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March 25th, 2024

City of Victoria
1 Centennial Square
Victoria, BC
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Dear Mayor and Council

Re: Development Permit Application with Variances to permit the development of a Self-Storage Facility (Warehouse Use) with Flexible Usable Employment Space (Warehouse Accessory Retail spaces) for the properties located at 629 Princess Ave., 627 Princess Ave., 621 Princess Ave., 616 Pembroke St., and 624 Pembroke St., in Victoria, BC

This letter is being submitted in support of our application to develop a self-storage facility (warehouse use) with flexible usable employment space (Warehouse Accessory Retail spaces) on the vacant property.

Following the City of Victoria's Committee of the Whole discussion on February 22, 2024, the City of Victoria staff advised us to amend the existing Development Permit Application rather than pursue a rezoning. The subject properties continue to be exempt from Bylaw No. 23-074 by Bylaw No. 23-073, adopted by the City of Victoria Council on September 14, 2023. This exclusion permits the self-storage use on the above-referenced properties with an active Development Permit application.

In amending the Development Permit application, we have addressed all concerns raised by staff:

- To address concerns around density and the “orphaned lot”, we have agreed to staff's request to remove 2121 Government St. from the application,
- To create more employment space, we have increased the area allocate to the warehouse accessory retail spaces to a total of 5,558 sf. and have increased the depths of the units to an average of 40-ft (12.192 m), with no space having a dimension less than 30-ft (9.144 m) in depth,
- To create more flexible usable employment space, we have increased the height of the warehouse accessory retail spaces to 6.96 m with an interior usable height of 6.045 m to the underside of the joist, which exceeds the recommendations by the City of Victoria of 5.50 m,
- We have made several design changes to respond to staff's comments to ensure the project would have a high-quality design and meet the design regulations and policies of the Official Community Plan, Downtown Core Area Plan, Neighbourhood Plan and Zoning Bylaw, and
- The facility has been designed to be adaptable to be repurposed for future uses.

The amended application is consistent with our discussions with the City of Victoria, and we hope that Council acknowledges our cooperation and willingness to work with staff and have a positive view of our amended Development Permit application with variances.

PROPOSED DEVELOPMENT – SELF-STORAGE FACILITY (WAREHOUSE USE) WITH FLEXIBLE USABLE EMPLOYEMENT SPACE (WAREHOUSE ACCESSORY RETAIL SPACES):

SmartCentres REIT (“SmartCentres”) and SmartStop Self-Storage (“SmartStop”) have partnered to develop self-storage facilities across Canada. The partnership has developed 22 facilities in Ontario, operating as SmartStop Self-Storage, and is currently expanding to Western Canada.

The proposed development property is comprised of five (5) legal parcels of land totalling 2,932 sm (0.72 acres), with frontages on Pembroke St., and Princess Ave. The property is currently vacant and was formerly occupied by the Dobney Foundry from the late 1800's until 1996, when the metal foundry buildings were demolished.

SmartCentres and SmartStop are proposing to construct a building consisting of four (4) storeys and two (2) basement levels (1 full basement level and 1 partial basement level) for a total Gross Floor Area ("GFA") of 153,423 sf. (14,253 sm). Contained within the building will be a 147,865 sf. (13,737 sm.) self-storage facility (warehouse use) with enclosed parking and loading, and approximately 5,558 sf (516 sm) of at-grade warehouse accessory retail spaces fronting Princess Ave. that will be designed as flexible usable employment space with generous ceiling heights. The Princess Ave. units are shown as warehouse accessory retail for the purpose of calculating parking requirements as the retail designation has the highest parking demand. The proposed units are intended to activate the Princess Ave. frontage and to be flexible usable employment space that will cater to a variety of small businesses such as artisans and small manufacturers that require access to industrial-designated space with high ceilings and commercial frontage to conduct their business. The uses of these units will be consistent with the permitted uses under the existing zoning and the units will be secured through a legal agreement with the City of Victoria. The remainder of the proposed development will accommodate a self-storage facility (warehouse use), with ancillary business office, workshare space, and cycling end-of-trip facilities.

