



Planning and Land Use Committee Report

For the meeting on November 6, 2014

Date: October 30, 2014 **From:** Brian Sikstrom, Senior Planner
Subject: **Rezoning Application # 00457 and concurrent Official Community Plan Amendment for 521-557 Superior Street and 524-584 Michigan Street -**
Application to amend the CD-2 Zone, Legislature Comprehensive District, to permit a multi-phased, mixed-use development comprised of offices, ground floor commercial and residential uses covering the majority of the South Block.

Executive Summary

The purpose of this report is to present Council with information, analysis and recommendations regarding a Rezoning Application and concurrent Official Community Plan Amendment for the properties located at 521-557 Superior Street and 524-584 Michigan Street.

The proposed development is similar in concept to that envisaged in the *1994 Victoria Accord Legislative Precinct Plan*. It would be constructed in three or more phases beginning with construction of the first office building on Superior Street and the mixed residential/commercial building on Menzies Street.

A Rezoning Application is required to permit an increase in the total floor area of 3691 m² (mostly for residential uses) from 34,449 m² to 37,915 m² as well as changes to permitted floor areas within amended Development Area boundaries. The rezoning is also required to permit ground-floor commercial uses (e.g. retail, restaurants) along Superior Street. The applicant has prepared the proposed *Capital Park Urban Design Guidelines* to guide the development and decisions on Development Permit Applications for all development phases. An Official Community Plan amendment is required to reference in the Legislative Precinct Development Permit Area these updated design guidelines for building design as well as landscaping in all phases of the development. In addition, amendments are required to the existing covenant regarding housing and amenities and other aspects governing development of the site.

The following points were considered in reviewing this application:

- The Rezoning Application and concurrent Official Community Plan amendments are generally consistent with the *Official Community Plan, 2012* and the existing *Legislative Precinct Volume 1, Urban Design Manual, 1994*; the *Legislative Precinct Volume 2 Development Area Guidelines, 1994*; and the *Legislative Precinct Volume 3 Built Form Guidelines, 1994*.
- The accompanying proposed *Capital Park Urban Design Guidelines* update the existing Legislative Precinct design guidelines based on the development proposal and are generally consistent with them.
- The proposed development is generally consistent with the Master Development Agreement (MDA) covering the site, which includes requirements for streets, subdivision, permitted uses and floor space allocation, housing, transportation demand management, amenities and heritage houses.

- The amenities required under the MDA, potential for a library branch and the provision of a fitness centre available to the community, are maintained in the proposed development. The library amenity would require substantial long-term funding from the City and the Greater Victoria Public Library (GVPL).
- An independent third party land lift analysis was undertaken and concludes that the proposed density increase would result in a land value increase of \$567,400.00. Based on the current practice, an amenity contribution of \$425,600.00 would be recovered by the City through an amenity contribution by the applicant of \$425,600.00.
- The applicant is proposing to provide and maintain additional amenities not required in the MDA, including the provision of a high quality central public plaza off Superior Street and a public art installation located within it.
- The applicant is requesting that the extra costs resulting from building these features be credited towards the required amenity contribution. Crediting these costs can be considered based on policies which support these features provided public access is secured.
- Council has a variety of options for considering the crediting or paying out of the applicant's amenity contribution.
- The approach of amenity contributions strategically going to physical improvements that are legally secured as well as to the GVPL branch or the Victoria Housing Fund is recommended. It would result in a major enhancement on Superior Street and the Legislative Precinct and also could facilitate a GVPL branch should City and GVPL funding for it be provided or, alternately, leverage the provision of additional affordable housing in the City. The community amenity contribution allocation recommended by staff is summarized as follows:

Community Amenity Contribution Items	Proposed Amounts
Central Public Plaza enhancement	\$156,888
Public Art	\$150,000
GVPL or Victoria Housing Fund	\$118,712
Total Amenity Contribution	\$425,600

- The applicant is requesting modifications to the existing MDA regarding the provision for future GVPL space and the provision of affordable housing as well as housing suitable for families. The proposal to provide space for a library in the first phase of the proposed development has financial implications for the City. The acceptance of the offer to lease space for a branch library will require its inclusion in Council's discussion of its Financial Plan and strategic priorities in 2015 as well as in the library's own budget and priorities deliberations. If the City accepts the offer (with the GVPL's support), ongoing operational funding as well as capital tenant improvements would need to be provided beginning in the 2017 budget year upon completion of construction of the building.
- The requested MDA modifications regarding the library would increase the time the City and the GVPL have to accept the first offer of a lease; would allow the City and the GVPL to potentially reduce the possible floor area to match the need; and also would allow for other compatible uses of benefit to the City and the GVPL. Staff recommend that Council direct that these revisions be made. The other amendments proposed by the applicant can be considered with further review with respect to appropriate wording regarding the City's interests.

- The requested MDA modifications regarding affordable and family housing would result in the provision of the same number of “affordable” housing units and units “suitable for families” as was envisaged in the original *Legislative Precinct* Master Development Agreement. However, no additional affordable or family units would result from the additional housing units proposed with the increase in density. This can be considered, as these additional units trigger the required community amenity contribution.
- Other MDA modifications regarding housing would include the addition of the OCP definition of affordable housing; defining housing suitable for families as units with two or more bedrooms; and providing a definition of “small market units”.
- Overall, the requested MDA modifications are considered by staff to be in keeping with the original intent of the MDA and are summarized in Appendix B.
- The Transportation Impact Assessment submitted by the applicant with the Rezoning Application provides a strong basis of support for the parking numbers and the study also shows that the forecast traffic generated by the development can be handled within the existing affected streets and intersections as well as the project’s access driveways.
- The applicant submitted Heritage Conservation Plans and Heritage Alteration Permit Applications for the five Heritage-Registered houses which Council approved 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.
- The applicant has submitted an Arborist’s Report providing an inventory of existing trees. While not all of the existing Horse Chestnut trees on the Michigan Street public right-of-way can be retained due to planning and construction parameters of the development, strategies to retain and preserve the health of the existing Horse Chestnut trees identified will be required to the maximum practical extent in order to maintain the street’s tree-lined character.
- The applicant has undertaken extensive consultation with the James Bay Neighbourhood Association, the Downtown Business Association and the general public through an open house. The feedback from this consultation has been positive and supportive of the development proposal.

Based on the above, staff recommend that Council forward the Application to a Public Hearing.

Recommendations

That Committee consider the following actions and recommendations to Council:

- 1) That Council instruct staff to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 882 of the Local Government Act and the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application # 00457 for 521-557 Superior Street and 524-584 Michigan Street, that first and second reading of the Zoning Regulation Bylaw Amendments be considered by Council and a Public Hearing date be set once the following conditions are met:
 - a) Staff report back on the MDA amendments related to the library and affordable and family housing as well as new provisions that would secure and allocate the


- amenity contributions as recommended in Section 3.1.6 and Appendix B of this report.
- b) Amendment of the MDA to not require Council approval of a Development Permit for subdivision where the proposed subdivision is consistent with the development as described in the proposed *Capital Park Urban Design Guidelines*.
 - c) Registration of the amended MDA when finalized.
 - d) Review of the proposed *Capital Park Urban Design Guidelines* by the Advisory Design Panel.
 - e) Compliance with the Ministry of the Environment's Environmental Management Act as it pertains to potentially contaminated sites.
- 2) Following consideration of Rezoning Application #00457, that Council authorize staff to prepare and enter into an Encroachment Agreement to the satisfaction of the City Solicitor and the Director of Engineering and Public Works.

Respectfully submitted,

 
Brian Sikstrom,
Senior Planner
Development Services Division


Deb Day, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Jason Johnson

Date: October 31, 2014

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1.0 Purpose

The purpose of this report is to present Council with information, analysis and recommendations regarding a Rezoning Application and concurrent Official Community Plan Amendment for the properties located at 521-557 Superior Street and 524-584 Michigan Street (South Block).

2.0 Background

A Rezoning Application is required to permit an increase in the total floor area of 3691 m² (mostly for residential uses) from 34,449 m² to 37,915 m² as well as to allow changes to permitted floor areas within amended Development Area boundaries. The rezoning is also required to permit ground-floor commercial uses along Superior Street. An *Official Community Plan* amendment is required to reference new Design Guidelines for building design and finishes as well as landscaping in all phases of the development. In addition, amendments are required to the existing covenant governing development of the site.

2.1 Description of Proposal

The proposal is for a mixed-use development comprised of office, ground-floor commercial and residential land uses on South Block. The development is to be phased and is similar in concept to that of the development envisaged in the *1994 Victoria Accord Legislative Precinct Plan*.

The first phase of development is the construction of a five-storey office building on Superior Street with ground floor commercial uses (e.g. retail, professional businesses), a plaza and a retail pavilion. The first phase also includes the construction of a four-storey apartment building with ground-floor commercial space (e.g. retail, restaurants) on Menzies Street. Before construction begins, three heritage houses located within phase one are to be relocated to the southeast edge of the subject properties fronting Michigan Street.

The second phase of development is the construction of another five-storey office building further east on Superior Street. The third phase of development is comprised of three residential buildings of three to five storeys fronting on Michigan Street with a variety of unit types, sizes and tenures

The completed development will incorporate extensive landscaping, including an edible landscape garden, and underground parking. Proposed amenities include a fitness centre with public access, the provision of space for a potential Greater Victoria Public Library (GVPL) branch, the provision of a central public plaza including a public art installation.

The applicant has prepared the proposed *Capital Park Urban Design Guidelines* to guide the development and decisions on Development Permit Applications for all development phases. An Official Community Plan amendment is required to reference these Guidelines in the Legislative Precinct Development Permit Area which covers the site.

A detailed description of the proposal is provided in the applicant's letter to Mayor and Council dated July 22, 2014 and in the plans, which is attached to this report.

2.2 Sustainability Features

As indicated in the applicant's letter dated July 22, 2014, and in a detailed description of the project's green building attributes in the form of Leadership in Energy and Environmental Design (LEED) checklists, the sustainability features associated with this proposal include the following:

- minimum LEED gold target for the office and residential buildings
- green roofs and extensive green spaces
- bicycle storage and shower changing facilities for office building occupants
- electrical charging infrastructure
- potential district energy system
- potential retention and treatment of stormwater or grey water for irrigation of landscaping
- potential use of solar collectors to heat water.

2.3 Existing Site Development and Development Potential

The 23,044 m² development site occupies all of the South Block except for the provincially-owned properties fronting on Government Street (the Queen's Printer and two heritage houses). The site is currently occupied by surface parking lots, four office buildings and five heritage houses. Under the existing CD-2 Zone, Legislature Comprehensive District, the maximum permitted total floor area is 34,449 m² comprised of 21,743 m² of offices, 1400 m² of commercial and 11,305 m² of residential uses. There are five Development Areas in the South Block, each having differing regulations related to permitted uses, floor areas, building heights, site coverage, setbacks and parking.

The existing Master Development Agreement governing development of the site requires that a minimum of 50% of the housing in the Legislative Precinct (including Q-Lot and S-Lot adjacent to South Block) be suitable for families and at least 51% to be affordable in the form of small market units or through privately sponsored initiatives such as co-ops. Other requirements include: the provision of amenities such as a government employee fitness facility available for community use and the provision of 700 m² of floor area physically acceptable for Greater Victoria Public Library use; the relocation and restoration of the heritage houses; and the provision and implementation of a transportation demand management plan.

2.4 Data Table

The following data table compares the overall proposal with the existing CD-2 Zone, Legislature Comprehensive Development District. An asterisk is used to identify where the proposal is less stringent than the existing zone.

Zoning Criteria	Overall Proposal	CD-2 Zone Standard
Site area (m ²) – minimum	23043.7	23043.7
Total floor area (m ²) – maximum	37915.30*	34449.00
Office	21,846.50*	21743.00
Commercial	1641.80*	1400.00
Residential	14427.00*	11305.00
Density (Floor Space Ratio) – maximum	1.65:1*	N/A
Height (m) – maximum	7.30-27.89*	10.70-23.50

Zoning Criteria	Overall Proposal	CD-2 Zone Standard
Site coverage (%) – maximum	41.20	51.00
Open site space (%) – minimum	52.00	49.00
Storeys – maximum	1-5	3-5
Setbacks (m) – minimum		
Superior St.	2.44	2.44
Michigan St.	3.00	3.00
East	Nil	N/A
Menzies St.	2.60	2.40
Parking – minimum	412	294
Bicycle storage – minimum	299	232
Bicycle rack – minimum	58*	93

2.5 Land Use Context

The development site is bounded by:

North (across Superior St.): the Legislature and its grounds
West (across Menzies St.): an apartment building, service station and other commercial buildings
South (across Michigan St.): a variety of residential buildings, a community building, a church and a commercial building
East (provincially property): the Queen's Printer and two heritage houses.

2.6 Legal Descriptions

- Lot 2 of Lots 1720-1743, Victoria City, Plan EPP38872 (Applicant's property)
- Lot 1 of Lots 1892-1895, Victoria City, Plan EPP38870 (Province's property).

2.7 Relevant History

On March 13, 2014, City Council approved an amendment to the CD-2 Zone, Legislature Comprehensive District, to reinstate office uses, which had been removed due to changes in the definition of public building. Council also approved a Development Permit for subdivision of provincial lands on the South Block and Q-Lot to enable the sale of two parcels to the private sector. As part of the subdivision of the parcels, Council also approved the replacement of the *Legislative Precinct Master Development Agreement* (MDA) with updated agreements. The agreements, registered as covenants on the newly subdivided lots, retain and transfer the previous MDA obligations to the new owners.

Following a Request for Proposals by the Province and Council's zoning, subdivision and covenant approvals, the applicant acquired this site and a portion of Q-Lot from the Province. As part of the sale, the Province agreed to a 21-year lease of approximately 16,723 m² of office space to be provided by the applicant in two newly constructed buildings. The sale agreement includes a completion deadline of March 1, 2017, for provincial occupancy of at least 5574 m² in the first new office building and a deadline of March 31, 2019, for occupancy of the remaining office space.

2.8 Consistency with City Policy

2.8.1 Official Community Plan, 2012

The proposed Zoning Regulation Bylaw Amendments are generally consistent with the *Official Community Plan, 2012* (OCP) policies which support office, residential and commercial development in the Legislative Precinct. The OCP policies relevant to this Application are attached in Appendix A.

Because this Application contains an Official Community Plan Amendment to reference the proposed *Capital Park Urban Design Guidelines* in the Legislative Precinct Development Permit Area which covers the site, the *Local Government Act* requires that Council consider Financial Plan Implications, Waste Management Plans and statutory consultation requirements.

Should Council support the OCP amendment, consultation with the Capital Regional District Board; Councils of Oak Bay, Esquimalt and Saanich; the Songhees and Esquimalt First Nations; the School District Board; and the provincial and federal governments and their agencies should be considered by Council, however, in this instance it is not recommended as necessary because the amendment can be considered under approved City policies. The staff recommendation reflects this approach.

Council is also required to consider OCP Amendments in relation to the City's *Financial Plan*, the *Capital Regional District Liquid Waste Management Plan* and the *Capital District Solid Waste Management Plan*.

With respect to the City's *Financial Plan*, the proposal to provide space for a library in the first phase of the proposed development has financial implications for the City. The acceptance of the offer to lease space for a branch library will require its inclusion in Council's discussion of its capital budget and strategic priorities in 2015 as well as in the library's own budget and priorities deliberations. If the City accepts the offer (with the GVPL's support), funding would need to be provided beginning in the 2017 budget year upon completion of construction of the building.

This proposal will have no impact on the *Capital Regional District Liquid Waste Management Plan* or the *Capital District Solid Waste Management Plan*, as no major increase in density is proposed.

2.8.2 Consistency with Design Guidelines

The site is included in Development Area 12 (HC) Legislative Precinct, with objectives to enhance the area through high quality architecture, landscape and urban design. The *Legislative Precinct Volume 1, Urban Design Manual, 1994*; the *Legislative Precinct Volume 2 Development Area Guidelines, 1994*; and the *Legislative Precinct Volume 3 Built Form Guidelines, 1994*, currently regulate the form and character of buildings as well as exterior design, finishes and landscaping in this Development Permit Area.

In support of the current proposal and future development of the site, the applicant has prepared a new set of urban design guidelines. The proposed *Capital Park Design Guidelines* (under separate cover) are based on the current guidelines but update the vision, objectives, guiding principles as well as specific design features and directions.

2.8.3 Consistency with Master Development Agreement

The proposed development is consistent with the Master Development Agreement (MDA) covering the site, which includes requirements for streets, subdivision, permitted uses and transportation demand management measures with modifications reflecting the proposal with respect to floor space allocation, housing, amenities and heritage houses.

The major features of the MDA are outlined in the Issues and Opportunities section of this report with a description of modifications proposed by the applicant. A summary of the applicant's proposed modifications to the MDA is provided in Appendix B.

2.9 Community Consultation

Consistent with the *Community Association Land Use Committee Procedures for Processing Rezoning Applications*, a community meeting was held on September 10, 2014. A letter dated September 18, 2014, from the James Bay Neighbourhood Association documenting the comments and feedback received at the meeting is attached. In addition, the applicant held an open house on September 10, 2014, as well as meetings with the James Bay Community Project and the Downtown Victoria Business Association. Documentation provided by the applicant from the open house and these meetings is also attached to this report.

3.0 Issues and Analysis

The following issues and analysis are associated with this application and are addressed below.

- Provision of Amenities
- Provision of Affordable Housing and Housing Suitable for Families
- Transportation Demand Management Measures
- Heritage Houses
- Urban Design Guidelines.

