

Planning and Land Use Committee Report For the Meeting of May 14, 2015

То:	Planning and Land Use Committee	Date:	April 27, 2015
From:	Brian Sikstrom, Senior Planner		
Subject:	Development Permit Application No. 584 Michigan Avenue	000415 for 521-557	Superior Street and 524-

RECOMMENDATION

Staff recommend that Committee forward this report to Council and that Council consider the following motion:

"That Council authorize the issuance of Development Permit Application No. 000415 for 521-557 Superior Street and 524-584 Michigan Avenue subject to receipt of confirmation from the Ministry of Environment that the Contaminated Sites Legislation has been satisfied, in accordance with:

- 1. Plans date stamped March 12, 2015.
- 2. Development meeting all Zoning Regulation Bylaw requirements.
- 3. Final plans to be generally in accordance with the plans identified above to the satisfaction of the Assistant Director, Development Services Division, Sustainable Planning and Community Development Department.
- 4. The Development Permit lapsing four years from the date of this resolution."

LEGISLATIVE AUTHORITY

In accordance with Section 920(2) of the *Local Government Act*, Council may issue a Development Permit in accordance with the applicable guidelines specified in the *Official 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 920(8) 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, siting, form, exterior design and finish of buildings and other structures.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations regarding a Development Permit Application for the property located at 521-557 Superior Street and 524-584 Michigan Avenue. The proposal is to construct Phase One and Phase Two of the Capital Park development project. These Phases are comprised of two five-storey office buildings fronting on Superior Street, a central plaza and plaza pavilion building bracketed by office buildings and a four-storey mixed-use building fronting on Menzies Street with ground-floor commercial space and 53 residential units on the upper-floors. The proposal includes underground parking and extensive landscaping with pathways, courtyards and water features.

The following points were considered in assessing this Application:

- the Application directly follows and is based on the Zoning Regulation Bylaw Amendment and Official Community Plan Amendment approved by City Council following a Public Hearing on March 12, 2015
- no variances are requested
- the proposal is consistent with the Official Community Plan, 2012
- the proposal is consistent with the *Capital Park Urban Design Guidelines, 2015* with design features which include:
 - form, massing and height of buildings that preserve and enhance sight lines towards the Parliament Buildings
 - o pedestrian-friendly street frontages
 - o high quality materials for buildings and landscaping
 - o streetscape treatments with a cycle track on Superior Street
 - o sustainability features such as LEED Platinum certification of office buildings
 - o active transportation facilities for bike storage, showers and lockers
- the proposal is consistent with the Master Development Agreement with amenities, which include:
 - o a fitness centre with public access
 - o potential for a Greater Victoria Public Library (GVPL) branch
 - o provision of a high quality central public plaza
 - o a public art installation in the central public plaza
 - o a community amenity contribution of \$118,000.00
- the applicant has requested a longer-term Development Permit which staff recommend to Council as being appropriate based on the phasing of construction proposed in the Application.

Given the consistency of the Development Permit plans with the design guidelines as well as the plans submitted for the Rezoning Application, which were reviewed by the Advisory Design Panel (ADP), it is recommended by staff that a further review by the Panel is not required.

BACKGROUND

Description of Proposal

The proposal is to construct Phase One and Phase Two of the Capital Park development project. These Phases are comprised of two five-storey office buildings fronting on Superior Street, a central plaza and plaza pavilion building bracketed by the office buildings and a fourstorey, mixed-use building fronting on Menzies Street with ground-floor commercial space and 53 residential units on the upper floors. The proposal includes underground parking and extensive landscaping with pathways, courtyards and water features. Proposed amenities include a fitness centre with public access, the provision of space for a potential Greater Victoria Public Library (GVPL) branch, a high-quality central public plaza with the provision of a public art installation.

Specific details include:

- form, massing and height of buildings that preserve and enhance sight lines towards the Parliament Buildings
- pedestrian-friendly street frontages on Superior Street and Menzies Street with buildings and their windows close to the sidewalks with canopies
- interior block pathways, courtyards and plazas providing public access and integration with the surrounding blocks
- high-quality materials for the office buildings including stone and terracotta clad columns, wood details and glazed canopies
- a two-storey, contemporary façade treatment for the mixed-use building at the prominent Menzies Street and Superior Street corner, which transitions to a four-storey height along Menzies Street with a variety of façade treatments and materials including horizontal siding and brick metal roofing
- the retail pavilion in the central plaza off Superior Street defines the plaza's south side and has a large glazed and transparent façade facing the plaza to the north
- a pedestrian-accessible sloped green roof integrates the retail pavilion with the landscaping to the south and provides a viewpoint over the plaza
- the high-quality central plaza includes outdoor seating areas, an interactive water feature, a public art installation and infrastructure for the provision of events and performances
- materials for the central plaza, interior courtyards and walkways include berms, seating decks, water features, a variety of paved surfaces (e.g. unit concrete and cast in place paving, decorative natural stone, composite wood decking) as well as site furnishings (e.g. bollards, bike racks, benches, guardrails, grates)
- landscaping in the courtyards includes knolls, embankments and sloping paths with a variety of trees and shrubs, including berry producing shrubs, herbs and greens with harvesting potential for the community as well as ground cover, perennials and ornamental grasses that contrast with the formal siting and modern architectural elements of the buildings
- streetscape improvements on Superior Street include a cycle track, raised mid-block pedestrian crossing, landscaped boulevard and on Menzies Street the improvements include inset parking with boulevards and rain gardens. Note: the streetscape treatments shown in the applicant's plans are conceptual only and subject to further changes and refinements (e.g. further design work with staff review and input may result in reduced rain gardens to ensure underground and active transportation infrastructure can also be accommodated)
- access to the underground parking is from two entry ramps
- a service and loading bay area for the development is located off a lane on the east side of the property.