The proposed development complies with the site's existing zoning, requiring variances to reduce off-street parking and to accommodate minor east and west setbacks.

The proposed development is generally described as follows:

- A four (4) storey, 153,423 sf (14,253 sm) GFA building with two (2) basement levels (one full basement level and one partial basement), accommodating a fully enclosed, 140,358 sf (13,040 sm) self-storage facility (warehouse use), with approximately 1,161 climate-controlled units, ancillary office space, cycling end-of-trip facilities, and the main entrance fronting Pembroke St.
- A total of 5,558 sf (516 sm) of flexible at-grade warehouse accessory retail spaces with an average depth of 40 ft (12.192 m) and with a generous ceiling height fronting Princess Ave. The space will be designed to accommodate a mezzanine, storage, racking, and/or over height equipment etc. for small businesses. The intent is to maximize the volume of the space to allow for the most flexibility for potential tenants while providing depths of spaces that are leasable to ensure Princess Ave. is activated.
- A Floor Area Ratio of 2.96 and a Lot Coverage of 93.10%
- Twelve (12) parking stalls, two (2) loading bays, and eight (8) short-term and sixteen (16) long-term bicycle parking stalls. The number of off-street parking stalls increases by three (3) parking stalls to fifteen (15) parking stalls when the loading bays are not in use. The two (2) loading bays are proposed to be used interchangeably between loading and parking, which is standard practice for a self-storage facility.
- Modernization of the Pembroke St. and Princess Ave. streetscapes, with new widened sidewalks (replacement sidewalk on Pembroke Ave. and the construction and installation of a new sidewalk on Princess Ave.) with new street trees in grates and canopies on street frontages to provide for weather protection.

OFFICIAL COMMUNITY PLAN/ NEIGHBOURHOOD PLAN/DOWNTOWN CORE AREA PLAN:

The property is identified in the City of Victoria's Official Community Plan as Core Employment and is within Development Permit Area 10A – Rock Bay. The intent of the designation is to permit a range of uses including light industrial uses such as warehousing and complimentary industrial / retail uses. In the Burnside Gorge Neighbourhood Plan, the site is located in the Rock Bay Employment Area, and is designated as Industrial Employment, which permits light industrial uses. In the Downtown Core Area Plan, the site is located in the Rock Bay District.

The proposed uses and the development concept meets the intent of the Official Community Plan, the Neighbourhood Plan, and the objectives of the Downtown Core Area Plan by facilitating the redevelopment,

intensification, and transition of the neighbourhood to a supportive employment centre. The self-storage use is a light industrial use that supports a diversified economy including small and medium sized businesses and will be designed to celebrate the industrial heritage of the area, meet the intent of the Development Permit Area, integrate green initiatives, improve the connectivity along the building street frontages, improve the public realm, and assist in attracting new investment and businesses to the Rock Bay District.

THE CITY OF VICTORIA'S ZONING BYLAW:

The City of Victoria's Zoning Bylaw (no. 80-159) designates the property as Douglas-Blanchard Industrial District (M2-I), which includes all uses permitted in the Light Industrial Zone (M-2). The proposed development complies with the M2-I zone, which permits the warehouse use, subject to conditions of height (15 m), setbacks (0 m or 3.0 m.), Floor Space Ratio (3.00) and parking. The properties are exempt from Bylaw No. 23-074 by Bylaw No. 23-073, adopted by the City of Victoria Council on September 14, 2023.

The floor space ratio for the proposed development is 2.96, which is consistent with the Floor Space Ratio permitted by the Zoning Bylaw for the subject properties. A minor setback variance of 0.45 m is being requested on the east and west lot lines to allow for more flexibility during construction, the proposed variances do not create any unreasonable voids, and limits any impact on adjacent buildings, specifically on the heritage building to the east of the development on Pembroke St.

