



## Committee of the Whole Report For the Meeting of October 3, 2024

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**To:** Committee of the Whole **Date:** September 19, 2024

**From:** Karen Hoese, Director, Planning and Development

**Subject:** **Rezoning Application No. 00870, Development Permit with Variances Application No. 000641, and Heritage Designation Application No. 000209 for 1885 Government Street**

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### RECOMMENDATION

#### Rezoning Application

1. That Council instruct the Director of Planning and Development to prepare the necessary Zoning Bylaw 2018 amendment that would authorize the proposed development outlined in the staff report dated September 19, 2024 for 1885 Government Street
2. That, after publication of notification in accordance with section 467 of the Local Government Act, first, second and third reading of the zoning regulation bylaw amendment be considered by Council
3. That following the third reading of the zoning amendment bylaw, the applicant prepare and execute the following legal agreements, with contents satisfactory to the Director of Planning and Development and form satisfactory to the City Solicitor prior to adoption of the bylaw:
  - a. provision of a Housing agreement to secure all residential units within the building as rental in perpetuity
  - b. provision of Transportation Demand Management (TDM) agreement to secure the following TDM measures:
    - i. one electric MODO vehicle plus 70 car-share memberships and \$100 driving credits, to be located on-site
    - ii. eight extra-large bike parking spaces for cargo bikes at grade
    - iii. a single bike repair station
    - iv. the equivalent of the BC Transit ECoPass value for four commercial retail units with one ECoPass per unit for five years at \$1000/pass
    - v. transportation option information package for new residents
  - c. provision of an access agreement over 610 Herald Street and 635 Chatham Street in favour of 1885 Government to provide access to the underground parking below 1885 Government Street for the purpose of a driveway, with the City as a party to ensure the agreement is not discharged without City approval

- d. provision of a public realm agreement to secure frontage improvements as illustrated on plans date stamped June 27, 2024
4. That subject to adoption of the zoning bylaw amendment, Council authorize the projecting encroachments over the City right of way on Government Street and Herald Street generally as shown on the plans submitted to the City and date stamped June 27, 2024 provided that the applicant enters into an encroachment agreement with contents satisfactory to the Director of Engineering and Public Works and form satisfactory to the City Solicitor at the time of building permit approval
5. That adoption of the zoning bylaw amendment will not take place until:
  - a. third reading of an associated heritage designation bylaw to designate the property known as 1885 Government Street, as described in the Statement of Significance attached as Attachment D, pursuant to Section 611 of the *Local Government Act*, to the satisfaction of the Director of Planning and Development
  - b. all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor
6. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

### **Development Permit with Variance Application**

That Council, after giving notice, consider the following motion:

- “1. That subject to the adoption of the necessary Zoning Bylaw 2018 amendment, Council authorize the issuance of Development Permit with Variances No. 000641 for 1885 Government Street, in accordance with plans submitted to the Planning and Development department and date stamped on June 27, 2024, subject to:
  - a. proposed development meeting all City zoning bylaw requirements, except for the following variances:
    - i. reduce the required number of vehicle parking stalls from 54 to thirteen
    - ii. increase the building height from 15m to 19.51m; and
  - b. plan changes to:
    - i. provide 50% of long-term bicycle parking stalls as horizontally mounted
    - ii. revise the proposed cargo bicycle stalls to have a minimum stall width of 0.9m, depth of 2.4m, and aisle width of at least 1.5m behind each stall
    - iii. revise the soil cells on the civil plan to match the layout and dimensions on the Landscape Plan
    - iv. add a note on the landscape plans identifying that the soil cells are to be irrigated and drained using an underdrain or an overflow, if required crossfall cannot be met
    - v. rectify the conflict between the proposed fire department connection location and the building access/ egress
2. That the Development Permit with Variances, if issued, lapses two years from the date of this resolution.”