3.1 Provision of Amenities

The Application requires the provision by the applicant of amenities cited in the MDA as well as consideration of an amenity contribution resulting from the proposed increase in density. To determine the latter, a land lift analysis of the applicant's proposal has been undertaken by an independent third party. The analysis (attached) concludes that the proposed density increase would result in a land value increase of \$567,400. Based on the City's current and past practice, a 75% proportion of the land lift would be recovered by the City through an amenity contribution by the applicant of \$425,600. Where amenities rather than a financial contribution are proposed by an applicant outside the Downtown, preferred amenities include City-wide projects and projects identified in an existing City plan. On-site and adjacent amenities are supported only in exceptional circumstances where the amenity is identified in an existing City plan, is a new feature that adds positively to the public realm and is of a public nature with secured public access.

The amenities required in the existing MDA and those proposed by the applicant are described below. An analysis of these amenities and options for crediting these towards an amenity contribution by the applicant are also discussed and conclusions provided.

3.1.1. Amenities Required in the Existing MDA

3.1.1.1 Fitness Centre

The existing MDA requires the provision of a government employee fitness facility on the ground floor of one of the proposed office buildings. Consistent with the existing MDA, the fitness centre must be available for community use six months after an occupancy permit has been issued with operating principles and guidelines developed by the tenant, the applicant and the City's Director of Parks and Recreation (due to its nature as a recreational amenity).

The applicant is proposing to provide a fitness centre on the ground floor of the office building in phase one of the development. The centre will be made available to the public with the details of its operation to be established.

3.1.1.2 Public Library

The existing MDA requires the applicant to provide 700 m² of floor space that is physically acceptable for use by the Greater Victoria Public Library (GVPL) in a mixed-use building fronting on Menzies Street. This space must be offered to the City for GVPL use at market rent. The City has up to six months after the issuance of the Development Permit for the building to accept the offer. If the offer is not accepted within the six months, the City must give the applicant at least two years notice if it wants to occupy space for the GVPL.

The applicant is concerned with the two year notice period for lease of space by the City for the GVPL should it not accept the initial offer to lease space. The applicant has advised that this provision will discourage leasing of space to commercial tenants who wish to install high quality improvements. Such improvements would not be financially feasible unless there is a standard lease period of 10 years with possible renewals for at least one or two additional five-year terms.

The alternative MDA provisions proposed by the applicant would:

- extend the timeline for acceptance by the City of the offer to lease the space for the GVPL from six months to one year from the date of approval of the Development Permit for the first phase of development
- permit flexibility in the amount of space offered with a range from 350 m² to 700 m².
- reduce the lease rate from full market to a percentage of full market (e.g. 75%) for a period of 10 years provided the amount of this subsidy is credited towards the required amenity contribution
- expand the permitted occupancy of the space to include alternative community uses compatible with the retail character of the proposed mixed-use building
- provide an ongoing right of first offer to lease any space of 350 m² or greater that becomes available. Note: This would replace the two-year notice period for an intention to lease the space for the GVPL.
- provide a right for the City's lease to occupy 350 m² to 700 m² of space for GVPL 15 years after the commencement of any other occupant's lease on a rolling basis. This would require advance notice of no less than two years.

The proposed MDA amendments would give the City and the GVPL more time to consider the initial offer to lease space. In addition, the amount of space offered and leased would be tailored to the GVPL functions and needs in this location. Should the extent of the leased space be lessened, the costs to the City and the GVPL could be reduced. A reduced lease rate that is credited to the applicant's amenity contribution would be of no net benefit to the City financially. The replacement of the existing two-year notice period for an intention to lease the space with an ongoing right of first offer and future right to occupy recognize the leasing and fitting out realities of the development but may lessen the chances of the GVPL locating in the development in future should the City not accept the initial offer to lease. A timeframe for a future right to occupy and lease space of 15 years is preferable to 20 years.

3.1.2. Additional Amenities Proposed by the Applicant

3.1.2.1 Central Public Plaza

The existing Master Development Agreement requires that the applicant provide and maintain a series of lanes, walkways and courtyards open to the public as shown in the *Legislative Precinct Design Manual*. In addition to walkways and courtyards, the applicant is proposing to provide and maintain a central public plaza off Superior Street with legally secured public access. The details of its design are still to be finalized but the applicant is envisioning high quality hard and soft landscape areas, water features, natural and structural seating areas, infrastructure provisions for events and performances and other features including public art (see below). Based on the premium construction costs, the applicant is requesting that a portion of the cost difference from a standard level plaza be credited to the required amenity contribution. An initial estimate of this cost difference has been provided by the applicant and is in the order of \$300,000.

The applicant's rationale for consideration of the central plaza as an amenity by the City is fourfold:

- the proposed central plaza is an added feature with no equivalent feature in the current Legislative Precinct urban design concept
- the proposed plaza will be of high quality
- the improvement of the public realm with the creation of new urban plazas is a *Downtown Core Area Plan* objective which qualifies for density bonus funding. This objective should also be considered for this site as it is adjacent to the Downtown
- the proposed central plaza will be public and access legally secured.

3.1.2.2 Public Art

The existing MDA does not require the provision of public art. The applicant is proposing to provide public art in the central public plaza of a minimum value of \$150,000. The proposed public art would follow the City's Public Art Policy with future maintenance of the art work by the applicant.

The applicant's rationale for consideration of public art as an amenity by the City is fourfold:

- the proposed public art is an added feature with no equivalent feature in the current Legislative Precinct urban design concept

- the provision of the public art would generally follow the City's Public Art Policy with a design competition
- the location of the public art in the central public plaza would be in keeping with the improvement of the public realm objective of the *Downtown Core Area Plan*, which qualifies for density bonus funding. This objective should also be considered for this site as it is adjacent to the Downtown
- the proposed public art will have access to it legally secured.

3.1.6. Considerations and Conclusions

The requirement in the MDA that the applicant provide 700 m² of space physically acceptable for the GVPL at market rates is unusual in that its realization would require substantial long-term funding from the City and the GVPL. The reduced leasing rate for 10 years is contingent on accepting the applicant's request that this lease reduction be credited towards the required amenity contribution of \$425,600.00. The applicant has estimated that the net present value of a lease at 75% of market rate would be approximately \$400,000. A reduced lease rate that is credited to the applicant's amenity contribution could be seen as the City undertaking full payment for the space (for the amenity contribution).

Currently, funding of a GVPL branch in James Bay is not in the City's Financial Plan and there are other priorities which could be impacted with its inclusion. The applicant's proposed amendments to increase the time the City and the GVPL have to accept the first offer of a lease, to reduce the possible floor area and to allow for other compatible uses are of benefit to the City and the GVPL. Staff recommend that Council direct that these revisions be made. The other amendments proposed by the applicant can be considered with further review with respect to appropriate wording regarding the City's interests.

With the uncertainty regarding acceptance of the initial offer of space for the GVPL, this may not be the amenity that should be considered for an amenity contribution credit. In addition, treating a reduced leasing rate as an amenity contribution would negate any financial subsidy to the City in leasing the space. However, if a reduced lease rate for 10 years were offered by the applicant without the City crediting the amenity contribution, this would clearly be a subsidy and incentive provided by the applicant for the GVPL in the development in addition to the other proposed amenities.

The rationale provided by the applicant for consideration of the Central Public Plaza as an amenity contribution to the project is generally supportable based on the creation of a larger and enhanced public realm in an important location relative to the Provincial lands and James Bay (provided public access is legally secured) and the cost difference from a standard plaza (to be confirmed by an independent quantity surveyor). This notwithstanding, the proposed central public plaza can be seen to be of equal, if not more, benefit to the applicant and the occupants of the adjacent office buildings; however, the applicant seems to have recognized the private benefit by requesting that a significant, but not a full, portion of the costs be considered an amenity contribution. Assuming an equal share of public and private benefit, allowing 50% of the cost difference between a standard and premium quality plaza as the amenity contribution is one option that can be considered.

The applicant has provided a cost estimate illustrating the difference in costs between a standard plaza and the proposed central public plaza. The amount is estimated at \$313,776. Halving this cost difference reflecting the joint public and private benefit would result in an amenity contribution of \$156,888.

The rationale provided by the applicant for consideration of public art located in the proposed central public plaza is generally supportable based on the provision of public art following the City's Public Art Policy as well as its location in the proposed central public plaza with public access legally secured. The amount estimated by the applicant at \$150,000 would be a significant amenity contribution.

This would leave an amenity contribution of \$118,712 to be credited or paid out by the applicant.

It is proposed that the most direct approach would be to provide this as a cash contribution for the City to hold and then allocate to the provision of the library, the Victoria Housing Fund or other amenities of Council's choosing. If allocated to the Housing Fund, the provision of additional non-profit affordable housing units in the City could be assisted (see below).

Based on the above, Council has a variety of options regarding the allocation of a potential amenity contribution. Additionally, Council may choose to not require an amenity contribution in association with this Application. The following table summarizes the major options available for Council's consideration.

	Community Amenity Contribution Items – Total \$ 425, 600			
	GVPL benefit	Victoria Housing Fund	Central Public Plaza*	Public Art
Major Options				
Contribution not required	X	X	X	X
All GVPL	\$425,600	X	X	X
All Victoria Housing Fund	X	\$425,600	X	X
Combinations of Options				
Housing + Physical Improvements	X	\$118,712	\$156,888	\$150,00
GVPL + Physical Improvements	\$118,712	X	\$156,888	\$150,000

Notes: *a contribution of half the cost difference between standard and proposed treatments of the central public square is assumed.

Given the uncertainty of leasing space for a library and the benefit of a reduced lease rate negated by being credited as amenity contribution, the best choice of options may be a combination of:

- crediting the applicant for the central public plaza and public art, and
- requiring the applicant to pay out the remaining community amenity contribution to the City either for the GVPL (possibly for a lease rate reduction or some fitting out costs) or to the Victoria Housing Fund. Note: The timing of the City's

decision on this could allow for a reasonable time for acceptance of the initial offer of space for the GVPL, e.g. the one-year period proposed by the applicant.

The approach of amenity contributions strategically going to physical improvements that are legally secured, as well as to the GVPL or the Victoria Housing Fund, would result in a major enhanced public space adjacent to Superior Street and the Legislative Precinct. It would also facilitate a GVPL branch should City and GVPL funding for it be provided or, alternately, leverage the provision of additional affordable housing in the City. Whether or not part of the community amenity contribution is directed to the GVPL branch library, the opportunity for a library in this location would be retained and would be facilitated with the further review and analysis of the MDA amendments proposed by the applicant.

The community amenity contribution allocation recommended for Council's consideration is summarized as follows:

Community Amenity Contribution Items	Proposed Amounts
Central Public Plaza enhancement	\$156,888
Public Art	\$150,000
GVPL or Victoria Housing Fund	\$118,712
Total Amenity Contribution	\$425,600

3.2 Affordable and Family Housing

The existing MDA requires that at least 50% of the housing in the Legislative Precinct (including Q-Lot and S-Lot) be suitable for families and that at least 51% of the dwellings be affordable. The covenant does not define the term "suitable for families". Affordable housing, however, is described as "housing provided through government sponsored programs, if available; small market units; or through privately sponsored initiatives such as co-ops".

The original development envisaged a total of approximately 201 dwellings on the Legislative Precinct Lands. The Legislative Precinct Lands are defined to include all the properties covered by the CD-2, Zone, Legislature Comprehensive District, including:



Legislative Precinct Lands

- all of South Block
- “Q” Lot covering the western portion of the block bounded by Menzies Street, Kingston Street and Superior Street
- “S” lot comprised of 507 and 525 Government Street on the east side of Government Street opposite the South Block

To date, the Kew Court townhouses on Michigan Street and Heritage House Abbeyfield Seniors' Housing on Government Street have been constructed. Together, they comprise 50 affordable and 40 family-oriented units. Another 20 units in a seniors “care-a-minium” have been constructed on Superior Street, which do not fit either the affordable or family housing categories. Taking into account what has been constructed to date, the remaining housing provided by the applicant must be comprised of at least 51 affordable units and 61 units suitable for families. The applicant is planning to provide the affordable housing units, as defined in the MDA, as well as the housing units that would be suitable for families.



Kew Court



Camelot “Care-a-minium”



Abbeyfield House

An additional 41 housing units are proposed by the applicant above the number of housing units originally planned. The applicant is requesting an amendment to the MDA to exempt these units from the minimum affordable and family housing percentage requirements in the MDA. These additional units account for most of the density increase requested in the Rezoning Application and the lift in land value resulting in the requirement for an amenity contribution from the applicant.

The applicant is also proposing that the definition of “affordable housing” in the existing MDA be amended to include the affordable housing definition in the *Official Community Plan, 2012*, i.e. housing that costs no more than 30% of a household’s annual income. In addition, the applicant is recommending that “housing suitable for families” be defined as housing units containing two or more bedrooms.

3.2.1 Considerations and Conclusions

The amendments to the MDA proposed by the applicant would result in the provision of a similar number of “affordable” housing units and units “suitable for families” as was envisaged in the original Legislative Precinct Master Development Agreement. In this way, the original agreement would be kept whole. However, no additional affordable or family units would result from approximately 41 additional proposed housing units. Instead, the increased floor area (mostly comprised of housing units) would trigger an amenity contribution of \$425,600.00 based on the increased value of land. If Council wished to support an increase in affordable housing, the full or a part of the amount of this amenity contribution could be directed to the Victoria Housing Fund. This would preclude crediting or paying out this amount of contribution towards

other amenities such as the GVPL, the central public plaza or public art as requested by the applicant.

The applicant's proposed amendments to the definition of affordable housing and housing suitable for families would add further specificity to both types of housing. However, the definition of affordable housing in the MDA would remain broad, i.e. "small market units" requiring more than 30% of a household's income would still qualify as "affordable". In addition, the existing MDA lacks a definition of "small market unit". This uncertainty could be removed by defining "small market unit" in the MDA.

Currently, the minimum permitted size of apartment units is 33 m² in some of the City's standard apartment zones and less in some of the newer zones. The applicant has advised that, based on their market analysis, units approximating the minimum size are not economic in this James Bay location. Consequently, the applicant has suggested that units of up to 52 m² should be considered "small market units" that meet the MDA definition of "affordable".

With the lack of affordable housing provided through government-sponsored programs and change of the Legislative Precinct from government sponsored to a private market project, the provision of non-market, affordable housing in the Legislative Precinct is unlikely to occur. The provisions of the existing MDA are very broad, notwithstanding possible amendments to more clearly define what constitutes affordable housing, housing suitable for families and small market units. When viewed with the changed lens of today, the proposed development will provide a mix of housing types as well as tenures with market rental units proposed in the relocated heritage houses. These units will result in a mix of residents of varying ages, incomes and household characteristics. However, the affordable component will most likely be a relative one based on the size and tenure of units.

The inclusion of the City's OCP definition of "affordable housing" as well as adding a definition of "housing suitable for families" as proposed by the applicant should be made to the MDA. In addition, a definition of "small market unit" should be added to the MDA in consultation with the applicant and staff. Consideration should be given to directing the applicant's amenity contribution to the Victoria Housing Fund in a further review of the amenities and the applicant's request for crediting the required amenity contribution to the provision of these amenities, i.e. the GVPL, the central public plaza and public art.

3.3 Transportation Demand Management Measures

The existing MDA requires the provision of a traffic and parking impact study that sets out the proposals for Transportation Demand Management (TDM). It also requires the provision of bicycle storage and shower facilities for any office development. In addition, the MDA requires that the applicant establish an ongoing operations committee, including representatives of the James Bay community, the province, government employees and BC Transit to monitor the implementation of the TDM.

The Rezoning Application includes a Transportation Impact Assessment prepared by Bunt & Associates (the Executive Summary is attached). The study concludes that the amount of parking proposed for office, retail and residential uses will meet the anticipated demand in part due to the location of the site close to the Downtown, bus routes and major ferry and float plane terminals. Parking demand is also expected to be lessened by Transportation Demand Management (TDM) measures which include the removal of subsidized parking for government employees with parking at market rates and the promotion and encouragement of car sharing, cycling and transit use. The proposed TDM measures include:

- a comprehensive information brochure for residents and employees on transportation alternatives
- electric car charging utilities
- one onsite parking space for a car share provider
- priority parking spaces for ride share vehicles.

There are currently 317 surface parking stalls on the property with 264 spaces reserved for Provincial employees. The applicant's proposed parking standards and current parking standards as set out in Schedule C of the *Zoning Regulation Bylaw* by land use are the following:

Use	Proposed Parking Standard (Stalls)	Proposed Parking Stalls	Current Parking Stall Standard	Current Required Parking Stalls
Office	1 per 110.5 m ²	198	1 per 74 m ²	296
Commercial*	1 per 37.5 m ²	44	1 per 37.5 m ² *	44*
Residential*	1 to 1.5 per unit	162 to 243	1.3 to 1.4 per unit*	211 to 226*
Heritage Houses*	0.62 per unit	8	1.3 per unit*	17*
Total All Uses		453		575

* Note: the existing CD-2 Zone does not require parking for commercial or residential uses. However, the standards cited are the standards for these uses in Schedule C of the *Zoning Regulation Bylaw*.

The applicant is proposing to provide bike storage facilities, including covered and secure bike rooms for use by residents and employees, as well as outside bike racks, in all phases of the development. In addition, the applicant will be providing a separated bike track on Superior Street, which is designated a Shared Greenway and a proposed bikeway in the *Official Community Plan, 2012*.

The traffic component of the Transportation Impact Assessment report forecasts trip generation levels for the project that are 25% below those shown in a standard trip generation model. This is attributed to the location, context and design of the project as well as the timing of existing office peak hour trips. The analysis indicates that street intersections will operate well within their capacity with low delays at build out of the project even using conservative trip generation forecasts. The proposed access driveways to the project from Superior Street and Menzies Street are also shown to operate well, with minimal delays.