Schedule C – Off-Street Parking of the zoning bylaw does not include a specific off-street parking requirement for the self-storage use, but instead applies the general parking requirement for the warehouse use. This parking requirement is demonstrably far in excess of the parking required to support the self-storage use, with similar self-storage facilities often having fewer than 10 off-street parking spaces.

A parking variance is being requested to reduce the number of off-street parking stalls required under the bylaw to twelve (12) off-street parking stalls with two (2) loading bays. The number of off-street parking stalls increases by three (3) parking stalls to fifteen (15) parking stalls when the loading bays are not in use. The two (2) loading bays are proposed to be used interchangeably between loading and parking. This is common practice in self-storage facilities as both vehicle and trucks utilize the loading spaces as the expected MSU truck traffic to this site is anticipated to be very low given the urban customer profile. In our experience of operating self-storage facilities, this number of parking and loading stalls is sufficient to accommodate our customers.

Creative Transportation Solutions Ltd. ("CTS") has completed a parking utilization study and proxy surveys of similar modern facilities in the Greater Vancouver Area, which supports the reduction in parking and identifies the number of parking stalls required to support the use. The City of Victoria confirmed that the proposed number of parking stalls and TDM measures would be sufficient to support the use.

NEIGHBOURHOOD CONTEXT:

The property is located adjacent to and across from traditional industrial uses and in close proximity to the residential and business growth areas of the City of Victoria. Mixed-use residential and commercial projects located in vicinity of the property include the proposed developments by Chard (1961 Douglas St. - 450 units and 97,368 sf of office/retail), Denciti (Spencer Block – 278 Units), Reliance (Capital Iron Project) and the Songhess and Esquimalt First Nations (Matulia Holdings – Former B.C. Hydro Lands).

The property is bounded to the west by Sherwin Williams Paints and Wicker Land Patio (both buildings owned by Victoria Unity Produce), a vacant lot (Dobney Foundry Ltd.), Autonomous Furniture (Hartwig Investments), and Government St. To the east, the site is located adjacent to Red Door Landscaping (Megamom Industries Inc.) on Pembroke St., and Styles Auto and Marine Upholstery (PJTS Holdings Limited) on Princess Ave.

The proposed development will have a significant positive impact on the surrounding area by providing new flexible usable employment industrial space servicing small and medium sized businesses and local residents and helping alleviate the ongoing shortage of self-storage space within the marketplace. The project will further improve the safety and cleanliness of the surrounding area by creating activity on the currently vacant lot, activating street frontages and introducing more "eyes on the street", which will tend to reduce crime. These improvements will help support the adjacent property and business owners and contribute to an enhanced public realm and streetscape along Pembroke St. and Princess Ave.

PROJECT BENEFITS AND AMENITIES:

SmartStop facilities are designed and constructed to a modern urban standard, unlike traditional low-density suburban industrial self-storage facilities. SmartStop facilities are multi-storey, secure, climate-controlled, and are intended to fit into the surrounding urban landscape.

Each SmartStop location is carefully chosen, selecting areas with a high degree of visibility and accessibility, urban amenities, and within well-established commercial/industrial areas. Facilities are located in close proximity to growing residential nodes similar to Downtown Victoria, Burnside, Harris Green and various other neighbourhoods. The intent is to incorporate self-storage into existing daily travel patterns, ideally to and from the workplace, making them an extension of the home and/or business.

The following outlines the economic, social, and environmental benefits of the project.