Sustainability Features

As stated in the applicant's letter dated March 12, 2015, the following sustainability features are associated with this Application:

- LEED Platinum certification for office buildings
- high-performance building envelope systems
- solar shading strategies
- landscaping that is adaptive and native to the area
- water-efficient plumbing fixtures
- bicycle storage and end of trip facilities
- electric vehicle charging
- low VOC interior finishes
- rain gardens for stormwater management.

The applicant has appended a draft LEED scorecard to the letter describing the Application.

Active Transportation Impacts

The Application proposes the following features which support active transportation:

- bike storage at 10% above the City's Schedule "C" standards
- showers and lockers
- a bicycle track on Superior Street
- a pedestrian circulation network through the site
- vehicle parking at market rates.

Existing Site Development and Development Potential

Phase One and Phase two of the proposed development are covered by Development Areas LP-2A and LP-2B in the CD-2 Zone, Legislative Precinct District. The site is currently occupied by a number of parking lots, buildings accommodating Provincial Government offices and three Heritage Register houses which are to be relocated to Michigan Street on the south east side of the development site.

Data Table

The following data table compares the proposal with the existing CD-2 Zone, Legislative Comprehensive District:

Zoning Criteria	Proposal LP-2A	Zone Standard CD-2	Proposal LP-2B	Zone Standard CD-2
Site area (m²) - minimum	13412.76	N/A	2793.76	N/A
Total floor area (m²) – maximum	22052.13	22060	4654.50	4660
- Commercial - Residential	22052.13 Nil		1460.70 3193.80	

Zoning Criteria	Proposal LP-2A	Zone Standard CD-2	Proposal LP-2B	Zone Standard CD-2	
Density (Floor Space Ratio) - maximum	1.64:1	N/A	1.67:1	N/A	
Number of units - maximum	N/A	N/A	53	N/A	
Height (m) – maximum	19.96 (Office A1) 18.57 (Office A2) 5.25 (Pavilion)	21 15.87		17	
Zoning Criteria	Proposal LP-2A	Zone Standard CD-2	Proposal LP-2B	Zone Standard CD-2	
Storeys – maximum	5 (Office A1) 5 (Office A2) 1(Pavilion)	N/A	4	N/A	
Site coverage % - maximum	37.20	40	52	52	
Open site space % - minimum	55	53	40	40	
Setbacks (Menzies St.)	N/A	N/A	2.40	2.4	
 Build to Line 	2.50	2.44	N/A	N/A	
 Side (Superior St.) 	N/A	N/A	3.00	2.44	
- Side (Michigan St.)	N/A	N/A	4.50	4.5	
Parking – minimum	218	195 office	95	92	
35		14 retail		53 residential 39 commercial	
Visitor Parking – minimum	N/A	N/A	5	5	
Bicycle parking stalls	90 Class 1	29	64 Class 1	57	
(minimum)	43 Class 2	29	12 Class 2	9	

Relevant History

At its meeting and following a Public Hearing on March 12, 2015, City Council approved the Zoning Regulation Bylaw Amendment permitting an increase in the total floor area as well as changes to permitted floor areas within amended Development Area boundaries in the CD-2 Zone, Legislature Comprehensive District.

In addition, Council also approved amendments to the *Official Community Plan, 2012* to reference the *Capital Park Urban Design Guidelines, 2015* in the Legislative Precinct Development Permit Area and to exempt subdivision applications that are consistent with the design guidelines from the requirement for a Development Permit.

Along with these approvals, amendments to the Master Development Agreement were finalized securing off-site works, housing of various types, transportation demand management measures and amenities including potential for a library, provision of a high-quality central public plaza, a public art installation and community amenity contribution.

An extensive public consultation program was undertaken by the applicant in addition to the CALUC consultation process leading up to Council's approval of the Zoning Regulation Bylaw amendment and Official Community Plan Amendment. Also leading up to Council's approval, the *Capital Park Urban Design Guidelines* were referred to the Advisory Design Panel (ADP). Approval of the Zoning Regulation Bylaw Amendment and OCP Amendment were recommended by the Panel.

Community Consultation

The Application does not propose any variances and, therefore, it has not formally been referred to the James Bay Neighbourhood Land Use Committee. This is consistent with the *Community Association Land Use Committee (CALUC) Procedures for Processing Applications*. However, due to the large size of the proposal, the Application was forwarded to the Neighbourhood Association for information.

ANALYSIS

Development Permit Area and Design Guidelines

The Official Community Plan (OCP) identifies this property within Development Permit Area (DPA) #12, Legislative Precinct with the objectives to enhance the area through high-quality architecture, landscape and urban design. The DPA enables Council to review and approve the character of the development including landscaping, siting, form, exterior design and finish of buildings and other structures.

The Development Permit plans closely match those submitted for the Rezoning Application and OCP Application approvals given by Council and the *Capital Park Urban Design Guidelines*, *2015.* The further building design and landscaping details provided in the Development Permit plans are consistent with the text and precedent images. A number of the key architectural and landscaping design guidelines addressed in the plans are identified in an Appendix to this report.

The applicant has requested a term of four years rather than two years for the Development Permit. This is necessary because of the size of the project and will assist in the transition from Phase One to Phase Two of the construction.

Local Area Plans

The proposal is consistent with the "Core Inner Harbour/Legislative" place designation in the *Official Community Plan* (OCP), 2012 complying with built form, place character features, uses and density.

Master Development Agreement

The proposed development is consistent with the Master Development Agreement (MDA) covering the site, which includes the requirements for streets, subdivision, amenities, housing types, transportation demand management measures and heritage houses. Also, consistent with the MDA, is the applicant's offer (attached) for the lease of space for the Greater Victoria Public Library. Should Council approve the Development Permit, the receipt of this offer will allow the Development Permit's issuance and enable staff to coordinate the necessary meetings and discussions for a Council decision on the offer.

Other Policy

The proposed sidewalk and boulevard, as well as bicycle track on Superior Street, are consistent with the *Greenways Plan, 2003* and *Bicycle Master Plan, 1995*.