The overall trip generation figures for the project at build out are provided below:

Existing Peak PM Hour Vehicle Trips*	Peak Hour PM Vehicle Trips at Project Build Out – model output	Peak Hour PM Vehicle Trips at Project Build Out – modified model output
82	404	299

*Note: The figures are for week days.

The details of the membership and operation of an ongoing operations committee to monitor the implementation of the TDM have not been provided by the applicant. These would need to be provided and the committee established prior to occupancy of the first phase of the project in order to meet the requirements of the existing MDA.

Since the traffic and impact study has been submitted, the requirement that the applicant provide it can be deleted from the existing MDA.

3.3.1 Considerations and Conclusions

The Transportation Impact Assessment submitted by the applicant provides a strong basis of support for the parking numbers and their allocation of office, commercial and residential uses in the proposed development. The amount of parking proposed is further supported by the Transportation Demand Management measures as outlined in the Transportation Impact Assessment report. The report also shows that the forecast traffic generated by the development can be handled within the existing affected streets and intersections as well as the project's access driveways. The wording of the existing MDA will ensure bicycle facilities are provided and that a committee is established to monitor the implementation of TDM measures. However, a number of TDM measures described in the report are not legally secured. Staff recommend that it would be appropriate to secure the on-site car share parking stall as well as the electric charging station and to reference the Transportation Impact Assessment report in the MDA. With the Transportation Impact Assessment report submitted, the requirement in the MDA to submit a traffic and parking impact study has been met and this provision can be deleted.

3.4 Heritage Houses

The existing MDA requires that the applicant provide the extent of restoration of the heritage houses in future development proposal guidelines and submit a plan for restoration and relocation of the houses for approval by the City. The heritage houses must be restored in accordance with the approved conservation plans in the approved locations whether on-site or off-site.

The three Heritage-Registered houses on Superior Street (521, 539 and 545) are proposed to be relocated to the southeast quadrant of the development site to allow the first phase of development to proceed. In addition, two Heritage-Registered houses on Michigan Street (524 and 526) are proposed to be relocated to receiving sites elsewhere in the James Bay neighbourhood.

The applicant has submitted Heritage Conservation Plans and Heritage Alteration Permit Applications for the five Heritage-Registered houses which Council approved 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.

3.4.1 Considerations and Conclusions

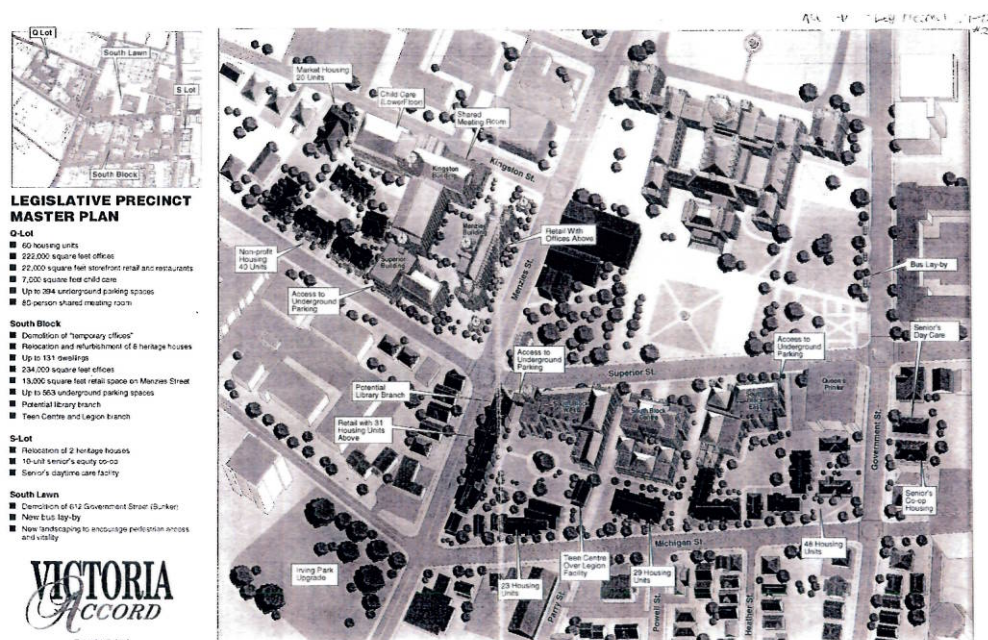
With submission of the Heritage Conservation Plans and approval of the Heritage Alteration Permits with conditions, the MDA requirements have been met. The Heritage provisions in the MDA have been met and can be deleted from it.

3.5. Urban Design Guidelines

The existing MDA requires that development of the site include a series of lanes, walkways and courtyards open to the public and maintained by the owner as shown in the *Legislative Precinct Urban Design Manual* (LPUDM). The covenant also requires subdivision into lots generally outlined in the LPUDM and the submission of an inventory of existing trees showing those to be removed and those to be retained.

The LPUDM is comprised of the *Legislative Precinct Volume 1, Urban Design Manual, 1994*, the *Legislative Precinct Volume 2 Development Area Guidelines, 1994* and the *Legislative Precinct Volume 3 Built Form Guidelines, 1994*. These documents are also cited in the *Official Community Plan, 2012* and form the basis for staff and Council review and approval of Development Permits Applications for siting, form, exterior design and finish of buildings, as well landscaping in Development Permit Area 12 (HC): Legislative Precinct.

The existing LPUDM envisages development, which includes the following features:



- an urban frame for the legislature and a comfortable transition to surrounding residential areas
- a mix of uses including a mix of housing types including market and affordable units
- pedestrian-friendly streets and interior block courtyards and interspersed walkways
- view corridors retained and created towards the Legislature Buildings
- relocation and restoration of heritage houses
- underground parking
- high quality government offices fronting on Superior Street with building heights ranging from four to five storeys
- apartments and townhouses along Michigan Street with building heights ranging from three to four storeys

- mixed commercial/residential development fronting on Menzies Street with building heights up to 3.5 storeys

The existing LPUDM includes overarching goals, urban design objectives and development area guidelines. In addition, it includes built-form guidelines on building, landscaping and paving materials.

The proposed *Capital Park Urban Design Guidelines*, submitted by the applicant, would replace the existing LPUDM. This requires an amendment to the *Official Community Plan, 2012* to reference the updated guidelines in the Legislative Precinct Development Area. Amendments to the existing MDA to replace the references to LPUDM are also required. The proposed *Capital Park Urban Design Guidelines* are largely based on the LPUDM with an updated vision, guiding principles, overall design guidelines and guidelines specific to Development Areas that reflect the current proposal. The updated guidelines are comprehensive but have a simplified and user-friendly structure with layout focused on design with ample use of photos and graphics. The updated guidelines include clear statements on their purpose and how they are to be used and administered. The document includes a section on project implementation (including subdivision and phasing) and appendices that provide site history, relevant planning background and a glossary of terms. The modifications in content from the LPUDM are largely due to differences in the features of proposed development from the original 1994 proposal.



These differences include:

- development of two rather than three office buildings fronting on Superior Street
- provision of a central public plaza on the Superior Street frontage with a retail pavilion
- provision of a small plaza on the southwest corner of the site
- provision of water features and an edible landscape garden
- relocation of three heritage houses to the southwest corner of the site and the relocation two heritage houses to sites in the neighbourhood

- a building height of five storeys for one proposed apartment building fronting Michigan Street.

These modifications notwithstanding, the proposed *Capital Park Urban Design Guidelines* reflect the spirit of the LPUDM and its vision for a high quality mixed-use development on the South Block that complements the Legislature and integrates well with the surrounding James Bay neighbourhood.

The existing LPDUM includes details regarding the provision of trees on the site. The applicant has submitted an Arborist's Report providing an inventory of existing trees, which is required in the MDA. While not all of the existing Horse Chestnut trees on the Michigan Street public right-of-way can be retained due to planning and construction parameters of the development, strategies to retain and preserve the health of the existing Horse Chestnut trees will be required to the maximum practical extent in order to maintain the street's tree-lined character. The existing trees on the Menzies Street and Superior Street public rights-of-way are not in healthy condition and are proposed to be replaced with new, appropriately placed trees. The plan related to the provision of trees is reflected in the proposed *Capital Park Urban Design Guidelines*.

3.5.1 Considerations and Conclusions

If Council wishes to advance this Application to a Public Hearing, the *Official Community Plan, 2012* should be amended to reference the proposed *Capital Park Urban Design Guidelines* in Development Permit Area 12, Legislative Precinct. In addition, the existing MDA should be amended to replace references to the LPUDM with the updated design guidelines document. The updated design guidelines would benefit from a review by the Advisory Design Panel before any consideration of the *Official Community Plan, 2012* amendment by Council.

Since the Arborist's Report has been submitted, the requirement that the applicant provide it can be deleted from the existing MDA.

4.0 **Resource Impacts**

The resource impacts anticipated with this Application are financial with respect to the possible inclusion of a GVPL branch in Council's capital budget and strategic planning deliberations. Staff or consulting resources may also be required should an initial offer to lease space for the GVPL be accepted.

5.0 **Conclusions**

The Rezoning Application, Official Community Plan Amendment and proposed Capital Park Urban Design Guidelines set the stage for a mixed-use development that will provide improved office space for the Provincial government and potentially other employers as well as significant urban benefits in this historic and symbolic area of the City. A major benefit will be the reinforcement of Victoria as the Provincial capital and employment centre. In addition, the development will embody the revitalization and enhancement of the Legislative Precinct envisaged in the Victoria Accord and the Legislative Precinct zoning, plans and design guidelines adopted in 1994.

The proposed development, with a modest increase in floor space, continues the positive scale and design relationship with the Parliament Buildings. The proposed central public square off Superior Street will add to the attractiveness and vitality of the public realm directly across from

the Parliament Buildings. This plaza and the interior block courtyards, pathways and gardens provide additional views towards the Parliament Buildings. These pathways will also provide attractive pedestrian routes through the block which will link with the residential neighbourhood to the south. The three to five storey scale of the proposed residential development on the south, Michigan Street side of the block and the mix of townhouses, apartments and heritage houses will provide a range of housing types and tenures that are in keeping with the scale and the variety of housing nearby. In addition, the applicant is proposing to meet the requirements for a minimum number of affordable units and units suitable for families required under the existing agreement. The proposed mixed-use building with upper-floor residential and ground floor commercial uses on Menzies Street will reinforce and add to the vitality of the James Bay Village Centre.

As with the *Legislative Precinct Plan*, the proposed development includes the relocation and restoration of the remaining heritage houses on the block. The proposal also retains full underground parking for all uses with the implementation of Transportation Demand Measures such as bicycle storage and shower facilities for employees and a committee to monitor these and other measures. The Transportation Impact Assessment submitted by the applicant provides a strong basis of support for the parking numbers and the study also shows that the forecast traffic generated by the development can be handled within the existing affected streets and intersections as well as the project's access driveways.

The proposed development includes a fitness centre to be available for community use and potential space for a GVPL branch which are required amenities in the existing MDA. The central public plaza and a major public art installation to be located in the plaza are two proposed amenities not required in the in the existing MDA. These additional amenities warrant consideration of the applicant's request that at least a portion of their costs be credited towards the required community amenity contribution due to the land lift resulting from the rezoning. The potential GVPL branch as well as the Victoria Housing Fund are other options for allocating the community amenity contribution. The approach of amenity contributions strategically going to physical improvements that are legally secured as well as to the GVPL or the Victoria Housing Fund would result in a major enhancement on Superior Street and the Legislative Precinct. It would also facilitate a GVPL branch should City and GVPL funding for it be provided or, alternately, leverage the provision of additional affordable housing in the City.

The proposed *Capital Park Urban Design Guidelines* update the existing Legislative Precinct Guidelines based on the development proposal and are generally consistent with them. Moreover, the Guidelines reflect the spirit of the LPUDM and its vision for a high quality mixed-use development on the South Block that complements the Legislature and integrates well with the surrounding James Bay neighbourhood.

Based on all of the considerations above, staff recommend that the Committee support the application.

6.0 Recommendations

6.1 Staff Recommendations

That Committee consider the following actions and recommendations to Council:

- 1) That Council instruct staff to prepare the necessary Official Community Plan Amendment Bylaw in accordance with Section 882 of the Local Government Act

and the necessary Zoning Regulation Bylaw Amendments that would authorize the proposed development outlined in Rezoning Application # 00457 for 521-557 Superior Street and 524-584 Michigan Street, that first and second reading of the Zoning Regulation Bylaw Amendments be considered by Council and a Public Hearing date be set once the following conditions are met:

- a) Staff report back on the MDA amendments related to the library and affordable and family housing as well as new provisions that would secure and allocate the amenity contributions as recommended in Section 3.1.6 and Appendix B of this report.
 - b) Amendment of the MDA to not require Council approval of a Development Permit for subdivision where the proposed subdivision is consistent with the development as described in the proposed *Capital Park Urban Design Guidelines*.
 - c) Registration of the amended MDA when finalized.
 - d) Review of the proposed *Capital Park Urban Design Guidelines* by the Advisory Design Panel.
 - e) Compliance with the Ministry of the Environment's Environmental Management Act as it pertains to potentially contaminated sites.
- 2) Following consideration of Rezoning Application #00457, that Council authorize staff to prepare and enter into an Encroachment Agreement to the satisfaction of the City Solicitor and the Director of Engineering and Public Works.

6.2 Alternate Motion

That Council decline Application #00452 and the associated Official Community Plan amendment.

8.0 List of Attachments

- Zoning map
- Aerial map
- Letters from the applicant dated July 22 and September 17, 2014
- Consultation Information provided by the applicant dated September 18, 2014
- Letter from the James Bay Community Association dated September 18, 2014
- Plans dated July 22, 2014
- South Block Land Lift and Amenity Contribution Analysis dated September 16, 2014
- Executive Summary of the Capital Park Transportation Impact Assessment by Bunt & Associates, September 12, 2014.

APPENDIX A: Relevant Sections of the *Official Community Plan, 2012*

Section 6 – Land Management and Development

Victoria accord lands are designated “Core Inner Harbour/Legislative” on map 2. Figure 8 indicates the following permitted uses in this designation:

- Public institutional and assembly
- Commercial, including office, retail and visitor accommodation
- Marine water and air transportation
- Recreation and tourism related uses
- Multi-unit residential and mixed-use
- Home occupations.

Section 14 – Economy

Policy 14.15: Increase the supply of office space in the Inner Harbour/Legislative and Core Business areas through medium and high-density commercial mixed use development, respectively.

Policy 14.18: Consider the place-based conditions for economic sectors generally as described in Figure 17 in support of Victoria's economic structure, as identified on Map 14. [For the Core Inner Harbour/Legislative designation, figure 17 identifies the following economic sectors: Transportation and warehousing; public administration; finance, insurance, real estate; advanced technology; healthcare services; tourism and visitor services; arts, culture and entertainment; residential goods and services (retail, commercial and community services)].

Policy 14.26: Continue to encourage the concentration of specialty retail in the Core Historic and Core Inner Harbour/Legislative areas through pedestrian-oriented uses at street level in defined locations, short-term parking, and in enhanced public transit, particularly rapid transit along Douglas Street.

Policy 14.27: Work with the Province to maintain the city's status as the headquarters of the Provincial Government, through:

- 14.27.1: Meeting its needs for institutional and office space in the Urban Core; and,
- 14.27.2: Working toward a long-term development strategy for under-used lands in the Legislative Precinct.

Policy 14.28: Support employment growth in government services, professional services and the finance, real estate and insurance sector through the strategic location of commercial mixed-use development in close proximity to the Legislature and throughout the Core Business area.

Policy 14.42: Foster the development of cultural hubs, with clusters of cultural industries and related activity in the arts, culture, and entertainment sector, by:

- 14.42.1: Retaining and enhancing the supply of work/live for cultural producers in the Core Historic and Core Inner Harbour/Legislative areas.

Section 21 – Neighbourhood Directions

- Policy 21.16.2: Focus commercial development in the Legislative Precinct and James Bay Village
- Policy 21.16.7: Realize development opportunities near the Parliament Buildings in a way compatible with neighbourhood character.
- Policy 21.16.9: Enable the expansion of cultural assets in the Inner Harbour/Legislative district.