### **Heritage Designation Application**

That Council:

1. Instruct staff to prepare a heritage designation bylaw to designate the property at 1885 Government Street, that first and second reading of the bylaw be considered by Council and that a Public Hearing date be set, and that the heritage designation bylaw provides for the following to the satisfaction of the Director of Planning and Development:
  - a. designate the exterior of the historic property, known as the Sam Kee Laundry building, at 1885 Government Street, in its future state
2. Approve the Statement of Significance for 1885 Government Street attached as Attachment D to this report recognizing the building exterior as the historic features of the property.

## LEGISLATIVE AUTHORITY

This report discusses a Rezoning Application and a concurrent Development Permit with Variances (DPV) Application. Relevant rezoning considerations include:

- increasing the density from 3:1 Floor Space Ratio (FSR) to 4.13:1 FSR
- removing the restriction of land uses which would only permit automotive repair.

Relevant DPV considerations include:

- the application's consistency with the Old Town Design Guidelines, the Downtown Core Area Plan and Downtown Public Realm Plan
- the impact of the parking variances and the Travel Demand Management (TDM) strategies offered to redress the parking shortfall.

## Enabling Legislation

In accordance with Section 479 of the *Local Government Act*, Council may regulate within a zone the use of land, buildings and other structures, the density of the use of the land, building and other structures, the siting, size and dimensions of buildings and other structures as well as the uses that are permitted on the land and the location of uses on the land and within buildings and other structures.

In accordance with Section 483 of the *Local Government Act*, Council may enter into a Housing Agreement which may include terms agreed to by the owner regarding the occupancy of the housing units and provided such agreement does not vary the use of the density of the land from that permitted under the zoning bylaw.

In accordance with Section 489 of the *Local Government Act*, Council may issue a Development Permit in accordance with the applicable guidelines specified in the *Community Plan*. A Development Permit may vary or supplement the Zoning Regulation Bylaw but may not vary the use or density of the land from that specified in the Bylaw.

Pursuant to Section 491 of the *Local Government Act*, where the purpose of the designation is the revitalization of an area in which a commercial use is permitted, a Development Permit may include requirements respecting the character of the development, including landscaping, and the siting, form, exterior design and finish of buildings and other structures.

In accordance with Section 611 of the Local Government Act, Council may designate real property, in whole or in part, as protected property.

## EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Rezoning, Development Permit with Variances and Heritage Designation Application for the property located at 1885 Government Street. The rezoning proposal is to remove the site-specific regulations that only permit automotive repair uses within the Old Town District 1 Zone and to increase the permitted density. The Development Permit with Variances (DPV) application considers form and character aspects for a proposed six-storey, purpose-built residential rental building with ground floor commercial uses. An existing building with heritage merit is proposed to be retained and incorporated within the overall proposal and this existing building is concurrently seeking heritage designation. Variances being sought are related to a reduction in vehicle parking stalls and an increase in building height.

The following points were considered in assessing the Rezoning Application:

- the proposed rezoning to remove the site-specific land use restrictions for this property within the Old Town District 1 zone (OTD-1) will make it consistent with most properties zoned OTD-1 and the OCP, where increased rental housing supply is encouraged near amenities and services to help reduce the reliance on the private automobile. Commercial uses are also proposed to be expanded within the ground floor, ensuring that Old Town retains its mixed-use diversity to strengthen downtown's rich amenities and liveability
- in line with OCP objectives to conserve and protect heritage assets in the city, additional density is warranted with the proposed designation, integration and retention of the existing 1908 Sam Kee Laundry building
- at six storeys and within a perimeter block format, the proposal generally conforms to the objectives of the *Downtown Core Area Plan* (DCAP) which encourages low scale development near the harbour and within Old Town to reinforce and support the area's character and distinctive identity.

The following points were considered in assessing the Development Permit with Variances:

- scale, massing, fenestration patterns, materials and the overall form and character of the proposal is consistent with the objectives in the *Old Town Design Guidelines*, which aim to support contemporary interpretations of classically inspired architecture
- the building design, with its gold accents, predominance of brick construction, ornamental paving and classical architectural proportions is also consistent with the form and character of buildings promoted for infill within Chinatown
- to retain the heritage building, density was shifted from it to an additional storey on the other portions of the site, making the proposed height variance supportable. The height variance also helps to align the proposal with other, equally as important form and character criteria for diversity and a fine-grained urban form
- significant travel demand management (TDM) strategies, along with the ability to utilize the over-supply of parking within the adjacent property help to address the parking shortfall and, together, these aspects mitigate the impacts of the proposed parking variance.

