed to accommodate a cargo bicycle, which are larger bikes that do not fit in a typical bike parking stall. Cargo bike parking will make it easier for future employees to park their cargo bikes, particularly for those who utilize a cargo bike for school drop-off / pick-up. In addition, 43 of the 92 long-term bicycle parking spaces will have access to 110V outlets to facilitate charging for electric bike users.

Watt Consulting prepared a parking review for the project and concluded that the site is well-served by transit and supported by a network of cycling infrastructure. The parking supply can meet demand through application of a shared parking arrangement for the office and distillery uses, with unassigned parking allowing flexible use of the surface parking area to meet demands that are likely to occur at different times during the day and pay parking. Implementation of additional Transportation Demand Management measures will include a bus pass subsidy for commercial tenants. We are committed to supporting the ProPASS program and providing an additional 10% discount on the monthly price. This would effectively lower the cost to approximately \$62.96 per month, representing a 25% discount from the regular monthly cost of the pass. The plans also include end of trip facilities that support commuter cycling for employees.

Because the ProPASS program cannot be legally tied to the property, and is primarily an employer-based program, we have committed to working with tenant to promote, subsidize and grow ProPASS by incorporating ProPASS into the property management plan and tenant relations activities through subsidies within the building operating budget.

In summary, five TDM strategies are proposed for the Victoria Press, including: (a) subsidized transit passes, (b) electric bike parking, (c) end-of-trip facilities, (d) additional long-term bicycle parking, (e) priced parking. With these strategies in place, an employee parking reduction of 92 spaces would be supported. The combination of a shared parking agreement and adoption of TDM measures could lower site parking demand to 111 parking spaces, which is eleven spaces less than what is proposed (122).

The long-range plans for the property envision future infill development on the parking lot site in keeping with the envisioned build-out of the Burnside Gorge Neighbourhood Plan and the Humber Green area. In the interim, it is our intention to utilize the existing surface parking area to its highest and most efficient use to serve the commercial tenants of the building. We are committed to addressing the climate crisis in a meaningful way and are curating tenants that share our thinking and will support their employees in utilizing alternative modes of travel to and from the Victoria Press building. The site is well-positioned to support walking, transit and cycling and the project strives to demonstrate how the responsible adaptive reuse of an existing building can meet modern business needs.

Supporting Revitalization and Economic Investment

It is important as our local economy continues to open and mark a path toward recovery in a post-pandemic era that opportunities are in place to welcome investment and to embrace an entrepreneurial spirit. Supporting our application for the proposed additional commissary kitchen, distillery and brewery uses lays the foundation for such investment.



We have appreciated the support and collaboration with City of Victoria staff to advance our application for your consideration.

Regards,
David Fullbrook, CEO
Merchant House Capital Inc.