Section 21 – Neighbourhood Directions

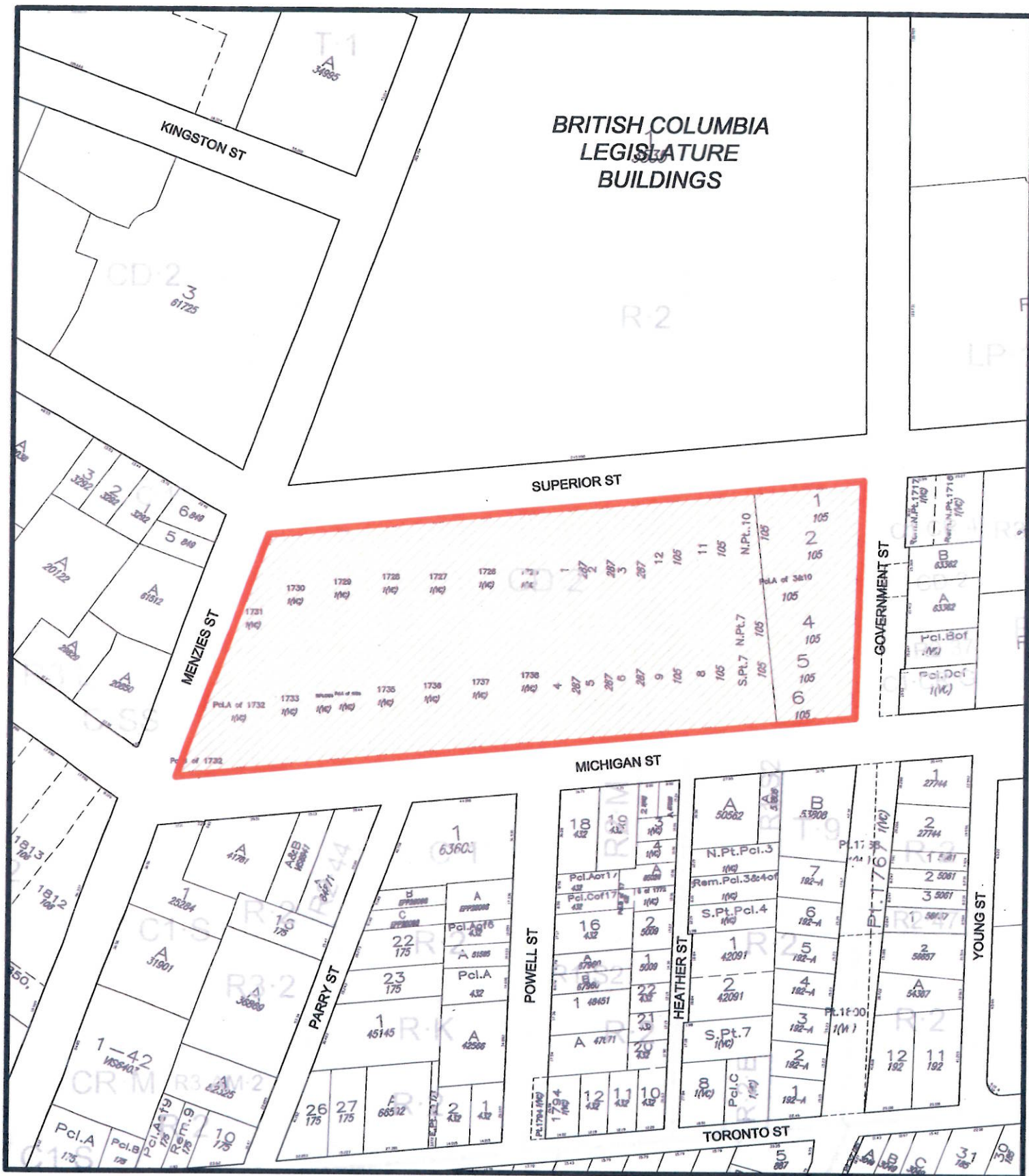
- Policy 21.16.2: Focus commercial development in the Legislative Precinct and James Bay Village
- Policy 21.16.7: Realize development opportunities near the Parliament Buildings in a way compatible with neighbourhood character.
- Policy 21.16.9: Enable the expansion of cultural assets in the Inner Harbour/Legislative district.

APPENDIX B: Summary of Proposed Amendments to the South Block Master Development Agreement

Section Number	Topic	Current Provisions	Proposed Changes in Provisions	Comments/Rationale
1.0	Interpretation	Legislative Precinct Urban Design Manual (LPUMD) referenced Development Area definition	Replace references to LPUMD with <i>Capital Park Urban Design Guidelines</i> . Amend to match new DPAs	Update
2.0	Purpose and Intent	Terms and conditions of development established.	No changes	N/A
3.0	Streets	Requirement to provide off-site works and services; internal lanes, walkways and courtyards open to the public; comprehensive engineering drawings and a SRW on Superior Street.	Replace LPUDM references with <i>Capital Park Urban Design Guidelines</i> .	Update
4.0	Subdivision	Requirements for development permit; subdivision as outlined in LPUDM (with no subdivision straddling DPA boundaries) and submission of a tree inventory showing trees to be removed and retained.	Replace LPUDM References with <i>Capital Park Urban Design Guidelines</i> . Amend to not require a DP if subdivision is consistent with <i>Capital Park Urban Design Guidelines</i> . Delete Tree Inventory Requirement provisions 4.4 and 4.5	A Tree Inventory acceptable to the Parks Department was submitted with Rezoning Application.
5.0	Permitted Uses and Floor Space Allocation	Requirement to: develop in accordance with CD-2 Zone regulations; develop a tracking system to monitor assignment of floor areas; not to exceed specified floor areas in two DPAs; not to build in a "no build area"	Delete provision 5.4 on specified floor areas for two DPAs.	Maximum floor areas in all DPAs to be specified in Zoning Bylaw amendments.
6.0	Housing	Requirements for: a) housing with a mix of households, income levels and tenures; b) 50% of housing units to be suitable for families 51% to be affordable as defined;	No change b) require a minimum of 61 units suitable for families and 51 affordable units. Add the City's OCP	N/A b) maintains commitment to provide similar number of family and affordable units as the previous Leg

Section Number	Topic	Current Provisions	Proposed Changes in Provisions	Comments/Rationale
			definition of affordable housing to the definition in the MDA and add a definition of housing suitable for families. Add a definition of "small market unit"	Precinct MDA. However, no increase would be required based on the proposed larger number of units. Added definitions of "affordable housing", "housing suitable for families" and "small market unit" adds clarity to these requirements. The option of a payout of an amount of a community amenity contribution will be detailed.
		c) temporary parking, if provided, to be accompanied by a Traffic Impact Study with Design Panel review of parking proposal; and d) require submission of phasing plan for all office and residential development with DP for first office building	c) Delete provision 6.3 and 6.4 d) No change	c) Temporary surface parking is not proposed to be installed in association with the first development of the lands N/A
7.0	Transportation Demand Management Plan	Requirements to provide: bicycle storage and shower facilities in any office development; a traffic and parking impact study and, in cooperation with the Province and the City, establish a monitoring committee.	Delete provision 7.2 and reference Transportation Demand Study submitted as part of the Rezoning Application.	A parking and traffic impact study acceptable to the Engineering Department was submitted with Rezoning Application.
8.0	Amenities	Requirements for: a) the provision of 700 m ² of space suitable for GVPL use at market rent subject to acceptance of the space by the City within 6 months of the issuance of a DP or upon giving two years notice.	a) Amendments to: extend timeline of initial offer acceptance, add flexibility to amount of space offered and allow other community uses; to replace two-year notice period with an ongoing right of first offer; and to provide an ongoing right to occupy space with a 15 year time-frame.	The provision of space for GVPL will require on-going funding from the City and the Library. Such funding would be part of Council's strategic planning and budget discussions. The option of a payout to the City of an amount of a community amenity contribution will be detailed further with its allocation to be determined by Council.

Section Number	Topic	Current Provisions	Proposed Changes in Provisions	Comments/Rationale
		b) the provision of a fitness facility to be available for community use six months after occupancy of an office building with operating principles and guidelines determined by the office building tenant and the City's Parks Department in consultation with community representatives.	b) No change c) Add provisions for a central public plaza off Superior Street. d) Add provisions for public art	N/A Crediting an amount of the community amenity contribution will be detailed. Crediting an amount of the community amenity contribution will be detailed.
9.0	Heritage Buildings	Requirements for the relocation and restoration of heritage houses	Delete provisions 9.1 and 9.2	Plans for heritage house restoration and relocation were approved by Council on Sept. 11, 2014.
10.0	Public Body	The agreement does not affect the powers of the City regarding its bylaws and regulations in relation to the land nor the requirements or obligations to be met by the owner under these bylaws and regulations.	No changes	
11.0	General Provisions	The agreement is to be registered expeditiously and runs with the land.	No changes	



521-557 Superior Street and
524-584 Michigan Street
Rezoning #00457
Bylaw #





Jawl Development Corporation

CONCERT™
REAL ESTATE CORPORATION

July 22, 2014

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

Attention: Mayor and Council

Re: Application for Rezoning to a New Comprehensive Development Zone, the modification of an existing Section 219 covenant and an OCP Amendment in respect to Lands commonly known as South Block.

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 an application for rezoning, the modification of an existing Section 219 covenant and an OCP Amendment relating to 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.

The Applicant acquired the Site from the Province in March, 2014 following an extensive public offering process. As part of the acquisition, the Applicant agreed to provide the Province with upwards of 16,723 m² (180,000 square feet) of high quality office space for a twenty year lease term in two newly constructed office buildings on the Site. Through the land sale and its commitment to a long term lease back of premises, the Province confirmed its intention to see the Site developed to a higher and better use and reaffirmed its long term commitment to retaining government offices in the City of Victoria.



Subject Site

Guiding Principles

Since November of 2013, the Applicant and its design team, led by Endall Elliot Associates in collaboration with CEI Architecture, have been engaged in the formulation of a development proposal for the Site (the "Development Proposal" or the "Project"). This work has endeavoured to devise a high quality mixed use concept involving market leading office space, dynamic and vital retail amenities, a range of housing options and a comprehensive network of well-appointed public areas. Guiding the team throughout this undertaking have been a number of core principles:

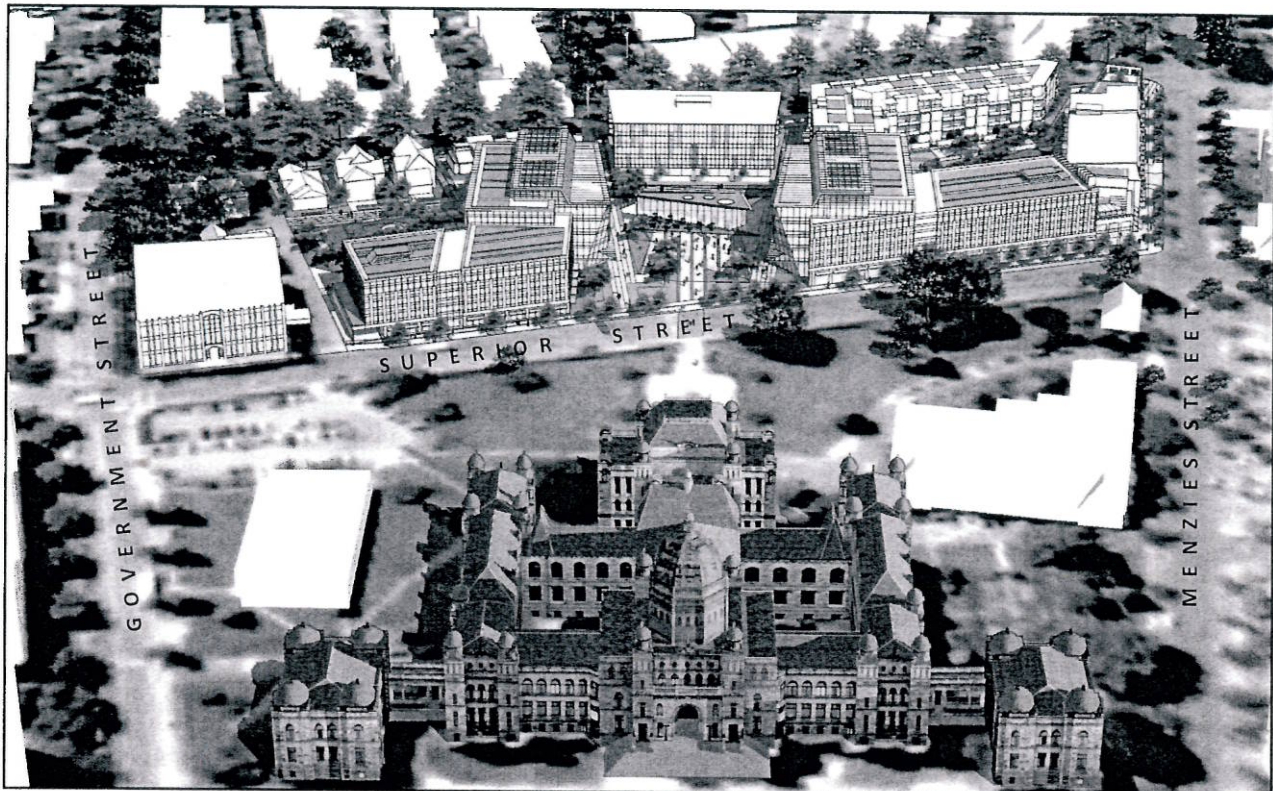
- The Project should be heavily informed by the urban design parameters of the Victoria Accord and the land use directions of the existing CD-2 zone.
- The Project should respond in a sensitive and complementary way to the Site's unique context proximate to the Legislature and the James Bay neighbourhood.
- 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.
- 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.
- The Project's office space should be designed to market leading quality standards and meet the Province's long term needs.
- 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 liveable setting.
- 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.

Following numerous design iterations, dialogue with representatives from the City of Victoria and consultation with key stakeholders, we believe the Development Proposal that forms the basis of this application meets these objectives.

Project Overview

The proposed multi-phased mixed use development incorporates approximately 37,915 m² (408,115 square feet) of total floor area comprised of the following primary components:

- Approximately 21,846 m² (235,154 square feet) of office space in two 4 - 5 storey buildings, to be developed in two phases on the northern portions of the Site. The Province has already agreed to lease over 16,720 m² of this office space for a 20 year term. The buildings will be designed to achieve a minimum standard of LEED Gold certification from the CGBC.
- Approximately 14,427 m² (155,289 square feet) of residential uses in four separate buildings on the west and southern portions of the Site, to be developed in two or more phases. The residential buildings will vary in height from three to five stories and will provide a range of unit types, sizes and tenures to respond to diverse market needs and demands.
- Three existing Heritage Houses currently fronting onto Superior Street will be relocated and restored as a group, suitable for rental residential use, at the southeast corner of the Site facing Michigan Street. The floor area for these houses is included in the residential area noted above. Two other existing Heritage houses located on Michigan Street will be relocated and rehabilitated off-site in alternative locations within the James Bay neighbourhood.
- Approximately 1,642 m² (17,672 square feet) of street level retail uses, predominantly located along the Menzies Street frontage on the west side of the Site. Approximately 209 m² (2,246 square feet) of the retail space will be located in a plaza pavilion between the two office buildings that is intended to accommodate a food and beverage tenancy.
- An extensive and integrated network of streetscapes, plazas, landscaped courtyards and pedestrian pathways providing a full range of well-appointed public spaces which will contribute to a unique sense of place for the Project.
- All vehicular parking will be provided on the Site in a below grade parking structure that will accommodate a total of approximately 412-494 spaces. The Project will also include extensive bicycle storage and support facilities as well as accommodate off-street loading facilities.



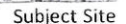
Development Proposal

The proposed form of development for the Project has evolved in direct response to the rich and varied aspects of the Site's unique urban context. In addition to the core principles listed above, the development of the overall site plan has been informed by the following urban design considerations:

1. The introduction of street fronting buildings, reinforcing and animating the major street frontages and relating to the varying characteristics of the Legislative and commercial precinct to the north, the mixed use / street retail oriented Menzies Street corridor, and the quieter, tree lined residential neighbourhood along Michigan Street.
2. As prescribed in the Victoria Accord, the office building frontage along the central portion of the Superior Street frontage is aligned to establish a formal, axial relationship with the Legislature to the north.
3. The preservation and enhancement of views and pedestrian access through the Site to the Legislature northwards from Menzies, Parry and Powell Street are of particular importance. A thorough study of street level view sequences from these and other vantage points has resulted in the provision of clear, inviting public pedestrian pathways and sight lines through the Site, strengthening north / south connections between James Bay, the Legislature grounds and the Downtown Core.
4. Recognizing the programmatic requirement to achieve adequately sized office buildings with large floor plates suitable for phased construction, a significant public plaza directly on axis to the Legislature has been introduced in lieu of a third, small and separate office building as originally envisioned in the Victoria Accord. Framed by the two office buildings to the west and east, this plaza promises to become an active and vibrant public space for the City and the surrounding neighbourhood.
5. To reinforce the definition of the space and contribute animation, a small food and beverage oriented retail pavilion has been introduced on the south edge of the plaza. Integrated with contoured landscaping on its south edge, the pavilion will also assist in facilitating a sense of privacy between the commercial and residential zones of the project.
6. To further reinforce and define the south edge of the public plaza, the Michigan Street fronting residential building situated between the north-south walkways aligned with Parry and Powell Streets was also aligned perpendicular to the central axis of the Legislature.
7. The existing Superior Street heritage houses are to be relocated and restored at the southeast corner of the Site, adjacent to the two existing Provincially owned heritage houses on Government Street to the east. Together with a small row of 3 storey townhouses to the west, these heritage houses form a residential grouping compatible in scale and character with the residential neighbourhood on the opposite side of Michigan Street.

- Although we remain at the early stages of detailed design, the Development Proposal is intended to demonstrate a commitment to a high quality of contemporary design and construction, strongly influenced by considerations of sustainability, that achieves a complementary contextual fit with the surrounding neighbourhood. A more detailed description of each of the major building components and the public realm / landscape network is provided in the Project Description section of this letter.

The City of Victoria's 2012 Official Community Plan (the "OCP") classifies the Site as spanning two urban place designations. The Menzies Street frontage falls within the "Large Urban Village" designation which promotes mixed-use commercial and multi-unit residential as primary uses. The balance of the Site falls within the "Core Inner Harbour / Legislative" designation, which promotes institutional, office, retail and multi-unit residential as primary uses. In both cases, the Development Proposal is well aligned with the land uses identified in each urban place designation. Further, the proposed building typologies and public space characteristics are consistent with the place character features and built form directions identified in the OCP. Indeed the Project presents a notable opportunity to materially advance the objectives of the OCP within the James Bay neighbourhood.



CD-2 Legislature Comprehensive District Zone

The Victoria Accord Design Guidelines

- Volume One – Part One: Urban Design Manual
- Volume One – Part Two: Development Area Guidelines
- Volume Two – Built Form Guidelines

- Current best practices for sustainable building and site design.
- A subdivided parcel from the balance of the Legislative Precinct with amended development area boundaries.

- Provincial requirements for office floor plates of certain dimensions to meet specific functional parameters and the need to consolidate into two office buildings instead of three.
- A modified and expanded approach to enhancing site permeability and publically accessible open space.
- A cohesive architectural expression that is optimized to its context and meets the functional parameters of future occupants, residents and the public.