Other Considerations

The applicant submitted Heritage Conservation plans and Heritage Alteration Permit Applications for the five Heritage-Registered houses on the development site. Council approved these Applications on September 11, 2014, with conditions to be met by the applicant. The conditions include the submission of relocation plans for the houses and their Heritage Designation following relocation.

Resource Impacts

The resource impacts associated with this Application are financial with respect to the possible inclusion of a GVPL branch and the final streetscape design and resulting maintenance costs on both Superior Street and Menzies Street. The scope of the street improvements are related to the rain garden maintenance and boulevard treatments, which will be identified when the design is finalized.

CONCLUSIONS

The Application is based on and directly follows upon the Zoning Regulation Bylaw Amendment and Official Community Plan Amendment approved by City Council on March 12, 2015. The details of building design and landscaping are consistent with the *Capital Park Urban Design Guidelines, 2015.* The proposed development includes sustainability features (e.g. LEED platinum certification of office buildings) as well as active transportation features (e.g. bike storage, showers, lockers and bicycle track on Superior Street). It also includes amenities required in the Master Development Agreement (e.g. provision of a high quality central public plaza). The request for a longer term Development Permit is reasonable based on the phasing of construction outlined in the Application.

Given the consistency of the Development Permit plans with the design guidelines as well as the plans submitted for the rezoning, which were reviewed by the Advisory Design Panel, staff recommend, for Council's consideration, that this Development Permit Application be approved.

ALTERNATE MOTION

That Council decline Development Permit Application No.000415 for the property located at 521-557 Superior Street and 524-584 Michigan Avenue.

Respectfully submitted,

Brian Sikstrom, \$enior Planner Development Services Division

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Alison Meyer, Assistant Director Development Services Sustainable Planning and Community Development Department

Report accepted and recommended by the City Ma	anager	
		Jason Johnson
	Date:	Muy 6,2015
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List of Attachments

- Zoning map
- Aerial map
- Letter from applicant dated March 12, 2015
- Letter from the applicant dated April 27, 2015 with an offer to lease space for the GVPL.
- Plans dated March 12, 2015 (separate document).

APPENDIX

Key Capital Park Urban Design Guidelines Addressed in the Phase One and Phase Two Development Permit Plans

3.0 General Guidelines for all Development Areas

3.5 Safety and Security/CPTED Principles

Encourage active retail uses at strategic street-level frontages to promote and encourage natural surveillance, as well as positive and desirable activity on Superior Street, Menzies Street and in the Central Public Plaza.

3.6 Sustainability and Green Building Design

By embracing green building principles, it is envisioned that the Project will become a showcase project for environmentally responsive office and residential building design.

3.7 Architectural Expression

The architectural expression of the buildings should be informed by subtle, rather than literal, references to neighbouring traditional and/or historical architecture.

3.8 Roofscape

Roof elements such as chimneys, mechanical vents and equipment, stair and elevator service and access points should be screened or enclosed and integrated with the design of the roofscape where possible, and located to minimize impacts on views from the street level and surrounding buildings.

3.9 Materials and Exterior Finishes

Materials should be selected to suit the inherent use and scale of the building and to provide thematic continuity with generic low and medium rise commercial, residential and public building types in the area.

Cladding materials will vary by building type and scale. Residential building materials should be consistent with the neighbouring residential and mixed-use buildings, whereas office building materials may be more strongly derived in response to contemporary office design requirements as well as to the surrounding context.

Window placement and detailing should be carefully considered so that the façade of each building may achieve a sense of rhythm and proportion that is appropriate to its urban and historical context, while at the same time optimizing considerations of views, daylighting, privacy, overlook, the visual and spatial connection between interior and exterior spaces.

3.10 Colour

Natural colours are preferred and should be derived from the inherent characteristics and qualities of the materials used for the primary surfaces of the buildings. Colour continuity with historical and contemporary precedents in the area should also be taken into account.

3.11 Lighting

Building light should be provided to create a subdued night-lit landscape that, in combination with lighting for security within all publicly accessible areas, contributes to a safe and pleasant character for the site.

3.12 Building Signage

Signage should contribute to the development of a distinct identity for the site and give direction to individual buildings, public areas and amenities.

4.0 Open Space/Landscape Guidelines

4.2 Streets

To establish a contextually appropriate yet distinctive set of characteristics for the Project's street frontages, including the creation of an integrated palette of surface materials which define and give character to the Project and define its special places within the context of the James Bay neighbourhood.

4.2.1 Superior Street

Superior Street should be reconfigured to contain a widened sidewalk and interactive zone that accommodates potential retail along the office building frontages, a boulevard zone designed to accommodate planters or rain gardens, street trees and seating alcoves, and reconfiguration of the street to allow for a dedicated and potentially segregated cycle track.

4.2.2 Menzies Street

A segmental planted boulevard interspersed with seating should be introduced to enhance outdoor spaces for pedestrian activity.

4.3 Pedestrian Pathways and 4.4 Plazas and 4.5 Courtyards

Pathways should be constructed of stone, concrete pavers, scored concrete, synthetic timber or wood to convey a high-quality ground plane expression.

Designated places for seating must be integrated into the plaza design which allow for a range of seating options, including the ability to accommodate larger groupings of people and events. The potential to design seating as customized sculptural elements should be considered.

The Superior Street Plaza should have a landscape vocabulary which includes timber-seating terraces, lawn berms, and water features to create a plaza that merges both formal and informal elements.

There should be a visual interest within each courtyard such as garden structures, play elements, planting, furnishings, water features, etc. which should be visible from the pedestrian pathways.

The knoll of the East Courtyard should provide a publicly accessible amenity such as an edible landscape which could be comprised of an assortment of food producing vegetation that provides year round appeal.

4.6 Hard Landscape

4.6.1 Site Furnishings

To provide an integrated system of site furnishings throughout the Precinct, with a contemporary palette of materials and finishes that complements the character of the Legislature Precinct and the James Bay Neighbourhood.