Economic Benefits:

- Numerous construction jobs and full-time and part-time employment with the self-storage use and the warehouse accessory retail spaces
- Significant investment in the City of Victoria and upon completion, ongoing annual property taxes estimated at approximately \$650,000
- The use is intended to be an integrative and supportive employment use that will assist small and medium sized businesses requiring access to storage space and business support services such as WIFI, hot desks, and boardrooms for collaboration and gathering, secure facilities to house merchandise (i.e. short-term overflow warehousing, seasonal inventory, display and demonstration materials etc.), supplies or goods, flexible lease terms, affordable alternative to traditional office or warehousing space, and flexible hours to accommodate business needs
- The use provides for a flexible and affordable storage solution to homeowners renovating, moving or downsizing, individuals with no permanent addresses such as students and/or the military, and/or homeowners looking to extend their home (needing more closet space and/or storage tools, heirlooms or equipment)
- Demand for storage solutions has been increasing in the City of Victoria, as new high-density residential construction occurs and the economy transitions from traditional uses to more flexible, “gig-economy” employment. At the same time, there is a lack of well-located, modern, attractive secured, and climate-controlled storage space available to support small and medium sized businesses and local residents
- Flexible warehouse accessory retail spaces with an average depth of 40-ft (12.192 m) and with ceiling heights of 6.96 m and an interior height of 6.044 m to the underside of the joist, with substantial glazing fronting Princess Ave. The proposed heights are in excess of the City of Victoria’s requirement of 5.50 m and are considered to be ideal for usable employment space. The space will be designed to accommodate a mezzanine, storage, racking, and/or over height equipment etc. The intent is to maximize the volume of the space to allow for the most flexibility for the potential tenants.

Social Benefits:

- Catalyst for redevelopment and intensification of the Rock Bay District
- Enhanced safety and improved aesthetics along Pembroke St. and Princess Ave.
- The facility will be designed to be clean, bright, and safe, and locating it in highly visible location such as the subject site makes the use a safer and more appealing destination option for customers particular women and seniors
- The facility will be designed to seamlessly integrate into everyday life by providing for a modern, state-of-the-art design, and flexible building and unit configuration

- Flexible warehouse accessory retail spaces to help support local businesses, entrepreneurs, small manufacturers and/or artist that are actively seeking space with generous ceiling heights within the Rock Bay District. The proposed units will meet the list of permitted uses under the existing zoning and are designed to be usable employment space.

Environmental Benefits:

- The development will be located in close proximity to businesses and new residential developments in Downtown Victoria reducing the number of vehicle trips to suburban self-storage locations
- The self-storage use generates relatively few vehicle trips compared with other uses, thereby contributing less to traffic and greenhouse gas emissions. The use also requires very few parking stalls
- The development is located adjacent to Victoria's AAA cycling route along Government St. and will be designed for multi-modal transport. The project will include cycling end-of-trip shower facilities, short- and long-term bicycle stalls and EV energized outlets. The project is located in close proximity to transit services on Douglas St. and transit passes will be provided to the self-storage employees for a minimum period of five (5) years
- The project is a brownfield redevelopment of a heavy industrial (foundry) site, with the property having been remediated to the Ministry of Environment Standards for the use
- The facility will maximize the site coverage and the density permitted under the zoning bylaw
- The facility has been designed to be adaptable to be repurposed for future uses
- Detailed comprehensive list of "Green Building Features" are included as part of this letter

DESIGN AND DEVELOPMENT PERMIT GUIDELINES:

The subject property is located in Development Permit Area 10A – Rock Bay of the Official Community Plan and is also located in the Rock Bay District of the Downtown Core Area Plan. The proposed development is intended to incorporate elements of the design guidelines through the use of unifying design elements, references to the industrial heritage of the area, improved connectivity and new landscaping that will be compatible and will improve the overall character of the Rock Bay District.

Key design elements that are supported by the Design Guidelines are as follows:

- Building carefully crafted that incorporates contemporary design elements that offer pedestrian scale and animated streetscapes.
- One building with multiple street frontages, the project is designed to be complimentary to its surroundings. Pembroke St. and Princess Ave. building elevations are designed with style and materials selections to be consistent with their respective streetscapes.
- Building mass is articulated with vertical breaks and finish colour materials to contextualize with the surrounding neighbourhood.
- Upper floor setback incorporated along the south elevation fronting Pembroke St. and on the east elevation, immediately adjacent to the heritage property, to decrease the massing and to provide for an improved transition between the proposed development and the existing building
- Building set to the property line along Princess Ave. with the sidewalks widened with trees in grates to provide for an improved public realm.
- Main façades address Pembroke St. and Princess Ave. with large clear fenestrations at grade and on the upper floors.
- Building articulation at the pedestrian level to provide visual interest and context at the ground level.