Supplementing this application are proposed updated design guidelines for the Site. These design guidelines follow the same format as the existing guidelines and reflect edits and updates to the original text to account for the items noted above. The OCP amendment proposed under this application reflects the necessity to amend and update the existing design guidelines.

The Master Development Agreement

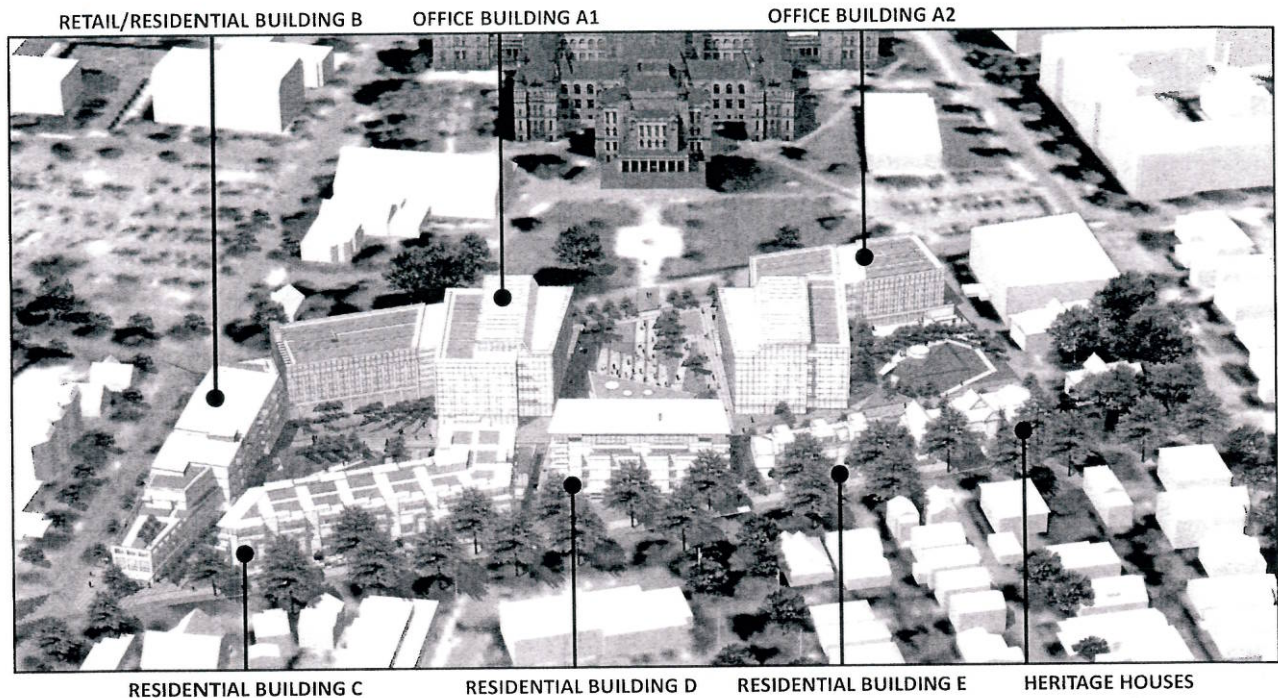
In connection with the sale of the Site to the Applicant, the provisions of the Victoria Accord applicable to the Site were secured going forward by way of a Section 219 covenant. The covenant spells out the basis on which the development of the Site shall be permitted to proceed. To conform to the terms of this application and to reflect current stakeholder and proponent aspirations, it is anticipated that a number of modifications to the MDA shall be required. That said, we are committed to respecting all core attributes of the MDA and anticipate that any proposed amendments will result in equal or improved outcomes for the City and community stakeholders.

Development Density

The Development Proposal includes a total gross area of 37,915 m² (408,115 square feet) comprised of 21,846 m² (235,154 square feet) of office space, 14,427 m² (155,289 square feet) of residential space and 1,642 m² (17,672 square feet) of street level retail space. The New Comprehensive Development Zone being requested for the Site has an allowable aggregate density level of 1.65:1 as further described in the following table:

	FLOOR AREAS ACCORD PROVISION	DENSITY	FLOOR AREAS PROPOSED	DENSITY
OFFICE:	21,743 M ² 234,044 FT ²		21,846 M ² 235,154 FT ²	
RESIDENTIAL:	11,305 M ² 121,688 FT ²		14,427 M ² 155,289 FT ²	
COMMERCIAL:	1,400 M ² 15,069 FT ²		1,642 M ² 17,672 FT ²	
TOTALS:	34,449 M ² 370,802 FT ²		37,915 M ² 408,115 FT ²	
SITE AREA:	23,044 M ² 248,044 FT ²	1.49:1	23,044 M ² 248,044 FT ²	1.65:1

As the table above notes, the density framework implied by the Development Proposal reflects an increase in the permissible density for the Site currently contained in the existing CD-2 zone (34,449 m² / 1.49:1). Notwithstanding the requested increase, we believe that the Development Proposal improves upon the development concept outlined in the Victoria Accord while respecting its core principles. Indeed extensive examination of the Project's impact on view corridors, shadowing, the public realm, traffic and other affected areas gives us confidence that the massing strategy and the implied density for the Project is appropriate and equals or in some cases improves upon the quality, character and contextual fit of the Victoria Accord concept. Further, as summarized in the table above, the majority of the requested increase in permissible density relates to the residential components of the Project thus moving closer to a more equitable balance between residential and commercial uses and more thoroughly embracing mixed-use objectives. Finally, as noted elsewhere in this letter, the Development Proposal features numerous incremental public amenities versus the Victoria Accord concept, which in part, are facilitated by the density framework outlined above.



Project Description

The design of the proposed form of development has been informed by and is highly conformant with the 1994 Victoria Accord Urban Design Manual and Built Form Guidelines. Although prepared over 20 years ago, in our opinion the urban design principles established in the Victoria Accord are still very relevant and useful in guiding the formulation of a project that recognizes and responds to the unique attributes of the Site and the surrounding neighbourhood.

The Development Proposal has evolved in response to the core principles and key urban design considerations outlined in the preceding sections of this letter, rather than simply seeking to conform solely to the prescribed density, floor area, heights and massing strategies permitted in the existing land use directions. Indeed the Project strives to build and improve upon the form of development described in the Victoria Accord documentation.

Office Buildings A1 and A2

These two commercial office buildings are located on the north portion of the Site along Superior Street, reinforcing the Superior Street frontage and establishing a formal massing relationship with the Legislature buildings and grounds. To address the Provincial tenant's programmatic requirements, the buildings are to be developed in two phases with a central public plaza located between the two buildings, on axis with the Legislature. Both office buildings are in general conformance with the maximum densities and 4 - 5 storey building heights identified in the Victoria Accord.

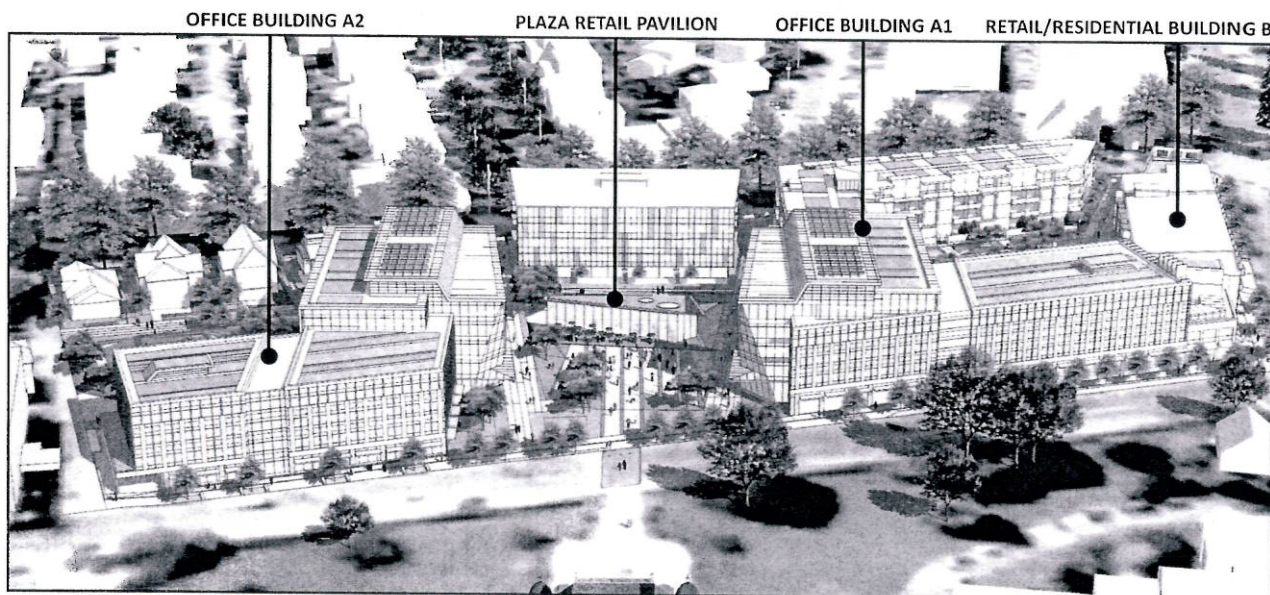
Each office building has a 2 storey entrance lobby oriented to Superior Street and the Legislature and flanking the east and west sides of the plaza. As viewed from the south lawn of the legislature, the office building entries are designed to create a dramatic invitational gesture to the public plaza and the pedestrian walkways leading southwards through the Site to Parry, Powell and Menzies Street. To further reinforce the formal axial relationship to the Legislature, the office building penthouse levels are aligned with the 'shoulder' wings of the Legislative Building.

Subtle, contemporary architectural references to the materiality, as well as the horizontal and vertical proportioning of the historic Legislature and Queens Printer buildings will inform the architectural expression of the office buildings. Vertical interruptions in the continuous four storey streetwall along Superior Street will relieve the long expanse and modulate the scale of the buildings' frontage. A rhythm of continuous, transparent retail oriented frontage complete with weather protection canopies will be provided at street level. The main floor level of each building will be aligned as closely as possible with the adjacent slope of the street to allow for multiple potential entry points to service commercial / retail spaces. The architectural expression of the plaza and courtyard facing portions of the buildings is intended to shift slightly as the design of these facades takes into account potential shading strategies to mitigate

solar heat gain. Other sustainable design considerations, including natural daylighting to building interiors, stormwater management, green roofs, solar collectors, and integration with landscape strategies will also inform the design and expression of buildings A1 and A2.

Plaza Retail Pavilion

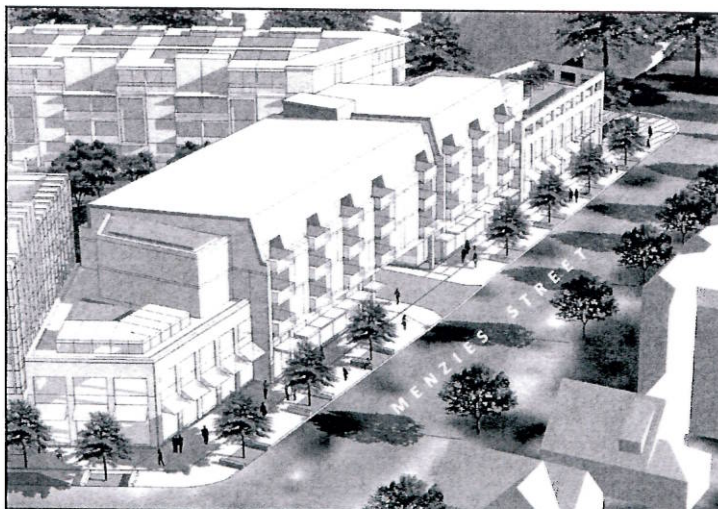
Retail oriented uses are envisioned at the ground level where each office building fronts onto the plaza. To further animate and define the south edge of the plaza, a transparent retail pavilion intended for restaurant tenants and complete with outdoor seating is proposed. The pavilion form is strongly integrated with the central landscaped courtyard behind to provide a transition zone and deal with privacy / overlook issues between the commercial and residential zones of the Site.



Building B

Continuous street level retail uses with 3 storeys of residential above are proposed on the Menzies Street frontage. The building is consistent in scale and character with existing development to the south and to future development anticipated to the west. With subtle references to traditional 2 -3 storey scale commercial retail buildings similar to those found at the 'five corners' intersection of Menzies and Toronto Streets, this building is intended to have the grain and texture of a traditional "village" retail streetscape. The massing of the building will 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.

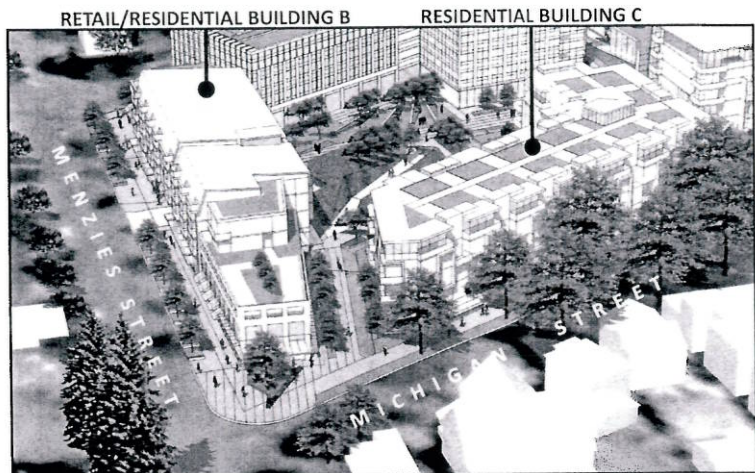
The street level spaces will be flexible and able to accommodate a range of retail tenants of varying sizes with large transparent individual shop front windows and entries, continuous weather protection canopies and integrated signage and lighting. Located at the northwest corner at the termination of the Superior Street end view from the west is a prominent 2 storey retail space capable of accommodating a potential library tenant. At the southwest corner of Menzies and Michigan Streets, double height retail space with room for a potential mezzanine and expressed on the exterior as a corner "flat iron" building, has been provided. This space would be ideal for a larger food and beverage tenant associated with outdoor



seating on a sunny corner plaza. One of two primary vehicular access points to the below grade parking is positioned midway along the block. This frontage will also incorporate pedestrian and bicycle access to the interior landscaped courtyards and walkways. A landscaped amenity roof terrace for residents is proposed at level 3 at the south end of the building. The 4th level of the building is set back slightly on both the street and courtyard sides of the building, and with a change in exterior finish material will contribute to maintaining a lower scale perception of the building.

Building C

Lower scale residential uses are located along the Michigan Street frontage, relating to the scale of James Bay residential areas to the south. All residential buildings fronting onto Michigan Street will have a consistent 2 - 3 storey townhouse expression in keeping with the rhythm and scale of this quiet, tree lined residential street. The 4 storey building C is the largest of the Michigan Street residential buildings and is compatible in scale with the 2 - 3 storey commercial and residential uses directly across the street. Together with the 'flat iron' retail building and plaza at the south end of building B, building C helps to frame the view from Menzies Street to the dome of the Legislature and creates a strong invitational gesture to the west courtyard space. The main entry lobby and residential amenity space are located along the Parry Street walkway through the Site, providing animation and overlook for the public walkway areas. The fourth level is set back from the lower face of the building to diminish the perceived scale of the building and to allow for generous, outdoor terraces.



Building D

This 5 storey residential building, located between the north / south pedestrian walkways on the Parry and Powell Street alignments, is situated perpendicular to the Legislature central axis and scaled to be consistent with office buildings A1 and A2 to better define the south edge of the central public plaza. The plan form of the building is therefore skewed in relation to the Michigan Street frontage, creating a strong invitational gesture to the public pedestrian walkways through the Site and a triangular landscaped forecourt and pocket park between the Parry and Powell Street ends. The southwest and southeast corners of Building D will work together with the entry corner of Building C and the west corner of the Building E townhouses to bookend the Parry and Powell street walkway entries, adding to the sense of invitation to and through the Site. As for all residential buildings fronting onto Michigan Street, a 2 - 3 storey townhouse expression is consistent with the continuous, lower scale residential streetscape.

The north façade of Building D performs a critical role as a backdrop to the central public plaza, and will be highly visible from the Legislative grounds. Much attention will be afforded to the design and detail of this façade, and it is intended that it relate closely to the expression of the office building facades framing the plaza, rather than assuming the appearance of a typical residential apartment building. At this preliminary stage of the design process, the design team is exploring strategies to maintain a clean, controlled order to this façade without compromising outdoor living spaces and the splendid views to the Legislature from the building.

Building E

This row of 2 ½ storey townhouses is clustered together with the relocated and restored heritage houses at the southeast corner of the Site. The townhouses are scaled to be consistent with the height and proportion of the adjacent heritage houses, and they relate well to the lower scale, predominantly single family residential neighbours across Michigan Street. They have individual street facing entries with front yards overlooking the street, and rear yards with integrated landscaping to provide privacy and separation from the public walkway and office zones on the north side. Though distinctly contemporary in character, the townhouses will also be designed to relate to neighbouring residential buildings in material, colour and detail.

Heritage Houses

As mentioned above and as described in more detail in the Heritage Considerations section of this letter, three existing Superior Street heritage houses will be relocated and restored on-site. As with the building E townhouses, the southeast corner of the site was considered the preferred location for the heritage houses given the lower scale residential character of the east portion of Michigan Street. More importantly, together with the two Provincially owned Government Street heritage houses and grounds immediately adjacent, an authentic cluster of houses reminiscent of the traditional single family character of the neighbourhood is preserved.