4.7 Soft Landscape

Appropriately placed street trees should be provided along the Superior Street and Menzies Street frontages of the project.

Plant materials should contribute to the visual interest through variety in scale, texture, colour and form.

4.8 Artwork

When placed outdoors, artwork should be positioned in such a way as to be either within publically accessible areas or be visible from publically accessible areas.

5.0 Development Area Specific Guidelines

Office Buildings A1 and A2

Each office building should provide a prominent entry and entrance lobby oriented towards Superior Street and the Legislature, flanking the east and west sides of the plaza.

Vertical interruptions in the continuous four-storey street wall along Superior Street are encouraged to relieve the long expanse and modulate the scale of the buildings' frontage.

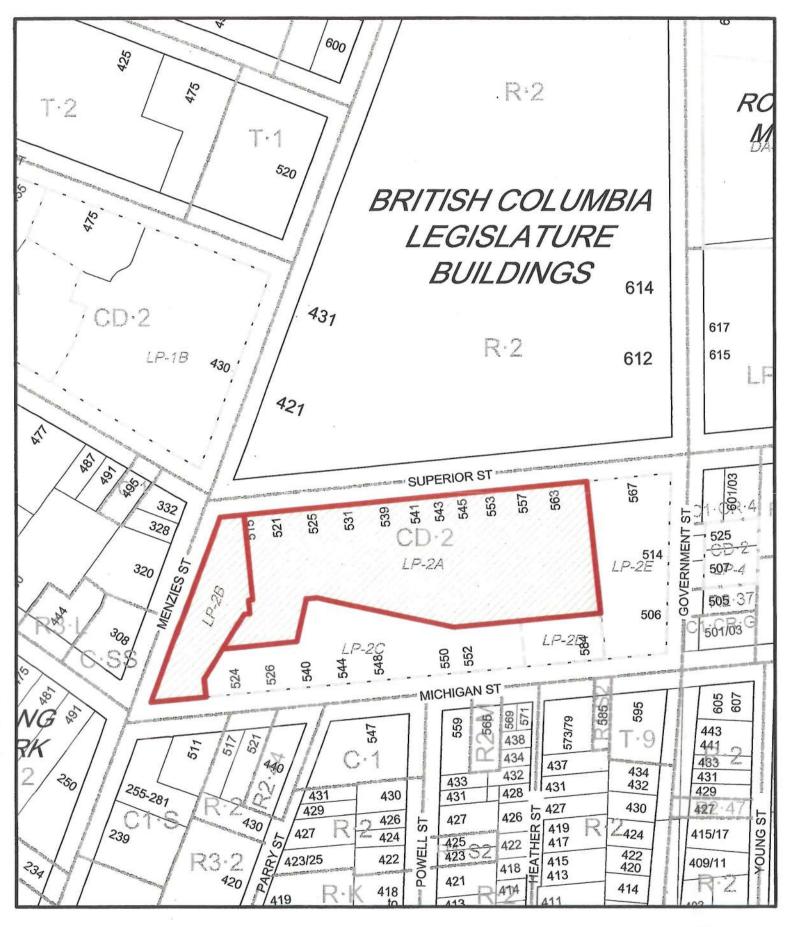
A rhythm of continuous, predominately transparent frontage, together with weather protection canopies should be provided at the street level, so as to be suitable for office or potentially retail uses.

Plaza Retail Pavilion

The Pavilion form should be integrated with the central landscaped courtyard to the south to provide a transition zone and deal with privacy/overlook issues between the commercial and residential zones of the Site.

Building B (Menzies Street)

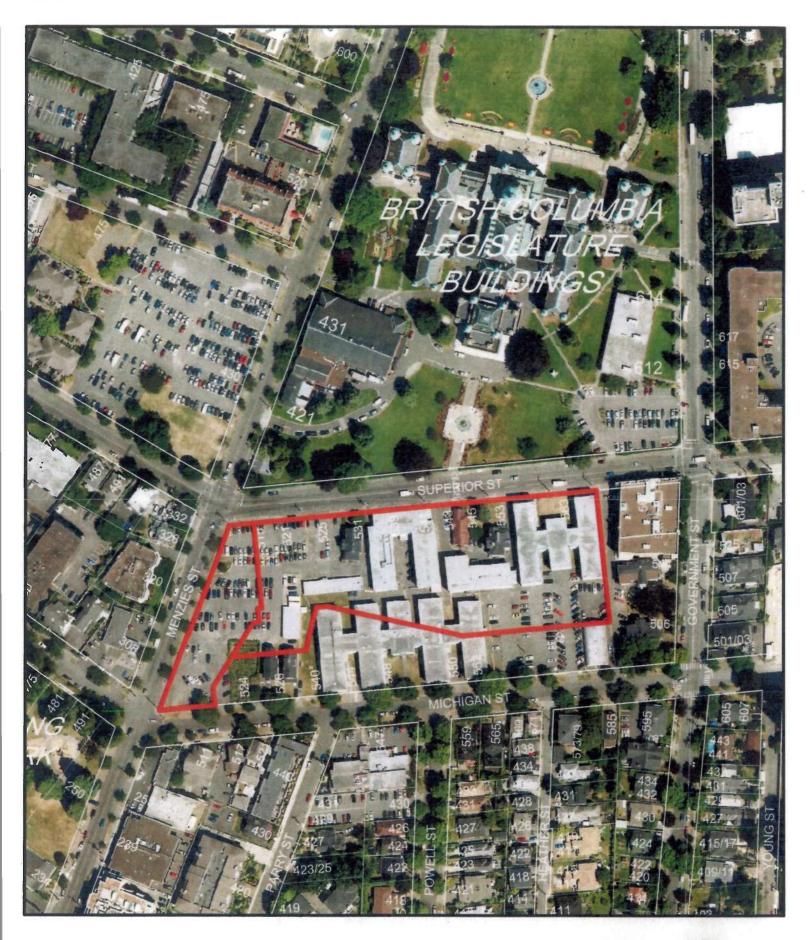
The massing of the building should be articulated to modulate the scale of the long street frontage in a manner similar to smaller buildings that have been constructed incrementally over a period of time.