- Full vision automatic garage door that will allow for visibility to the reception, loading and parking areas at the ground level.
- An attractive colour palette that includes a combination of muted earth tones and bold colours to provide a modern aesthetic, while paying homage to the adjacent historical and industrial buildings on Pembroke St. and Princess Ave.
- Improvement of the pedestrian experience along the Pembroke St. and Princess Ave. frontages, which will include new wider sidewalks, landscaping, and canopies to provide for visual interest and weather protection.
- Brand signage on Pembroke St. will be featured on the main façades, with additional building signage provided for on the east and west elevations per the requirements of the City of Victoria's Sign Bylaw No. 14-097.
- Offices and flexible warehouse accessory retail spaces located at the street level to provide for visual interest and activity along the building frontages.
- Flexible warehouse accessory retail spaces with an average depth of 40-ft (12.192 m) and with ceiling heights of 6.96 m and an interior height of 6.044 m to the underside of the joist, with substantial glazing fronting Princess Ave. The proposed heights are in excess of the City of Victoria's requirement of 5.50 m and are considered to be ideal for usable employment space. The space will be designed to accommodate a mezzanine, storage, racking, and/or over height equipment etc. The intent is to maximize the volume of the space to allow for the most flexibility for the potential tenants.
- The facility has been purposefully designed with adequate ceiling heights, floor loads, and building envelope systems such that as the market evolves, the building can be repurposed to accommodate various types of office and/or industrial uses.
- Street trees have been provided on both Pembroke St. and Princess Ave. Trees proposed (Ginkgo Biloba 'Princeton Sentry') are narrow growing, drought tolerant deciduous trees suitable for the sidewalk.
- The proposed structural soil depth and minimum topsoil volume will meet or exceed the requirements of the City of Victoria for each offsite tree.
- A total of 15 trees are required per the Tree Protection Bylaw No. 21-035 Schedule F for a parcel area of 2.932 sm. The development is proposing \$30,000 cash-in-lieu to the City of Victoria for the 15 trees.

A site plan, elevations, renderings, and landscape plan are included as part of the Development Permit with Vairances submission. SmartCentres and SmartStop have also previously engaged with the Burnside/Gorge Community Land Use Committee as part of the application.

TRANSPORTATION:

The proposed development is located adjacent to Victoria's AAA cycling route along Government St. and will be designed for multi-modal transport. The project will include cycling end-of-trip shower facilities, short- and long-term bicycle stalls and EV chargers. The project is also located in close proximity to transit services on Douglas St.

As previously described, a parking variance is being requested to reduce the number of off-street parking stalls required for a self-storage (warehouse) use to twelve (12) off-street parking stalls with two (2) loading bays. The number of off-street parking stalls increases by three (3) parking stalls to fifteen (15) parking stalls when the loading bays are not in use. The two (2) loading bays are proposed to be used interchangeably between loading and parking, which is standard practice for a self-storage facility. In addition to the availability of parking and cycling with end of trip facilities, BC Transit Passes for employees of the self-storage facility will be provided for a period of five (5) years as part of the Transportation Demand

Management (“TDM”) measures. With the additional TDM measures, the resulting parking provided would meet the parking rates for the self-storage use as well as observed demand.

CTS has completed a parking utilization study that has been submitted under a separate cover to support the reduction in parking and to highlight the number of parking stalls required for the uses. The City of Victoria confirmed that the proposed number of parking stalls and TDM measures would be sufficient to support the use.