Project Phasing and Future Subdivision

Given the scope of the undertaking and to accommodate interim use requirements for some of the existing Provincial office tenancies on the Site, it is intended that construction of the overall project will be completed in two or more phases. Phase 1 entails the removal of the existing 2 storey office block at 525 Superior Street and the relocation of three heritage houses to make way for the construction of the A1 office building and building B (the Menzies fronting retail / residential building). Phase 1 construction is targeted to commence in the summer of 2015 and be completed in approximately 18 – 24 months. Phase 2 construction includes the demolition of the existing 541 / 553 Superior Street office block to allow for the construction of the A2 office building on the eastern portion of the Site. Phase 3 construction requires the demolition of the existing 544/548 Michigan office block to enable the construction of residential buildings C, D and E. Phase 3 construction may commence concurrently or partially overlap with the construction of Phase 2 depending upon construction logistics and prevailing market conditions.

In addition to accommodating the phased construction requirements, the project has been designed to allow for the future potential subdivision of the Site into as many as six separate legal parcels. Office buildings A1 and A2, together with the plaza retail pavilion form one parcel, and building B another. Buildings C, D and E would form a third parcel, and the 3 restored heritage houses would each be subdivided into separate parcels. A Project Phasing and Subdivision Plan has been submitted as part of this application.

Architectural Expression / Materials

For the purposes of this application, the design team has primarily focused on broader urban design, site planning, building form and massing issues. Detailed design of individual buildings has yet to be completed and will be done in conjunction with the preparation of the development permit applications for each discrete building. Nonetheless, at this early stage of the design process, conceptual directions regarding architectural expression and detailed design of the project have begun to emerge. The proposed form and massing of the development has been derived to respect and be complimentary to the Site's unique historical context, and the architectural design and detailing of the project should achieve an exemplary level of contemporary design consistent with that objective.

To that end, the architectural expression of buildings will be informed by subtle, rather than literal references to neighbouring traditional and / or historical architecture. More importantly, the detailed design of buildings will develop in response to considerations of sustainability, durable materials and construction, and current market leading quality standards. We believe that these parameters and objectives are reflected and confirmed in the proposed design guidelines for the Project which form part of this application.

The Public Realm

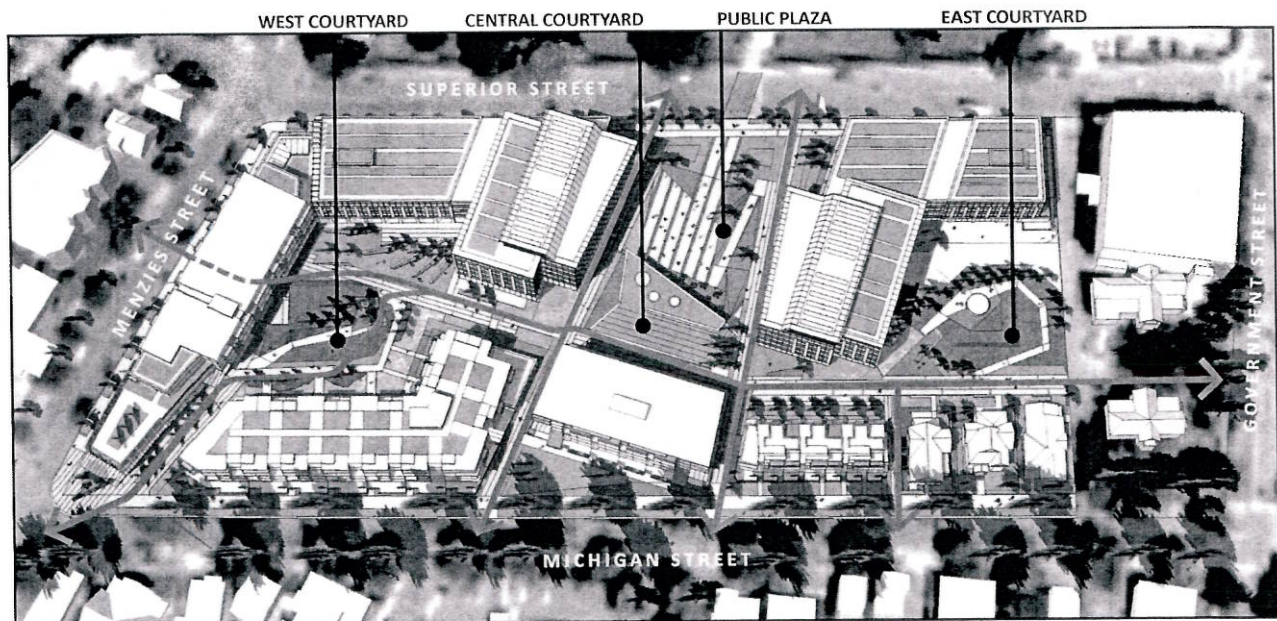
The relationship between the Site and the surrounding context of the Legislative Precinct and the James Bay neighborhood is paramount in informing the character and form of the public realm. The Project seeks to convey a narrative focused on the immediate and regional identity of place, while seeking to create a seamless integration of architecture and landscape as expressed in a 'folded landscape' aesthetic.

Contextually, the public realm seeks to merge the formal character of the Legislative Precinct with a finer grain, informal character expressive of the James Bay community. The open space becomes the transition between these two distinct adjacencies, whereby the pedestrian scale of the surrounding neighbourhood is reflected in the design of the public realm along Menzies Street and Michigan Street, and a more symmetrical and axial expression for the Project's central plaza forecourt and streetscape fronting Superior Street relates to the Legislature and its south lawn.

The folded aesthetic of the internal courtyard landscape merges with the folded façade forms of the inward-facing building adjacencies to achieve a design expression within the interior of the block that serves as a 'foil' to the more formal massing relationship of the office buildings with the Legislature. Thus, the interior expression of the Project creates a contrasting form expression with the outward facing frontages.

The public realm landscape plays a critical role in telling a narrative for the site that speaks to the natural, cultural and historical context of the Site and its surroundings. The landscape expression is an angular abstraction of the Garry Oak meadow ecology that is distinctive to Victoria and the Capital Region. Rolling hills and rock outcroppings with Garry Oak trees are expressed in the form of angular berms and timber outcrops that become sculptural seating forms, play walls, protruding decks and furnishings. A shallow meandering stream follows the course of the east west greenway, depicting the ephemeral watercourses that once flowed across the sand flats of James Bay. The Garry Oak meadow is further expressed on the green roofs of the surrounding office and residential buildings, creating a functional urban ecology and a means of "rewilding" the urban landscape.

Streets



The transitions between the Project and the surrounding community is fundamentally expressed within the streetscape environment. Each of the street frontages is unique in its design response, with careful consideration given to complimenting the facing side of the street, retaining existing street trees, considering sustainable stormwater management practice, and creating a pedestrian environment that responds to the uses, texture and scale of building adjacencies.

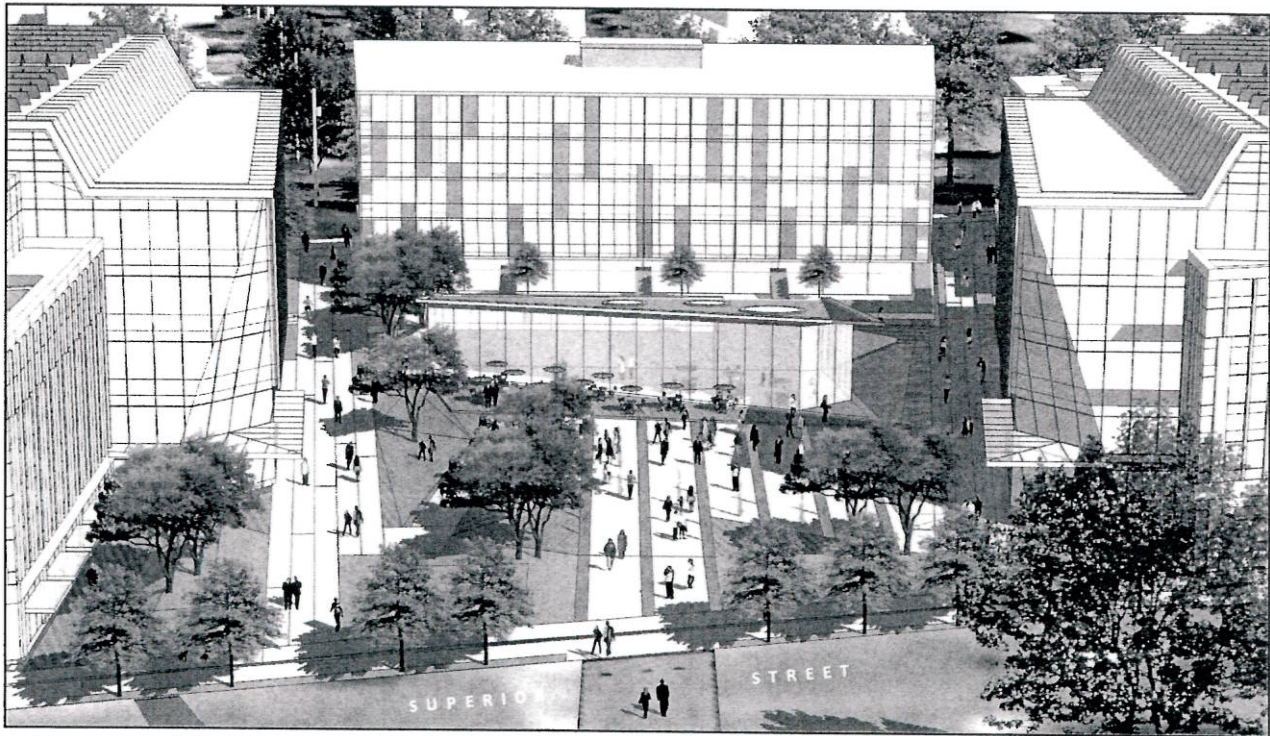
The design expression for Superior Street is predicated upon reinforcing the formal relationship between the Project and the south portion of the Legislature grounds. The layering of modal uses includes a widened sidewalk and interactive zone that accommodates potential retail along the office building frontages, a boulevard zone designed to accommodate rain gardens, street trees and seating alcoves, and reconfiguration of the street to allow for dedicated bike lanes. A bus pullout and passenger loading zone, street parking, and maneuvering lanes for vehicular traffic access to the Site will all be considered in the detailed design of the streetscape.

A mid-block crossing is proposed as part of an extension of the plaza ground plane across Superior street to connect with the axial walkway of the Legislature lawn. A change in paving material combined with a potentially level pedestrian crossing will provide additional cues to both cyclists and motorists that this is a pedestrian priority zone. Where crossings are flush with sidewalks, entry points will be defined with shrub planting and bollards to limit pedestrian access to designated crossing zones. Special paving within the plaza extension into the street will use vehicular rated unit paving conforming to City of Victoria Engineering requirements.

Menzies Street is designed to accommodate a vibrant retail environment with anticipated retail uses that will enhance what is seen as the neighbourhood high street. The scale is more intimate and finer grained with shallow interactive zones to accommodate outdoor retail displays and café seating. A segmental planted boulevard interspersed with seating enables additional opportunities for pedestrian activity. Paving sections between boulevard planting provides access points for parallel parking and loading.

Michigan Street is a quiet, tree-lined residential street fronted with private 'front yards' and terraces that correspond with the scale and grain of the residential homes on the facing side of the street. Mature Horse Chestnut trees line both sides of the street to create a beautifully enclosed street corridor with a leafy shade canopy. Provisions will be made to maintain the generously sized lawn boulevards which have enabled these mature trees to thrive and reach their full genetic potential. An adequately sized sidewalk provides access to the ground oriented residential units. While no formal demarcation for cyclists is anticipated, it is seen that the narrow street with parking on either side will continue to facilitate reduced traffic speeds and create a safe mixed modal travel street appropriate for cyclists.

Plazas

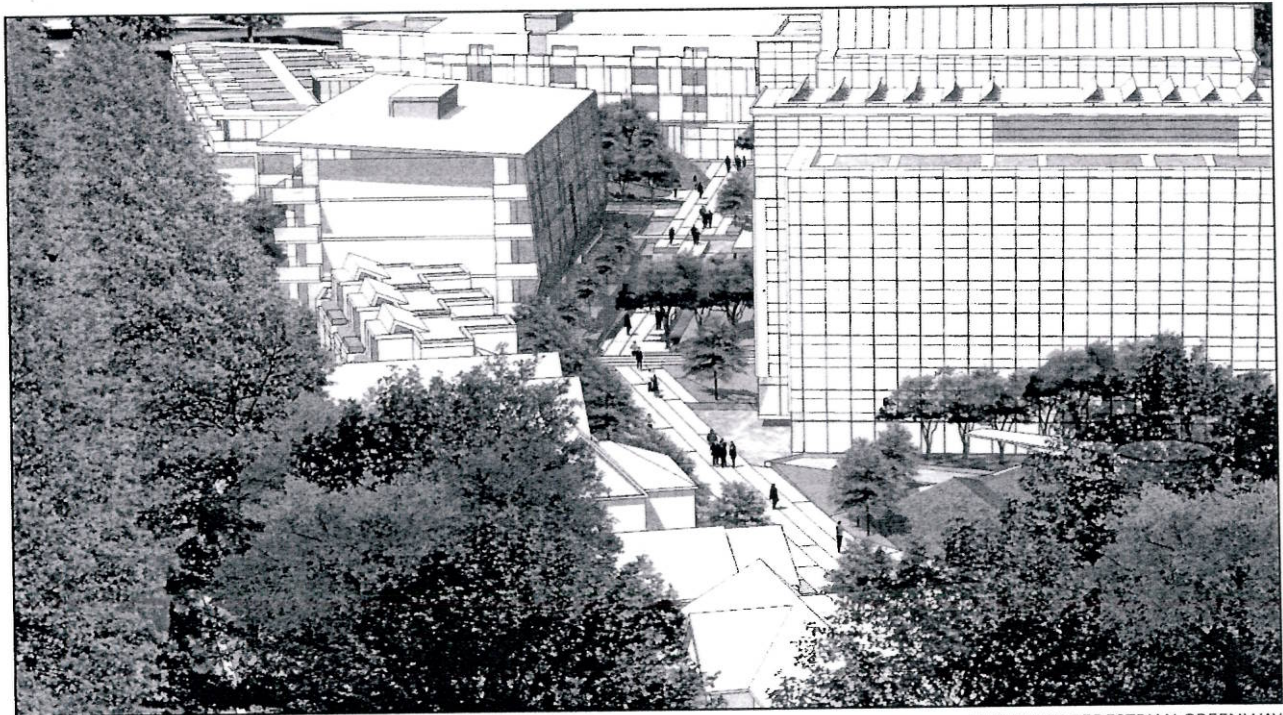


CENTRAL PUBLIC PLAZA

The public central plaza serves as the front door to the Capital Park Project, and becomes a community focused destination for social gathering, performances and public life for the both the Legislative Precinct and James Bay. The Plaza bears a formal axial relationship to the south lawn of the Legislature with a continuous ground plane that follows the alignment of the Legislature's south lawn. At the same time, the folded elements of the interior landscape environment are layered over top in the form of angular timber seating terraces and lawn berms to create an iconic plaza form that merges both the formal and informal. The arrangement of timber seating elements on the north and east sides responds to the desired orientation towards the morning and afternoon sun creating comfortable edge conditions for respite, informal gathering and spectating. Actively programmed building edges infuse activity into the plaza, consisting of a restaurant/café pavilion with outdoor patio space, as well as lobby spaces and potential retail frontage in the flanking office buildings. The plaza could be animated by a series of water jets, integrated into the ground plane as a visual and water play attraction, or turned off to accommodate outdoor performances, farmer's market and other programmed events to ensure the full breadth of the plaza's use potential.

The southwest corner plaza at Menzies and Michigan Street serves as an informal, neighbourhood scale meeting point and a spill out space for a café patio and casual outdoor seating. This plaza becomes an invitational gesture for public access into and through the west courtyard. A central seating deck becomes an iconic and sculptural meeting point that alludes to the character of the folded landscape that is expressed in the interior of the site, coupled with diagonal paving that reinforces the centerline of the building prow.

Courtyards



EAST WEST PEDESTRIAN GREENWAY

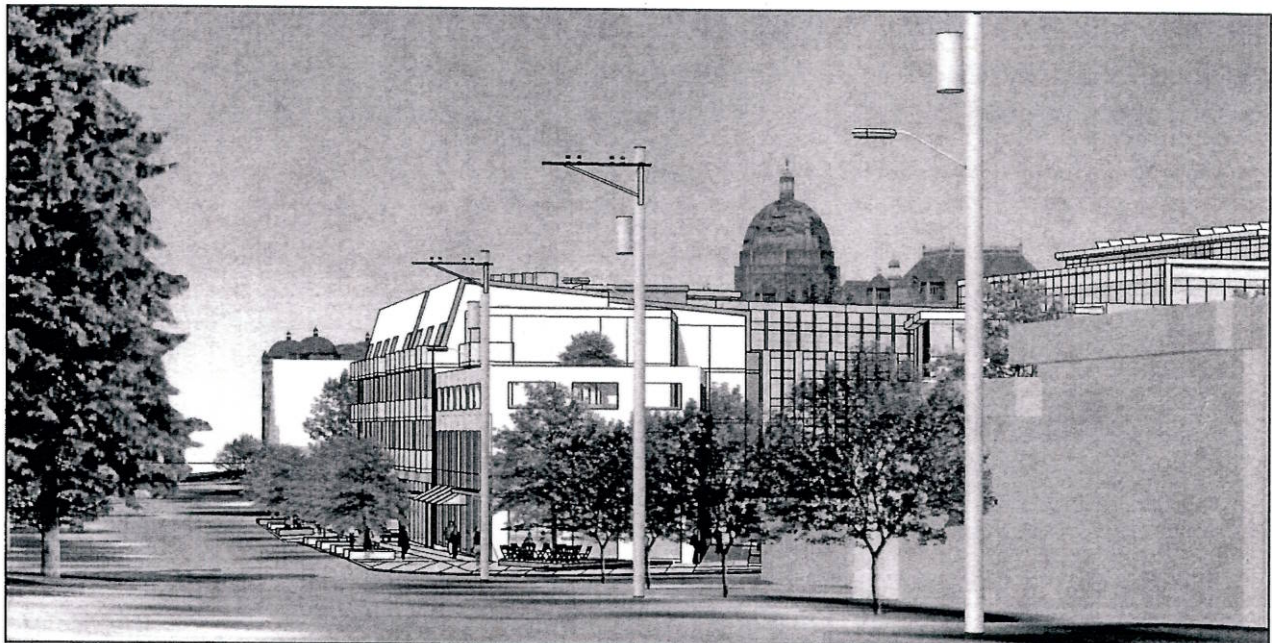
The interior of the Site is characterized by a series of courtyards that provide publicly accessible green space coupled with both active and passive outdoor programming elements to facilitate healthy active living within the community. This courtyards become a series of interconnected rooms linked together by an east/west pedestrian path that provides public access through the site. They are visually connected through the use of water and the folded Gary Oak landscape as a common theme throughout.