Based on the assessment of these applications, it is recommended that this application be advanced, subject to the conditions outlined in the recommendation.

## **Description of Proposal**

This proposal is to rezone the subject site to increase the permitted density and allow for a six-storey purpose-built rental building with ground floor commercial units.

The following differences from the current zone are being proposed and would be accommodated in the new zone:

- increased density from 3:1 FSR to 4.13:1 FSR
- removal of the site-specific land use restrictions within the OTD-1 zone, which only permit automotive repair, will be amended to permit all the uses (residential and a range of commercial) currently permitted within the OTD-1 zone.

The associated Development Permit with Variances (DPV) is for a six-storey purpose-built rental building with ground floor commercial units and the rehabilitation and incorporation of an existing building on-site that is concurrently seeking heritage designation. It includes the following key design aspects:

- a six-storey building with approximately 79 purpose-built rental residential units located above a continuous frontage of commercial space at street level along both Government Street and Chatham Street
- the preservation, restoration, and heritage designation of the existing two-storey masonry Sam Kee Laundry building that currently occupies a portion of the site
- a recessed residential entry along Chatham Street that creates a plaza space between the proposed new building and the retained Sam Kee Laundry building, which serves to break up the building massing along the block
- a three-part façade (top, middle, base) approach and an historically referential language of vertically oriented structural bays, clad in a warm, dark brick
- a ten-metre building setback for the building addition behind the Sam Kee building
- matte bronze metal accents at balconies, cornices and overhangs with an alternating rhythm of balcony and glazing positioning, which shifts floor to floor
- a partial parkade accessed via the adjacent property's underground parking structure (the Spencer Block) off Chatham Street.

The proposed variances are related to a reduction in vehicle parking and an increase in building height.

## **BACKGROUND**

### **Land Use Context and Existing Site Development Potential**

The area is characterized as an entry point into Old Town. Buildings typically range from two to seven storeys and a number of heritage designated buildings are within close proximity. Land uses are predominantly commercial at the ground floor with residential above. Approximately half of the city block is currently under construction with a previous approved project, known as the Spencer Block, approved in 2021.



**Figure 1: Aerial image of the subject property**

The site is presently used as an automotive repair station and garage. Under the current Old Town District-1 Zone, the property could be developed as an automotive repair station to a density of 3:1 FSR.

### **Relevant History**

In 2021, a Development Permit with Variances was approved for the properties located at 610 - 624 Herald Street and 611 - 635 Chatham Street. These properties occupy roughly half of the city block bounded by Government, Douglas, Blanshard, Herald and Chatham streets. The property associated with the current application will be connected to this larger development through the underground parking and, once connected to the Spencer Block development, will complete the western half of this block with new development.

### **Community Consultation**

Consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Rezoning and Variance Applications*, prior to submission of the application, it was posted on the Development Tracker along with an invitation to complete a comment form on January 30, 2024. Mailed notification was sent to owners and occupiers of property within 100m of the subject property advising that a consultation process was taking place and that information could be obtained and feedback provided through the Development Tracker. A sign was also posted on site, to notify those passing by of this consultative phase. Additionally, the applicant participated in a meeting with the Downtown CALUC on February 13, 2024. A letter dated May 26, 2024 along with the comment forms are attached to this report.

In response to the consultation the applicant has increased their TDM package to mitigate the impacts of the parking shortfall and has reorganized the plaza space at the commercial entry within the rehabilitated heritage building to address potential CPTED issues.

Section 464(3) of the *Local Government Act* prohibits a local government from holding a public hearing for a rezoning application that is consistent with the OCP and is intended to permit residential development. However, notice must still be sent to all owners and occupiers of adjacent properties prior to introductory readings of the zoning regulation bylaws.