521-557 Superior Street Development Permit #000415

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521-557 Superior Street Development Permit #000415



Jawl Development Corporation



March 12, 2015

City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

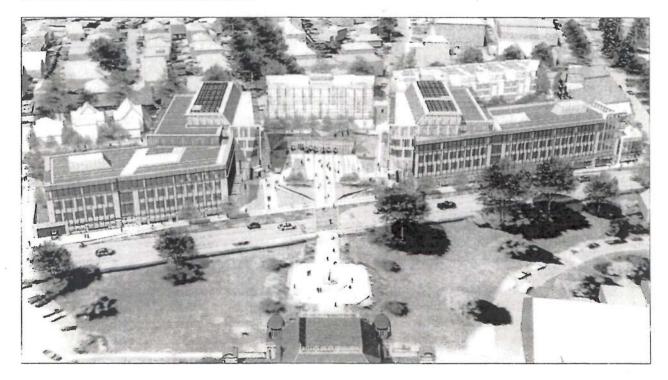
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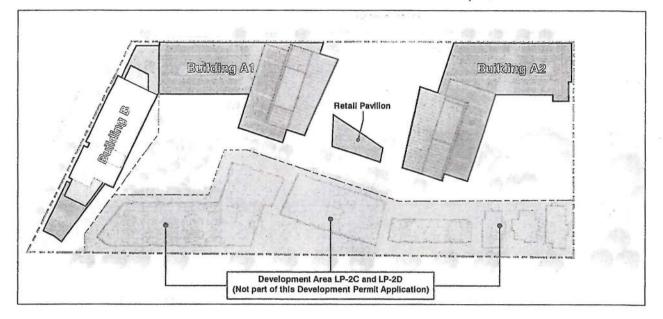
Re: Development Permit Application for Development Areas LP-2A and LP-2B, Legislature Comprehensive District – Capital Park, Victoria, BC.

Introduction

Jawl Precinct Lands Corp and South Block (Concert) Ltd (collectively the "Applicant") are pleased to submit this letter and the enclosed documents in support of a Development Permit application for the first phases of the Capital Park mixed use development on a portion of the lands municipally described as 521, 525, 531, 537, 539, 541, 543, 553, and 557 Superior Street and 524, 526, 540, 544, 548, 550, 552, and 584 Michigan Street, Victoria, BC and legally described as Lot 2 of Lots 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1727, 1728, 1729, 1730, 1731, 1732, 1733, 1734, 1735, 1736, 1737, 1738, 1739, 1740, 1741, 1742, and 1743, Victoria City, Plan EPP38872 (the "Site"). Located in the James Bay neighbourhood, the Site totals 23,044 square meters (248,044 square feet) and is bordered by Superior Street, Menzies Street and Michigan Street. At its eastern edge, the Site is bordered by a land parcel owned by the Province of British Columbia (the "Province") on which is located the Queen's Printer and two heritage homes. The Site currently accommodates a number of surface parking lots, four commercial buildings accommodating Provincial Government offices and five unoccupied heritage houses.



		Development Area LP - 2A			
	Building A1	Building A2	Retail Pavilion	Building B	Parking
Office	10,806.7 m ² (116,326 sq ft)	11,037.9 m ² (118,815 sq ft)	Support Carde	A CALLER AND A CALL	206
Retail			208.1 m ² (2,240 sq ft)	1,460.7 m ² (15,723 sq ft)	45
Residential				3,193.8 m ² (34,379 sq ft)	58
Total	2:	2,052.7 m ² (237,374 sq ft)		4,654.5 m ² (50,102 sq ft)	309



Design and Development Permit Guidelines

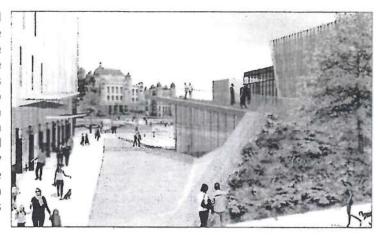
In connection with the Rezoning application submitted in July of 2014, the overall design and development parameters for the Capital Park Site were established. The July 2014 application also incorporated an OCP amendment application to allow for the adoption of the Capital Park Urban Design Guidelines ("CPUDG") prepared by the Applicant's design team. This Development Permit application builds on the design directions set forth in the updated zone and in the CPUDG in a more detailed manner for the buildings and Site open spaces located in Development Areas LP-2A and LP-2B.

Foundational to the CPUDG were a number of guiding principles intended to serve as overarching themes which speak to the aspirations of the project and which informed the detailed urban design responses outlined in the document. These guiding principles for Capital Park are:

- 1. The project should respond in a sensitive and complementary way to the Site's unique context proximate to the Legislature and the James Bay neighborhood.
- The project should facilitate an enhanced public realm that prioritizes public accessibility and permeability to and through the Site via an integrated network of welcoming and well-appointed plazas, courtyards and walkways.
- 3. The project should respect and enhance street level sight lines towards the Legislature from various approach angles and create new publicly accessible areas to enjoy this vista.
- The project should prioritize forward thinking approaches to environmental and operational building performance.
- 5. The project's office space should be designed to market leading quality standards and meet the Province's long term needs.
- 6. The project's residential units should be designed to accommodate a range of unit types and resident profiles to ensure a healthy diversity of unit options in an attractive and highly livable setting.
- 7. The project's retail units should contribute to a dynamic street interface, particularly on Menzies Street, and contribute to an expanded array of retail offerings in the James Bay neighbourhood.