The west, central and east courtyard spaces all incorporate extensive contoured landforms, as part of the common 'folded landscape' vocabulary. These landforms serve the multiple purposes of concealing parking access ramps and service spaces, creating natural visual buffers between the residential and commercial buildings, and providing a natural setting for the provision of a variety of uses. Each courtyard is envisioned as having its own unique and distinct character, yet unified by common elements such as the water courses, tree lined pathways, seating, and lighting details that link them together.

In addition to providing sunny, outdoor seating areas for office and residential occupants, the west courtyard presents opportunities for play potential, including climbing elements, play sculpture, a slide and sunning lawn. A shallow water feature to the southeast of the landscaped mound provides a privacy separation and amenity for the ground oriented residential units in Building C. The central courtyard serves as a soft transition between the main entry plaza and residential building D. A sloping lawn integrated with the south side of the restaurant/ café pavilion continues the theme of the folding landscape, and creates a desirable south facing slope for sunning. The east west pedestrian pathway parallel to the toe of the slope runs alongside a water channel that provides separation from the adjoining ground-oriented residential units. The knoll of the east courtyard features an edible landscape comprised of a robust assortment of food producing shrubs and herbs that provide year round appeal.

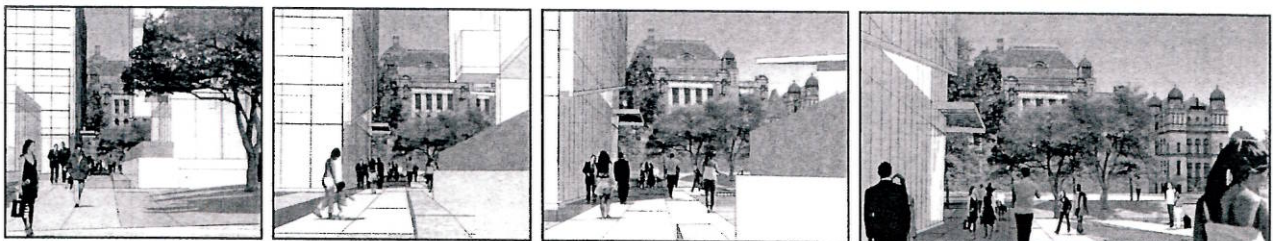
Public Pedestrian Pathways

Supported by the extensive improvements to the Michigan, Menzies and Superior streetscapes, the provision of multiple obvious and inviting pedestrian walkways is vital to achieving a publicly accessible open space network through the central zones of the Site. Extensive street level view analysis and 3D modeling has been used by the design team to consider the visual and experiential aspects of how one approaches the Site from different directions and moves through it on any of the multiple pathways provided.

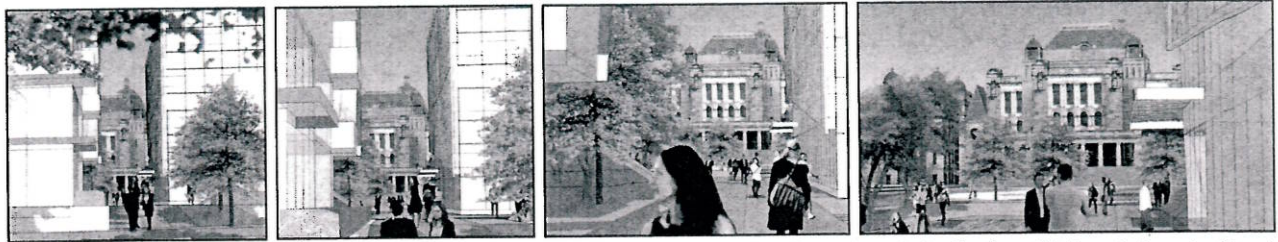


Street Level View looking north on Menzies Street

The approach and access routes north south through the Site from Menzies Street and from the Parry and Powell Street alignments, are designed to take into account critical sightlines to the Legislature. Upon entering the site from the south or the north, these walkway alignments are characterized by an inviting, sequential experience of moving between the smaller, more intimate passageways framed by the Michigan Street residential buildings and the central public plaza with its water feature, café pavilion and animated office building frontages. 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 eastern boundary of the Site and the park-like space between the two Government Street heritage houses.



Parry walkway through the Site from Michigan to Superior Street

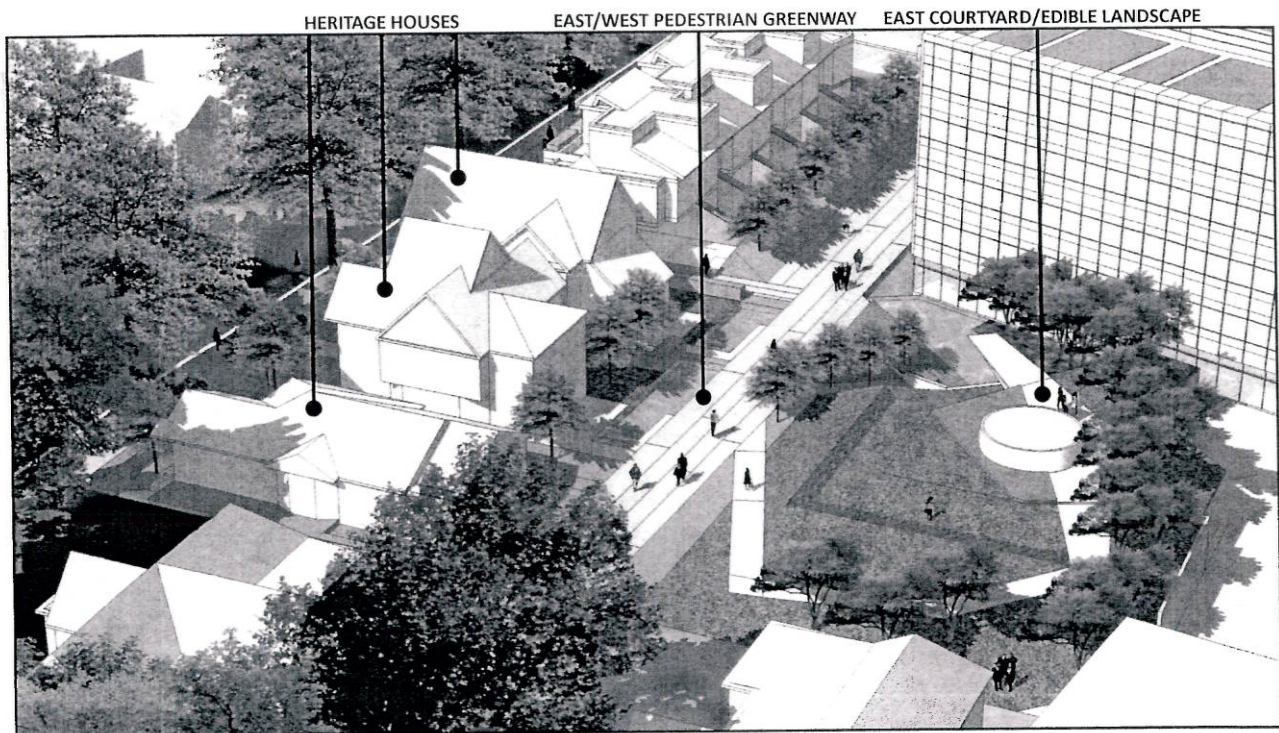


Powell walkway through the Site from Michigan to Superior Street

Project Benefits and Amenities

The Development Proposal described above strives to improve upon the form of development and public realm strategies prescribed by the Victoria Accord design guidelines and produce an enhanced array of benefits and amenities to community and project stakeholders. In addition to the overall benefits that will derive from the addition of sustainable designed high quality office, retail and residential premises on the Site, the following amenities and public benefits (or modest variations thereof subject to on-going MDA discussions) are envisioned to be provided in accordance with the provisions of the existing MDA:

- A 700 square meter retail space suitable for library use
- A fitness facility on the main level of the first office building
- The relocation and restoration of 5 heritage houses
- Threshold numbers of affordable (51) and family (61) housing units
- A series of lanes, walkways and courtyards open to the public



Additional amenities and public benefits arising from the Development Proposal and enabled by the proposed increase in density outlined above include:

- The provision of a high quality public plaza with supporting retail amenities on Superior Street, consistent with the public amenity space objectives outlined in the 2011 Downtown Core Area Plan.
- Improved sightlines through the Site and to the Legislature from the south versus the Victoria Accord concept.
- Improvement upon the scope and quality of the courtyard spaces as envisioned in the Victoria Accord through the incorporation of water features, improved sun path exposure, high quality furnishings and landscape and other public realm enhancements.

- The introduction of a publicly accessible 'edible landscape' garden as a component of the landscape plan, consistent with the Food Systems objectives outlined in the 2012 Official Community Plan.
- A more equitable balance in the ratio of office space to residential space reinforcing a true mixed-use character.
- Significantly enhanced commitment to sustainable design (proposed minimum standard of LEED Gold for all newly constructed buildings) as compared to the Victoria Accord (no green building commitments).

Need and Demand

In addition to the numerous community benefits and amenities of the Development Proposal noted above, the Project also responds to specifically identified demands and needs of the marketplace. The Provincial requirement for high quality, environmentally responsive office space customized to their specific parameters was a core motivation for undertaking the sale of the Site and the corresponding leaseback of office premises. Of the 21,846m² (235,154 square feet) of office space proposed for the Project, 16,723m² (180,000 square feet) has already been leased by the Province with phased occupancy required in 2017 and 2019. Of the total area leased by the Province, a significant component will be utilized to relocate occupants of the existing buildings on the Site that have come to be regarded by the Province as functionally obsolete. In Victoria's 2012 Economic Development Strategy, the number one strategic focus area identified is to "maintain the City's role as the headquarters of the Provincial Government." No other land parcel or development undertaking in the City of Victoria is more vital to meeting this strategic priority than this Development Proposal.

With respect to the commercial retail components of the Project, we regard it as essential that key street level interface areas benefit from the animation and vitality that comes from active retail uses. Further, a 2013/2014 community survey commissioned by the James Bay Neighbourhood Association identified the addition of expanded retail amenities on the Site as being one of the most appealing and important community contributions of the Project. Finally, while a sales and marketing campaign has not yet commenced, our preliminary assessment of the market and experience with similar projects indicates a healthy demand for residential offerings in this location. Indeed we believe a thoughtfully curated mix of unit types, sizes, and tenures as well as the incorporation of both affordable units and units appropriate for families will be positively received by local residents and play a key role in realizing the Project's mixed-use aspirations.

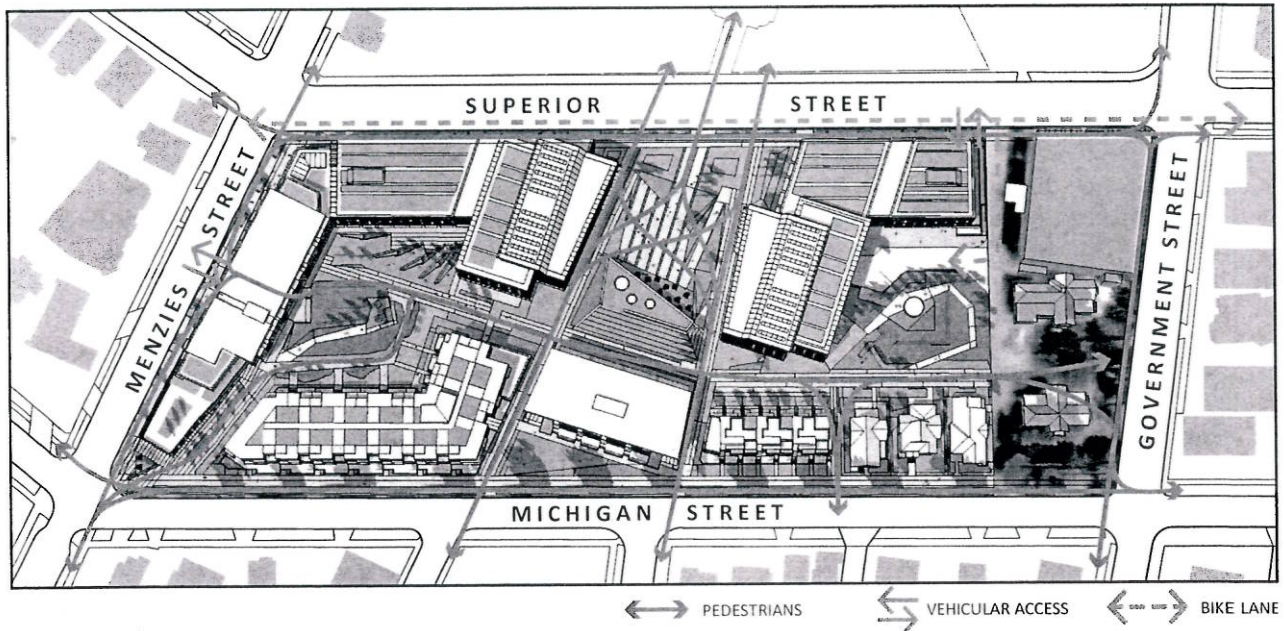
Safety and Security Considerations

The Project design has considered factors impacting the safety and security of visitors and occupants of the buildings as well as members of the surrounding community. CPTED principles have been incorporated extensively including:

- The encouragement of natural surveillance through extensive windows at the ground level of the Project which look onto adjacent streets and sidewalks.
- Active retail uses at strategic street level frontages to promote natural surveillance as well as positive and desirable activity on Superior Street, Menzies Street and in the central public plaza.
- Individual entries and semi-private outdoor terraces for ground level residential units fronting onto Michigan Street to enhance the neighbourhood character and contribute 'eyes on the street' surveillance.
- The positioning of all building entrances and access to the network of courtyards and pedestrian walkways through the Site in locations that are easily identifiable from street level.
- Sidewalk and street design and multiple open and inviting access points to the network of courtyards and walkways through the Site to encourage high volume pedestrian and bicycle traffic.
- Locating primary residential building entry lobbies and amenity spaces adjacent to the Parry and Powell pedestrian walkway passages to / from Michigan Street.
- Lighting design for interior and exterior public spaces which has been coordinated so as to eliminate dark corners and encourage warmly lit, highly visible areas conducive to positive public activity.
- Carefully considered landscape design which minimizes visual barriers and hiding spots so as to ensure adequate surveillance, particularly in areas within the courtyards and proximate to building entrances.
- 24 hour overlook and surveillance of the public courtyards by office building users during the day and courtyard facing residential units in the evening.
- The provision of a high density project with active office, residential and retail uses which will offer natural surveillance and activity support from the thousand plus people expected to occupy, visit, and pass through the Site each day.

In addition to the CPTED principles noted above, the Project will also incorporate on-site security personnel, CCTV at building entrances, and a card access system controlling ingress to the secure areas of the buildings. As the detailed

design of the project develops further over the coming months, the project team is committed to ongoing study and consideration of CPTED parameters.

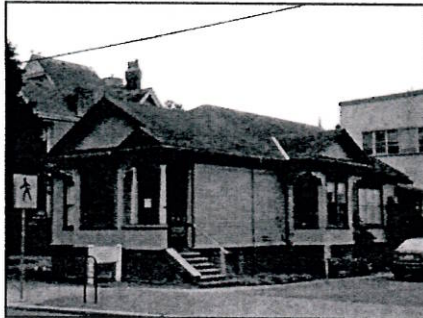


Transportation

The Project's location and design make it very well suited to facilitate multi-modal transport access for occupants, residents and visitors. Pedestrian movement is encouraged through numerous access points to the Site on the north / south and east / west alignments to the extensive internal pathway and courtyard network. Further, all pedestrian areas are envisioned to feature high quality paving, lighting and streetscape furnishings, landscaping which separates sidewalks from adjacent traffic lanes, numerous pedestrian refuge areas and prominent building entries with good visibility and overlook. Bus access to the Site is encouraged as Government Street, Superior Street, and Menzies Street are all significant transit routes and one of the downtown's key bus interchange stations is immediately adjacent to the Site. It is also noted that the potential transit exchange location for the envisioned Douglas Street Rapid Transit Corridor is located just two blocks from the Project. Bicycle access to the Site is encouraged by the Project from a number of perspectives. The Project will be advancing the Cycling Network envisioned in the Downtown Core Area Plan (2011) with the creation of a bike lane along the Project's Superior Street frontage. Each phase of the Project will also provide extensive secured and public bicycle parking in excess of the City of Victoria's specified requirements. Cycling is further encouraged by the incorporation of end of trip facilities in the office building component of the Project through the inclusion of shower, changing and locker facilities for use by building occupants.