## ANALYSIS

### Rezoning Application

#### Official Community Plan

The subject property is located within the Core Historic Urban Place Designation in the Official Community Plan (OCP, 2012). This designation envisions buildings up to five storeys with a maximum density of 3:1 Floor Space Ratio (FSR). The proposal is for a six-storey building at a density of 4.13:1 FSR and the proposed land uses are consistent with those envisioned in the OCP. The attached data table (Attachment F) compares the proposal to the OCP, Downtown Core Area Plan and existing zoning.

Policies within the OCP promote supporting additional density to help achieve heritage conservation goals. With the proposed retention and designation of the Sam Kee Laundry building, the additional density requested is considered warranted. The extent of additional density that may be considered is assessed against the design guidelines for form, scale and massing and the relative impacts are evaluated. This evaluation is provided in the development permit section of the report.

Insofar as land uses, the subject property is currently zoned Old Town District 1 (OTD-1), but it includes site-specific regulations that limit the permitted uses to just automotive repair. Removing this restriction will extend the land uses seen throughout most properties within Old Town, bringing it in line with the OCP objectives for a mixed-use area that includes residential and at-grade commercial uses.

#### Housing

The application, if approved, would add approximately 79 new residential rental units, which would increase the overall supply of housing in the area and contribute to the targets set out in the *Victoria Housing Strategy*.



Figure 2. Housing Continuum

### *Affordability Targets*

The proposal is for purpose-built market rental units.

### *Housing Mix*

On September 1, 2024, the City's new Family Housing Policy, which provides targets for housing mix and unit type, came into effect. For purpose-built rental developments, the policy requires that a minimum of 25% of the total project dwelling units contain two or more bedrooms, with a minimum of 5% of total units containing three or more bedrooms.

This proposal's unit mix was established prior to the implementation of this policy. Approximately 13% of its units meet the Family Housing Policy, with ten (10) two-bedroom units, forty-nine (49) one-bedroom units and twenty (20) studio units.

### *Security of Tenure*

A Housing Agreement is proposed which would secure all proposed residential units as rental in perpetuity.

### *Existing Tenants*

No existing residential tenants will be displaced as part of this proposal.

### Public Realm

The following public realm improvements are proposed in association with this application:

- soil cells, irrigation and street trees
- bike lane improvements on both Chatham and Government streets
- street furnishing and surface materials consistent with the Victoria Downtown Public Realm Plan.

These would be secured with a Section 219 covenant, registered on the property's title, prior to Council giving final consideration of the proposed Zoning Regulation Bylaw Amendment

### **Development Permit with Variance Application**

#### Official Community Plan: Design Guidelines

The *Official Community Plan (OCP)* identifies this property within DPA 1, Development Permit Area 1, Core Historic. The objectives of this designation are to:

- conserve and enhance the heritage value and character of this area
- revitalize and enhance the area through infill development with high quality architecture, landscaping, and sensitive, innovative interventions.

To achieve these objectives, the *Downtown Core Area Plan* and the *Old Town Design Guidelines*



provide policy and guidance that proposals are evaluated against. A high-level summary of the most applicable excerpts from these documents is provided below.

#### Downtown Core Area Plan (DCAP, 2011)

Building heights and setbacks are the main applicable policies from the DCAP. Other policies in DCAP related to form and character overlap with policies in the *Old Town Design Guidelines (OTDG)*, and in these instances, the OTDG are referred to and evaluated in the latter section of this report. The proposal generally meets the building setback criteria in DCAP, however, a variance of approximately four-and-a-half meters is requested for the maximum height (15m to 19.53m). This variance is discussed under the variance subheading.