HERITAGE:

The property is currently vacant and there are no heritage impacts. Although there are no heritage impacts to the property or any existing buildings, the facility has been designed to incorporate design elements influenced by the industrial heritage of the area.

GREEN BUILDING FEATURES:

The following table outlines the green building features that will be incorporated into the overall design of the facility:

Building Envelope:	<ul style="list-style-type: none"> • Exterior façade Insulated Metal Panel (IMP), wall achieving thermal resistance value R21 • High performance roof insulation achieving thermal resistance value R35 • High albedo roof to minimize urban heat island effect • Exterior aluminum window with high performance low-e coating
Mechanical:	<ul style="list-style-type: none"> • High efficiency Heating and Ventilation and Air Conditioning air handling units (Storage Area, Office Space, Commercial/Industrial Space) • Air distribution tests will be completed to test, adjust, and balance the air distribution system to ensure efficiency and performance to specifications • High efficiency motors (fan/blower/ECM/compressor) to reduce the total energy consumption
Plumbing, Electrical and Lighting	<ul style="list-style-type: none"> • Heat Pump Domestic Hot Water Heater complete with electrical back-up and integral package controls • Low flow plumbing fixtures • High Efficiency LED Lighting Fixtures, LED luminaires to be configured with full cut off to reduce light pollution • Lighting control system for automatic dimming, vacancy sensing (occupancy/vacancy sensors), time clock control and daylight harvesting • Light levels to meet recommended standards and to allow for Lighting Power Density to meet or exceed ASHRAE requirements
HVAC/Lighting Control System	<p>Energy efficient Direct Digital Control system that allows for:</p> <ul style="list-style-type: none"> • Increased occupant comfort • Decreased operating costs and faster response time • Controlled sequences for energy savings • Digital interface complete with remote login capabilities • Energy Management software • Reduced tenant maintenance required with Fault Detection Diagnostics
Access and Landscaping:	<ul style="list-style-type: none"> • Eight (8) Energized Level 2 Electrical Vehicle Charging Outlets • Eight (8) short-term and Sixteen (16) long-term bicycle parking stalls • Transit passes for self-storage employees for a minimum period of five (5) years • Unisex end of trip shower facility • Native and drought tolerant offsite trees

INFRASTRUCTURE:

The proposed development has very limited servicing demands as compared to other uses of similar density. All utilities including hydro, telephone, gas, water, storm sewer and sanitary sewer services are available from adjacent municipal streets and have adequate capacity to service the proposed development.

A new sidewalk with street trees in tree grates will replace the existing sidewalk along the Pembroke St. and Princess Ave. frontages.

SUMMARY:

Following the City of Victoria's Committee of the Whole discussion on February 22, 2024, we have made a significant effort to accommodate all comments received by Council and direction received from staff. The proposed amendments reflect our discussions and our willingness to work in cooperation with the City of Victoria to develop a plan that is consistent with the land use policies and designations for the subject property.

The proposed development will enhance the neighbourhood and will become a catalyst for redevelopment and intensification of the Rock Bay District meeting the general intent, objectives and policies of the Official Community Plan, the Neighbourhood Plan, and the Downtown Core Area Plan. The self-storage facility (warehouse use) will also provide a significant benefit to the growing residential community and small and medium sized businesses located in the immediate vicinity of the site. In addition, flexible warehouse accessory retail spaces with generous ceiling heights will be provided along the Princess Ave. frontage. The space will be designed to be usable employment space and be flexible to allow for a variety of potential tenants while providing depths of spaces that are leasable to ensure that Princess Ave. is activated.

The self-storage use (warehouse use) is also permitted under the zoning bylaw and was exempt from Bylaw No. 23-074 by Bylaw No. 23-073, adopted by the City of Victoria Council on September 14, 2023.

Should you require any additional information pertaining to the Development Permit and Parking Variance submission, please do not hesitate to contact me.

Thank you very much for your consideration of our application.

Sincerely,



Brent Savard
Senior Director, Development – Western Canada