Having recently completed the CPUDG, the Applicant and its design team have been diligent in maintaining consistency with the principles noted above as well as its specific design directions in the formulation of the plans which form the basis of this Development Permit application.

roof of the Plaza Retail Pavilion is designed to merge with the overall folded landscape vocabulary of the Site and is intended to be accessible so as to provide a dramatic vantage point for views towards the Legislature. Perhaps more importantly, the Plaza Retail Pavilion also plays a role in animating and defining the south edge of the Central Plaza. To that end, the north face of the Retail Pavilion is largely glazed and transparent, and subject to future tenancy requirements, is intended to accommodate multiple access points between the retail pavilion interior and the associated outdoor seating areas which will front the Central Plaza.



Building B

To achieve the scale and texture of a traditional "village" streetscape, compatible with the existing and emerging characteristics of Menzies Street, this mixed use building has been designed to appear more as an assemblage of four distinct yet related building frontages, rather than one continuous building.

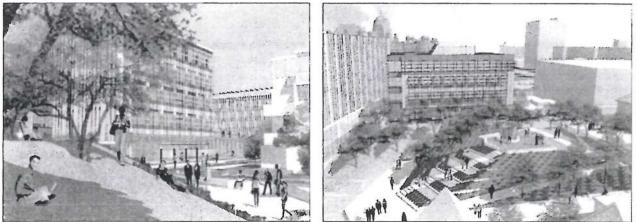
The two storey volume retail space at the corner of Superior and Menzies Streets is strongly expressed in a contemporary manner with a large, glazed frontage and weather protection canopy, befitting its prominent location. The materiality and expression of this corner element is designed to relate in colour and texture to the adjacent Office Building A1 to the east, as well as to the 4 storey residential / retail components of Building B to the south along Menzies Street.

The two, 4 storey midblock building frontages utilize consistent and somewhat more traditional materials that include horizontal siding, brick, and standing seam metal roofing, but will be differentiated from each other by complimentary colour palettes. Street level retail spaces are designed to be flexible and able to accommodate a range of potential tenants of varying sizes, with large storefront windows and a varied vocabulary of weather protection canopies, integrated signage and lighting.



Courtyards

The West courtyard is contoured with a feature knoll, designed to conceal the parking access ramp off of Menzies Street while serving as a natural visual buffer between the residential and commercial buildings. A resilient surfaced sloping pathway unlocks the play potential of the mound, featuring timber embankments with climbing elements, and a promontory play sculpture. Seamlessly integrated with the south side of the Retail Pavilion, a bermed landscape feature characterizes the central courtyard and offers a grassy slope for reclining or enjoying dramatic views to the Legislature to the north. The East Courtyard features a second knoll which creates a natural buffer between the residential heritage homes and the commercial office buildings. The knoll features an edible landscape comprised of robust assortment of berry producing shrubs, herbs, and hearty greens that provide year round interest and harvest potential for the community. A sloping path traverses the knoll, gently winding its way to the top where a seating deck is situated adjacent to a sculptural element.



West Courtyard

East Courtyard

Plazas

The Superior Street Public Plaza serves as the front door to Capital Park, and becomes a community focused destination for social gathering, performances and public life for the both the Legislature precinct and James Bay. The plaza's subtle grade change is characterized with an interactive water feature and sculptural folded seating decks that add life and animation to the space. The southwest plaza at the corner of Menzies and Michigan Streets serves as an informal, neighbourhood scale meeting point and a spill out space for a café patio and casual outdoor seating. The plaza becomes an invitational gesture for public access into and through the west courtyard.

Streets

The transitions between Capital Park and the surrounding community is fundamentally expressed within the streetscape environment. Each of the street frontages is unique its design response, with careful consideration given to complimenting the facing side of the street, retaining existing street trees, considering sustainable storm water management practices, and creating a pedestrian environment that responds to the uses, texture and scale of adjacent buildings. Superior Street integrates a cycle track with extensively landscaped boulevard with rain gardens. Menzies Street is characterized by a planted boulevard with rain gardens interspersed with paving sections between boulevard planting provides access points for parallel parking and loading.

Pedestrian Permeability

Achieving a permeable pedestrian circulation network is a fundamental aspect of achieving a publicly accessible open space network through the interior of the site. A greenway serves as the primary east-west linkage, connecting the southwest corner of the site and the Menzies Street commercial retail environment through to the established north-south lane defining the eastern site boundary. The walkways running from the foot of Powell and Parry Street at Michigan through the Site to Superior Street enable strong pedestrian permeability and visibility in the north south direction.

7

Green Building Features

The Applicant and the design team are committed to incorporating leading green building principles into the project's design and long term operations. The Project will be registered with the Canadian Green Building Council's LEED program and is targeting a designation of Platinum for Office Buildings A1 and A2 and Gold for Building B. The buildings which are the subject of this Development Permit application are envisioned to become showcase projects for environmentally responsive building design and construction though the utilization of:

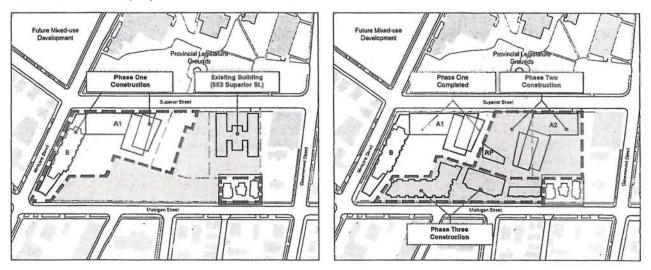
- High performance building envelope systems.
- Energy efficient lighting and electrical systems and controls.
- Solar shading strategies which limit undesirable solar heat gains during the summer and support desirable heat gains in the winter, thereby improving the application of passive heating and cooling measures.
- Extensive green spaces including selected vegetated roof areas and street fronting rain gardens to
 address the heat island effect and manage storm water run-off.
- Specifically selected landscape materials that are adaptive and native to the area which require less
 intensive landscape maintenance.
- Water efficient plumbing fixtures.
- Bicycle storage and end of trip facilities for building occupants.
- Electric vehicle charging infrastructure.
- Low VOC interior finishes.
- Increased ventilation capacity to increase the amount of fresh air delivered to building occupants.
- Priority parking stalls for ride-share vehicles.