As indicated in the rezoning analysis section, the amount of additional density a property can support as part of a heritage retention application is best assessed looking at its massing and form and character attributes. At six storeys, and within a perimeter block layout, with architectural strategies to maintain the rhythm of diversity seen in Old Town, this application generally conforms to the objectives for the area. Shadowing generally falls to the adjacent street intersection and the retention of the heritage building with its associated entry plaza, creates a break in the street wall that increases the diversity of the block. This lends to the creation of a finer grained urban form, a quality sought in the guidelines, particularly for sites in Chinatown.

#### Old Town Design Guidelines (2019) (OTDG)

Broadly, the aim of the OTDG is to foster building designs that respect, complement and contribute positively to the historic context of Old Town while encouraging innovative, creative and timeless design solutions. To achieve this the guidelines promote:

- building footprints that reflect the historical, small, block patterns in Old Town
- adherence to the classical architectural tenets of order, proportion, hierarchy, balance and scale
- diversity, quality and authenticity to ensure that new buildings complement and fit but are also distinguishable from the genuinely historic buildings of Old Town.

The site geometry defines the building footprint, which is consistent with the smaller parcel and building sizes in Old Town, and the retention of the Sam Kee building helps to break up the massing to maintain a diversity of scale typically seen in the area.

Classical building proportions (base, middle, top) can be seen in the building composition, with an exaggerated ground floor, consistent intermediary floors and a definitive building terminus. The vertically oriented structural bays are promoted in the guidelines and the warm, dark brick cladding meets the criteria for both quality materials and a context sensitive design. How the balconies and glazing positions are expressed, in an alternating pattern, also adds to the building's distinguishability from earlier heritage buildings.

#### Relation to Chinatown

Chinatown has additional special criteria outlined in the design guidelines and building designs are encouraged to respect the cultural context and reinforce the values and status of this National Historic Site. To do this, culturally appropriate materials, colours and design elements are

recommended. Generally, the intent is to create buildings that are evocative of Chinatown while advancing a new Chinese-Canadian identity.

The building design, with its gold accents, predominance of brick construction, ornamental paving and retention of the Sam Kee building help distinguish it from other, new buildings in Old Town and adequately accomplish the goals for a twenty-first century Chinatown identity.

## VariANCES

### *Height Variance*

The request for the height variance is the result of shifting density off the heritage building site and was required to create the plaza space that leads to the main residential entrance and outdoor commercial patio. Also, minor height variances are supported to help realize the City's requirement for taller ground floors, which this application includes. A key defining feature of Old Town is tall commercial ground floor heights, which help to create traditional building proportions and allows for greater flexibility for future changes of use. The proposed height variance also helps to achieve building diversity within the block, one of the character defining elements of Old Town.

To support heritage conservation objectives and because this variance improves the application's consistency with the design guideline objectives for building diversity, this height variance is supportable.

### *Parking Variance*

A reduction in the required parking from 54 stalls to thirteen stalls is proposed. To offset the impacts of this variance, and provide sustainable mobility options for residents, a comprehensive TDM package is proposed. It includes:

- one electric, on-site MODO vehicle plus 70 car-share memberships and \$100 driving credits
- eight extra-large bike parking spaces for cargo bikes at grade
- a single bike repair station
- commercial transit passes
- a transportation option information package for new residents.

Additional parking is also potentially available within the adjacent property's underground parking structure, accessed off Chatham Street. An access agreement is proposed which will secure access rights over the adjacent property. The motion includes language to this effect.

## Advisory Design Panel

The application was reviewed by the Advisory Design Panel (ADP) on May 22, 2024. At that meeting, the following motion was passed:

*That the Advisory Design Panel recommend to Council that Development Permit with Variances Application No.000641 for 1885 Government Street be approved as presented.*

## **Heritage Designation**

The heritage designation proposal is to designate the exterior of the historic property, known as the Sam Kee Laundry building, at 1885 Government Street, in its future state.

### History of Place

The property located at 1885 Government Street, also referred to as Sam Kee Laundry, is a two-storey masonry building built in 1908, on the edge of Victoria's Chinatown, the oldest intact Chinatown in Canada. The exterior façade of the Sam Kee Laundry has maintained much of its original appearance, with alterations that have occurred to windows and doors and additions to the rear and east elevations. Its character-defining elements include:

- its location as part of a Government Street site, fronting Chatham Street in the historic Chinatown neighborhood of Victoria
- significant setbacks from both Government and Chatham streets
- continuous use since 1908
- commercial form, scale and massing as expressed by its two-storey height, rectangular plan and flat roof
- masonry construction with a combination of buff and red brick
- Edwardian-era architectural features, including brick cornice with brick dentils, arched red brick lintels
- off-centre Norman arch red brick opening at grade
- fenestration, including original arched window openings.

The property is also valued for its association with long-term tenant, the Sam Kee Company. For more information on the details of the building's history and heritage value see the Statement of Significance, within the attached Conservation Plan.



**Figure 3. Sam Kee Laundry (611 Chatham Street), 1959. [City of Victoria Archives CoV-CR-0170-M01204]**

The designation of this building is generally consistent with Section 8 “Placemaking – Urban Design and Heritage” of the OCP, with Section 7 “Heritage” of the DCAP, and with the Victoria Heritage Thematic Framework.

The new development seeks to retain the majority of the Sam Key Laundry Building in this proposal, and meets many policy objectives, including balancing the development objectives with the guidelines set out in the *Standards and Guidelines for the Historic Places in Canada*, and the *Old Town Design Guidelines*.

#### Heritage Advisory Panel Review

The application was reviewed by the Heritage Advisory Panel on June 11, 2024. At that meeting the following motion was passed:

*That the Heritage Advisory Panel recommend to Council that the Heritage Designation Application No. 0002029 for the property located at 1885 Government Street be approved.*

#### Tree Preservation Bylaw and Urban Forest Master Plan

The goals of the Urban Forest Master Plan include protecting, enhancing, and expanding Victoria’s urban forest and optimizing community benefits from the urban forest in all neighborhoods.

One municipal tree has been inventoried and is proposed for removal as it is located adjacent to an area where excavation will occur. Eight new municipal trees are proposed in irrigated soil cells, four on Chatham Street and four on the Government Street frontage. One bylaw replacement tree is proposed on level one of the development. Under the current proposal, the applicant will be required to pay \$12,000 cash-in-lieu for six replacement trees not planted.

#### **Resource Impacts**

Summarized in the table below are the annual maintenance costs that would be incurred by the city following the planting of seven new street trees.

<b>Increased Inventory</b>	<b>Annual Maintenance</b>
New municipal trees (7 net new)	\$420 (TBD)
Tree Irrigation	\$400

#### **Encroachment Agreement**

A number of street-level canopies are proposed along Government and Chatham streets and wording to allow for these encroachments is included in the recommendation for Council’s consideration.

## CONCLUSIONS

This rezoning will remove restrictive land uses that only permitted automotive repair and allows this property to provide a residential and commercial mixed-use project that helps advance OCP objectives for housing and downtown vibrancy. As a purpose-built rental building, it will add seventy-nine new homes to the rental inventory, all secured with a housing agreement. Its design is consistent with the form and character criteria for this national historic site in Victoria's Chinatown and the proposed heritage retention and designation of the Sam Kee laundry building advances heritage conservation goals to warrant the increase in density requested. Parking variances, while significant, are mitigated with a comprehensive TDM strategy and additional parking is available with the shared underground parking beneath the adjoining property. For these reasons, the recommended motion is to advance this application.

Respectfully submitted,

Miko Betanzo  
Senior Planner Urban Design  
Development Services Division

Karen Hoese, Director  
Planning and Development Department

**Report accepted and recommended by the City Manager.**

### List of Attachments

- Attachment A: Subject Map
- Attachment B: Plans date stamped June 27, 2024
- Attachment C: Letter from applicant to Mayor and Council dated March 6, 2024
- Attachment D: Statement of Significance dated June 27, 2024
- Attachment E: Community Association Land Use Committee Comments dated May 26, 2024
- Attachment F: Zoning Data Table
- Attachment G: Pre-Application Consultation Comments from Online Feedback Form