More detailed information pertaining to the project's green building attributes is provided in the form of the draft LEED scorecard included with this application.

Project Phasing

To accommodate interim use requirements for a portion of the Provincial Government occupancies currently existing on the Site, a phased approach to the construction of Capital Park is necessary. The first phase of construction is anticipated to include the selected demolition of a number of the existing 2 storey office blocks and the relocation of the existing heritage houses to make way for construction of Building B and Office Building A1. Demolition of the balance of the existing buildings on the Site and the subsequent construction of Office Building A2 and the Retail Pavilion will commence as soon as Office Building A1 is complete and occupied.

In view of this phased construction requirement imposed by the interim use parameters of the Provincial Government, the Applicant is requesting that the Development Permits applied for under this application remain in effect for four years from the date of issuance instead of the typical two so as to permit the second phase of work (Office Building A2 and the Retail Pavilion) to proceed in accordance with the schedule noted above.



Project Benefits and Amenities

The overall benefits and amenities presented by the Capital Park mixed use development were comprehensively described in connection with the July 2014 Rezoning application for the Site. The first phases of work which are the subject of this Development Permit application present the first opportunity for these community benefits to be realized. The build out of Development Areas LP-2A and LP-2B will see the addition of sustainably designed high quality office, retail and residential premises as well as the supporting and complementary open space network associated with these areas. At completion, these components of the Capital Park project will accommodate Provincial Government offices home to approximately 1,400 occupants, offer 53 housing units home to approximately 80 residents, and add animating retail amenities on the Menzies Street frontage as well as on the borders of the Superior Street Public Plaza. In addition to these benefits, the following amenities are provided for in the build out of Development Areas LP-2B.

- A 700 m2 retail premises in Building B suitable for library use
- A fitness facility on the main level of Office Building A1
- 39 affordable housing units and 6 housing units suitable for families in Building B
- A well appointed large scale Public Plaza off of Superior Street with public access secured through a statutory right of way
- A \$150,000 public artwork included in the Superior Street Public Plaza
- A \$118,000 cash contribution to the City of Victoria
- A series of lanes, walkways, courtyards and plazas accessible to the public and designed to link the Site
 with the surrounding community
- Extensive sustainability infrastructure including extensive considerations supportive of alternative transport methods
- A high quality urban and architectural design which will contribute positively to the built environment of the James Bay community

Conclusion

The Applicant and the design team are pleased to present this Development Permit application which would enable the first phase of the Capital Park project to begin. We are excited to commence work on this dynamic mixed use community and begin to realize the benefits to the James Bay community and the City of Victoria that it affords. We have proceeded thoughtfully in the development of the site and building designs for Development Areas LP-2A and LP-2B so as to ensure a high quality response which respects the principles of the zone, the Capital Park Urban Design Guidelines and proceeds in accordance with the Master Development Agreement. We hope to be able to commence construction of this first phase of work in the summer of 2015. This is a critical date for the project team so as to ensure we are able to meet the Provincial Government's target occupancy date of the Office Building A1 of March 2017.

We sincerely appreciate the time and effort put forth thus far by members of staff at the City of Victoria in assisting with a collaborative and expedited approach to this application as well as the July 2014 Rezoning application. We look forward to working with City staff and Council in connection with this application in the months ahead and are available as necessary to answer any questions or furnish additional information as required.

Sincerely,

JAWL DEVELOPMENT CORPORATION

Robert Jaw

CONCERT REAL ESTATE CORPORATION

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PLEASE NOTE Also to note the deadline to complete LEED 2009 certifications is June 2021

Jawl Development Corporation



April 27, 2015

City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Attention: Mayor and Council

Re: Option to Lease Library Premises in Development Area 2B of Capital Park

Jawl Precinct Lands Corp. and South Block (Concert) Ltd. (collectively the "Transferor") and the Corporation of the City of Victoria (the "City" or the "Transferee") are parties to a Master Development Agreement registered on February 27, 2015 (the "MDA") which prescribes certain terms and conditions which must be fulfilled by the Transferor in connection with the development of the mixed-use project known as Capital Park. Paragraph 8.1 of the MDA requires that in Development Area 2B of the project, the Transferor must provide approximately 700 square meters of rentable floor space constructed so as to be physically suitable to accommodate library use (the "Option Premises"). The MDA requires that prior to the issuance of a development permit applicable to Development Area 2B, the Transferor must offer to lease the Option Premises to the City for use by the Greater Victoria Public Library (the "Initial Option"). Accordingly, please accept this letter as formal presentation of the Option Premises by the Transferor for consideration by the City.

Paragraph 8.1(a) of the MDA specifies that the City shall have 12 months from the date of issuance of a development permit applicable to Development Area 2B to accept the offer. Failing acceptance of the Initial Option within this timeline, the Initial Option shall be deemed waived and the Transferor shall have the right to lease the Option Premises to one or more third party tenants in the Transferor's sole discretion. Nonetheless, if the City does not accept the Initial Option, paragraphs 8.1(a) and 8.1(b) of the MDA provide ongoing options and rights for the benefit of the City to consider leasing commercial / retail premises in Development Area 2B of Capital Park in the future. In the MDA, these options and rights are referred to as the Future Option and the Ongoing ROFO.

The Transferor and its design team have worked hard over the past year to devise a design solution for the Option Premises which reflects a high architectural standard, incorporates innovative green building features and offers a variety of space planning options to best optimize the premises for a potential community branch of the Greater Victoria Public Library. The Option Premises features a high profile corner location at Menzies and Superior Street, opportunities for multiple entry points, high ceilings, abundant natural light, highly visible opportunities for interior and exterior signage, and direct access at the rear of the premises to a landscaped courtyard. A rendered image of the exterior of the Option Premises is attached hereto as Schedule A. The Option Premises has also been designed to accommodate the structural floor loading requirements necessary for library use. Should the City be interested in exploring its consideration of the Option Premises in more detail, we would be pleased to facilitate a dialogue between the design team, the Greater Victoria Public Library, and the City so as to further discuss the design opportunities afforded by the Option Premises in view of the contemplated use.

For the purposes of the City's consideration of the Initial Option, the Transferor proposes the following lease terms applicable to the Option Premises:

Premises Location: A portion of the retail premises contained in the mixed-use building in Development Area 2B with frontage onto Menzies Street as further described in the space plans attached hereto as Schedule B.

Premises Size: The Option Premises is comprised of 665 gross square meters (7,158 square feet) of floor area on the main level of the building and also includes the option to construct an additional 110 gross square meters (1,184 square feet) of floor area on a mezzanine level. These respective

components of the Option Premises are further described in the space plans attached hereto as Schedule B.

Lease Term: 15 Years from the lease commencement date.

Renewal Options: 2 lease renewal options of 5 years each.

Annual Base Rent: \$25.00 per rentable square foot (years 1-5 of the lease), \$27.50 per rentable square foot (years 6-10 of the lease), and \$30.00 per rentable square foot (years 11-15 of the lease) in all cases applicable only to the rentable area on the main floor portion of the premises. To the extent that the City constructs all or a portion of the potential mezzanine premises as part of their leasehold improvements, such premises will not be subject to annual base rent.

Operating Expense and Real Estate Tax Reimbursements: Estimated to be \$13.00 per rentable square foot in year 1 of the lease.

Premises Build Out Process: The Transferor shall deliver the Option Premises to the City with the base building work complete on or around July 1, 2017 (the "Fixturing Date") so as to enable the City to perform its leasehold improvements to the Option Premises to ready it for use as a library.

Lease Commencement Date: the lease shall commence on the date that is 5 months following the Fixturing Date.

Leasehold Improvement Allowance: The Transferor shall grant the City a leasehold improvement allowance of \$50.00 per rentable square foot of the premises.

We believe that these lease terms are consistent with currently prevailing market levels for similar premises in the James Bay community and further are reflective of our desire to offer a compelling economic structure to the City so as to ensure the economic viability of the Initial Option. We believe that the incorporation of a branch of the Greater Victoria Public Library in the Menzies Street retail component of the Capital Park project offers a significant opportunity for the City to facilitate a valuable community asset and lend animation and vitality to the area for the benefit of all James Bay citizens.

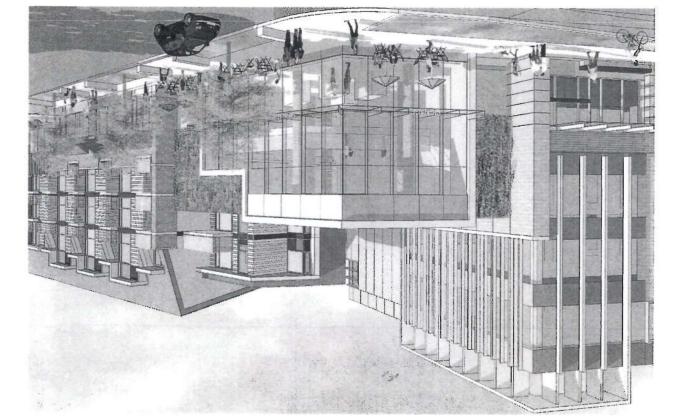
We look forward to working with the City over the year ahead to further discuss the terms of the Initial Option. It is our sincere hope that such efforts result in a mutually agreeable basis on which to move ahead and make this compelling community resource a reality.

Sincerely,

JAWL DEVELOPMENT CORPORATION

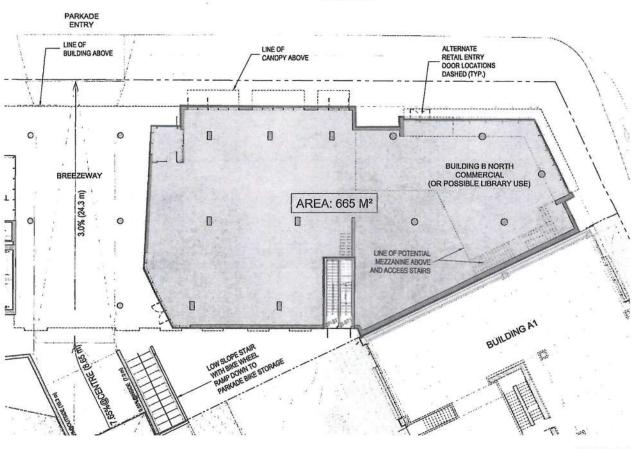
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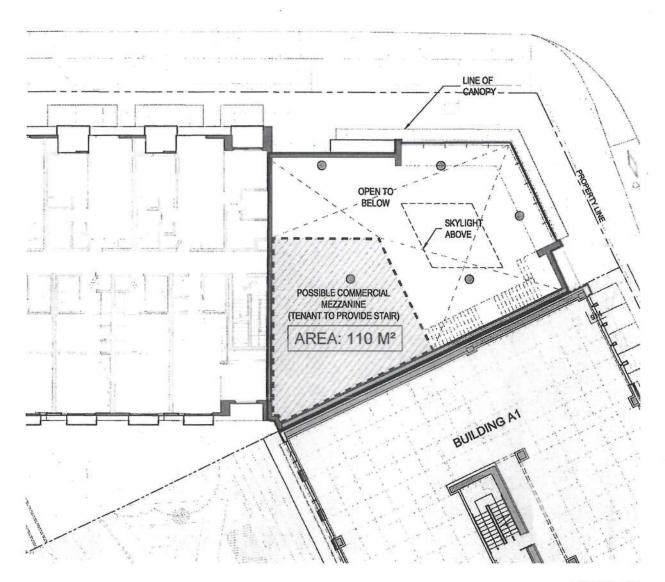
Schedule B

MENZIES STREET



LEVEL 01

MENZIES STREET



LEVEL 02