All vehicular parking for the Project is proposed to be accommodated underground with access provided via two entry ramps (one off Menzies Street and another off Superior Street). In total, a minimum of 206 parking spaces are proposed for the office components and 44 spaces for the commercial retail components. Parking for the residential components will be provided at a ratio of 1-1.5 spaces per residential unit (162-244 spaces total). The proposed parking ratios for the newly constructed residential components and the commercial retail components are compliant with City of Victoria Schedule C guidelines. The Applicant proposes the waiver of the parking requirements associated with the three heritage houses being retained on-site due to the construction impracticalities dictated by the home's heritage features, subdivision boundary constraints, and the priority of rental unit affordability for the suites. The application also proposes a revision of the required parking ratio for the commercial office component of the Project. The application proposes a parking ratio of 1 stall per 106.0 square meters of office space versus 1 stall per 74.0 square meters as currently provided for in the existing CD-2 zone. The proposed level of parking appears more than adequate based on parking demand studies of precedent office projects owned by the Applicant in the Downtown Victoria area. Further, the Province (the occupant of the office space) has advised that the proposed parking ratio would comfortably exceed their anticipated demand for employee parking. Bunt Engineering has prepared a comprehensive traffic and parking assessment based on the proposed parking counts and trip generation expectations of the Proposed Development. Bunt's report notes that the proposed parking ratios are more than adequate to meet anticipated demand and the Project is not expected to contribute materially to any negative traffic conditions at surrounding intersections. A copy of Bunt's report is included in the Application package for further reference.

Heritage Considerations



An overriding heritage consideration for this prominent site is its proximity to the Legislature building and grounds, and to the historic Downtown Core and harbourfront. The scale and form of the Development Proposal has been derived substantially in response to the Site's formal, axial relationship to the Legislature. This relationship will continue to influence the detailed design and architectural expression of the buildings through the design development phases of the Project.

At present, there are five heritage houses located on the Site, all of which are listed on the City of Victoria's Heritage Register. To facilitate the office, residential, retail and public realm aspects of the Development Proposal and to create an enhanced context for the heritage houses it is required that all five houses be relocated. The Development Proposal contemplates relocating the three houses presently situated at various points along the Superior Street frontage to the southeast quadrant of the Site. This relocation strategy is intended to facilitate the creation of a unified cluster of heritage homes along Michigan Street supporting the heritage context of the two adjacent heritage houses that front onto Government Street that are owned by the Province and complementing the residential form on the southern side of Michigan Street. The remaining two heritage homes, currently situated along the Michigan Street frontage, are proposed to be relocated within James Bay to a location that is complementary to their heritage value. The two Michigan Street houses are typical in style and form to houses of their era and would fit in comfortably on a residential street within James Bay. The three Superior Street houses were selected for on-site retention as they possess a higher level of heritage value and are more impressive examples of homes from their time period. We believe that this relocation strategy will improve the context of all five of the heritage homes.

A Conservation Plan has been prepared for each home which outlines the steps to be taken to rehabilitate the houses and protect their heritage value. We plan to undertake this work on the three Superior Street houses as soon as practical following their relocation. At that time, they will also be revitalized for use as rental residential properties. It is anticipated that the three houses will contain a total of 13 rental suites. Anticipating this use, the design team's priority has been the preservation of the historic structures of the buildings and letting the natural constraints of the homes dictate the unit count, size and format as opposed to altering the houses to accommodate a prescribed housing program.

The Applicant has started the process of identifying suitable potential receiver sites within James Bay for the two Michigan Street houses and will be requiring that the recipients of the homes complete the work outlined in the Conservation Plan. It is anticipated that these two homes will also be converted for use as rental residential properties.

A Heritage Submission was made to the City on June 16, 2014 to address the treatment of these five heritage homes. The existing MDA requires that the restoration and relocation plan for these houses be approved by the City. The submission included the Conservation Plan and Relocation Plan for each home (or in the case of the Michigan Street houses, criteria that a receiver site must meet) and is intended to address the requirements outlined in the MDA.

Green Building Features

In addition to the architectural features noted above, the Applicant and design team are committed to embracing green building principles into the Project's design and long term operations. All newly constructed components of the Project will be registered with the Canadian Green Building Council's LEED program and will target a minimum designation of Gold for the office and residential buildings. We envision the Project becoming a showcase project for environmentally responsive office and residential building construction through the utilization of:

- High performance building envelope systems
- Extensive green spaces including vegetated roof areas to address the heat island effect and manage stormwater run-off
- Significant enhancements to the scope of permeable landscape surfaces as compared to the existing condition
- Energy efficient lighting and electrical systems including a reduced lighting power density in all buildings
- Water efficient plumbing fixtures in all buildings
- Bicycle storage and shower and changing facilities for office building occupants
- Fitness facilities for office building occupants
- Energy Star appliances for residential buildings
- Electrical vehicle charging infrastructure
- Low VOC interior finishes in all buildings
- Building designs optimized for interior daylighting
- Redevelopment of an under utilized urban site in an area that is well served by transit and highly accessible by pedestrians and cyclists

Other sustainability strategies under consideration by the design team include:

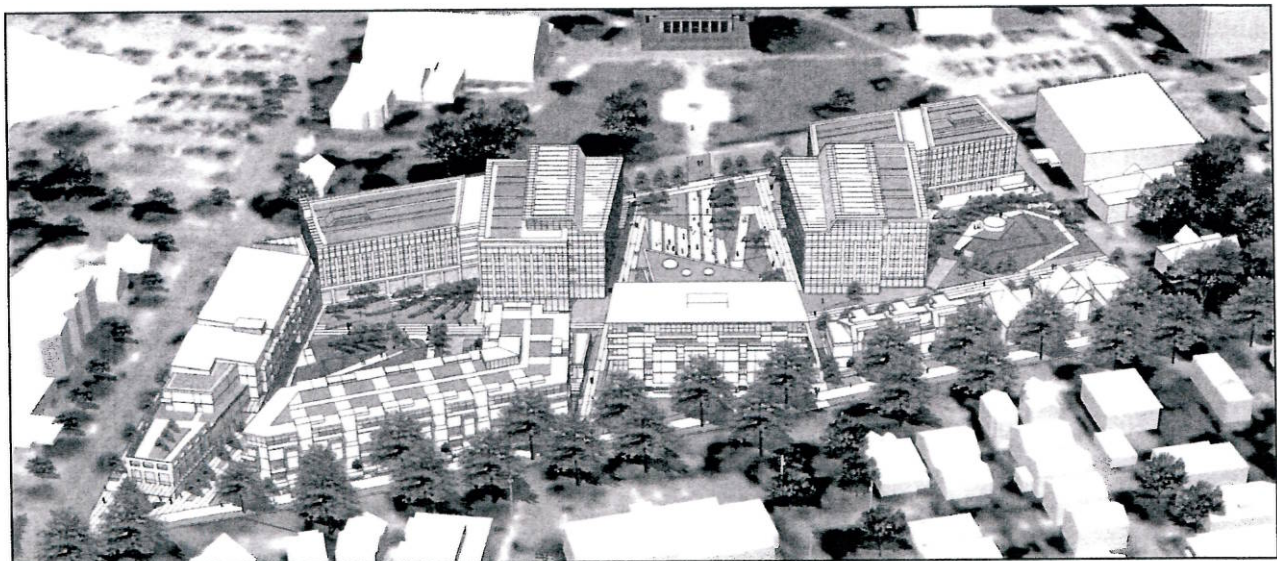
- A potential ground-source geexchange based HVAC system
- A potential district energy system solution to diversify overall heating and cooling loads and permit the sharing of excess thermal energy between buildings
- The retention and treatment of either stormwater or grey water for the use of irrigating the building landscapes and green roofs
- The use of solar thermal collectors on building roofs to heat domestic hot water and recharge the geexchange loops during summer months

A more detailed description of the Project's green building attributes in the form of separate preliminary LEED checklists for the Office and Residential building components are included with this application.

Infrastructure

The design team has consulted with City of Victoria staff to review existing City infrastructure locations and proposed services planned for the Project. The Site is presently serviced on all three frontages with sanitary sewer, storm drain, water, hydro, communications and gas. Preliminary servicing locations for individual development phases have been identified and will be refined during the next stages of the design process. Extensive frontage improvements within the right-of-way are anticipated for the Project and existing grades along project boundaries will be met.

The design team has initiated coordination with utility companies with services adjacent to the Site to review existing infrastructure and review potential conflicts with proposed right-of-way improvements. Additionally, we are exploring the option of the beautification of some Project frontages through moving existing overhead utilities underground. The Project is integrating sustainability into the design process and it is anticipated that this approach will minimize the impact of this project on City infrastructure.



Conclusion

The Applicant and the design team believe the Development Proposal presents a significant opportunity to bring new life to a key block that links the James Bay community with the Downtown Core. We have proceeded thoughtfully at each stage of the conceptual design development process conducted to date and believe that this Project responds to both the vision set forth in the City of Victoria's applicable planning guidelines as well as the more general community aspirations for the Site. Indeed consultation efforts to date with a wide array of community stakeholders have affirmed our conviction in the direction we have taken with the Development Proposal.

In the months to come, we anticipate following this application with building specific development permit applications for the first phase of construction. This shall include the first of the two office buildings and the residential and retail building along Menzies Street. To meet the Province's targeted occupancy date for the first office building, construction must be complete by March of 2017. To enable this timeline to be achieved, it is critical that on-site construction activity begin no later than the summer of 2015. 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. We look forward to working with City staff 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

Per:

Robert Jawl



CONCERT REAL ESTATE CORPORATION

Per:

Brian McCauley



Jawl Development Corporation



September 17, 2014

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

Attention: Brian Sikstrom

Re: South Block Application Review Summary – Rezoning File # 00457

Dear Brian:

We received a copy of the Application Review Summary dated August 21, 2014 in connection with our application for the rezoning of South Block (Rezoning Application #00457). We appreciate the efforts made by City of Victoria staff in providing this initial feedback. Many of the comments raised are for information purposes and we will be mindful of those points as we proceed towards both development permit and building permit applications for the respective project components. A number of items however require immediate attention and I would like to update you on our responses / action items in connection with those topics. For convenience, this letter will follow the same categorical organization as the Application Review Summary.

Sign Posting:

- We have received four site signs from Laura Wilson and they were installed on site as of September 12, 2014.

Development Services Division Review:

- We understand that the City has now received a copy of the third party land lift analysis applicable to the site. We look forward to discussion this topic and the valuation of the proposed amenities with the Planning Department staff in due course.
- The additional view studies requested by Planning Department staff were provided on August 29, 2014.

Transportation Review:

- Further to staff comment pertaining to the proposed parking variance applicable to the 13 residential units in the three relocated heritage houses, we agree to modify our proposed parking strategy for the project. Specifically, we propose to include 8 parking stalls in the adjacent parkade (below the A2 office building) which will be allocated to the 13 residential units in the 3 relocated heritage homes. This will also involve a reduction of 8 stalls from the allocation proposed for the commercial office components of the project. The 8 stalls applicable to the heritage homes (a ratio of 0.62 stalls per unit) will be supplemented with the TDM measure of including storage facilities for the 13 residential units suitable for on-site secure bicycle storage. It should be noted that the 8 underground parking stalls will be constructed in connection with the second phase of work whereas the heritage homes will be relocated, rehabilitated, and occupied during phase one. Accordingly, there will be a time lag post occupancy until the associated parking is able to be provided. We distributed a revised traffic and parking impact report from Bunt Engineering to the Engineering Department on September 12, 2014. On September 15, 2014 we received confirmation from Steve Hutchison indicating that he was satisfied with the revised report which reflects the modifications noted above.

Land Development Review:

- WSP Civil Engineers (Stephen Childs) has been engaged to prepare a civil site servicing plan for review by the Engineering Department prior to any building permit application.
- We anticipate submitting a preliminary subdivision application prior to the end of 2014.

Parks Division Comments:

- A meeting was convened between Architecture, Landscape Architecture, and Arborist project team members and Brooke Daitl of the Parks Department on September 10, 2014 to discuss the proposed approach to managing the project's impact on the Horse Chestnut trees along Michigan Street. A strategy was discussed aimed at mitigating the impact to the trees proposed to be retained while accommodating construction requirements and critical dimensions within the underground parking structure. A letter describing the proposed tree management strategy was provided to Brooke for his consideration and we are awaiting response from the Parks Department with comment on our proposed approach.
- We acknowledge the comments from the Parks Department describing concerns surrounding the proposed "dog friendly" status of the green space in front of Residential Building D. Accordingly, we agree to remove this proposed designation / use for this green space.

Permits and Inspections Division Comments:

- Representatives of the project team convened a meeting with Avy Woo and other members of the permits and inspections team to review the comments noted in the Application Review Summary. We understand the comments raised and will continue an ongoing dialogue with Departmental staff as the detailed design is prepared.

We hope the action items noted above adequately reflect the required responses to the immediate items noted in the Application Review Summary however if you feel any items are unaddressed or require further action on our part, please don't hesitate to let us know.

Sincerely,

JAWL DEVELOPMENT CORPORATION

Per: 
Robert Jawl

Jawl Development Corporation



September 18, 2014

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

Attention: Brian Sikstrom

Re: South Block Application (Rezoning File # 00457) – Stakeholder Engagement Summary

Dear Brian:

At our meeting on September 17th, 2014 regarding the South Block rezoning application (rezoning file #00457), we provided you with an update describing the stakeholder consultation activities completed to date in connection with the proposal. As requested, this letter further details these undertakings.

- On April 9, 2014, the project team presented an overview of the project at the James Bay Neighborhood Association monthly meeting. This presentation was supported by extensive presentation boards and a formal PowerPoint presentation describing the preliminary proposal for Capital Park. The meeting included a 45 minute question and answer period. Approximately 50 community members were in attendance.
- On May 7, 2014, the project team presented an overview of the project to the directors and invited guests of the James Bay Community Project. This presentation was supported by presentation boards describing the preliminary proposal for Capital Park. The meeting included a 15 minute discussion period. Approximately 20 directors and guests of the James Bay Community Project were in attendance.
- On May 14, 2014, Robert Jawl attended the James Bay Neighborhood Association monthly meeting and addressed community member questions relating to the project during the open Q&A session at the end of the meeting. Approximately 45 community members were in attendance.
- On June 11, 2014, Robert Jawl presented updated project materials at the James Bay Neighborhood Association monthly meeting. This presentation was supported by a formal PowerPoint presentation describing items including density and height parameters, parking metrics, view studies, and shadow analysis. The meeting included a 30 minute question and answer period. Approximately 50 community members were in attendance.
- On June 18, 2014, Robert Jawl presented an overview of the project to the directors and invited guests of the Downtown Victoria Business Association. This presentation was supported by updated presentation boards describing the proposal for Capital Park. The meeting included a 30 minute discussion period. Approximately 15 directors and guests of the DVBA were in attendance.
- On September 10, 2014, the project team convened a community open house in the former Samuels Restaurant space (655 Douglas Street) from 2-6pm to share and discuss updated project details with a wide array of stakeholders. Presentation materials included extensive display boards, a physical model of the proposed project, booklets indicating view analysis from a multitude of perspectives, and a video flythrough of the site. Ten members of the project team were on hand to meet with community members, answer questions, and receive feedback. The open house was widely promoted including an advertisement in the James Bay Beacon, a notification in the James Bay Community Project newsletter, promotional signage displayed by

retail businesses in the James Bay neighborhood, and direct invitations to groups including the Downtown Residents Association. Approximately 150 community members attended the event.

- On September 10, 2014, the project team presented a comprehensive overview of the most current project materials at the James Bay Neighborhood Association monthly meeting. This represented the formal CALUC meeting and was advertised via a City of Victoria mail out in advance of the mandated notification date. This presentation was supported by a formal PowerPoint presentation, extensive display boards, a physical model, booklets indicating view analysis from a multitude of perspectives, and a video flythrough of the site. The meeting included a 45 minute question and answer period. Approximately 80 community members were in attendance.
- Since the purchase of the Capital Park site, the project team has also made itself available to local media outlets to share information pertaining to the proposed project. Media pieces in connection with the proposed project have run multiple times in the Times Colonist, the Victoria Daily News, the James Bay Beacon, and on CFX 1070.

We believe that the proposed project has been enhanced as a result of this extensive community and stakeholder dialogue. Further, we have been encouraged by the overwhelmingly positive and supportive comments received during these discussions. We would be pleased to offer further details pertaining to the events noted above should that be of interest.

Sincerely,

JAWL DEVELOPMENT CORPORATION

Per: 

Robert Jawl



James Bay Neighbourhood Association

234 Menzies St
Victoria, B.C.
V8V 2G7

www.jbna.org

September 18th, 2014

Deb Day,
Director, Planning,
City of Victoria.

Dear Deb,

Re: Capital Park - CALUC rezoning from existing CD-2 zone to a Comprehensive Development Zone, OCP amendments, & modification of Section 219 Covenant

The Capital Park project was presented at the September 10th, 2014 JBNA General Meeting as per the CALUC process. Representatives of the Jawl/Concert consortium and project team leaders were present and responded to resident questions.

Attached please find the excerpt from the Minutes of the meeting that pertain to the proposal. Although the minutes provide a reporting of the questions/responses, we offer the following comments that capture the essence of the response to the proposal and major points made during the meeting.

There were approximately 120 present at the meeting. Poster boards were set up in advance of the meeting and a model provided a gathering place before and after the meeting where residents could speak one-to-one with members of the team.

The proposal met with applause at several points during the presentation and Q/A session. However, concerns remain, some specific to neighbours directly to the south of the project. Concerns included:

- construction logistics (noise and crew parking)
- concerns about street parking and increased traffic upon completion
- amenities - no consultation (*Note: although JBNA had done a survey and the Victoria Accord specified amenities as identified 20 years ago, the City has not consulted regarding current community amenity needs/wishes*)

Should you have any questions concerning the points raised, please contact us.

Tom Coyle,
JBNA CALUC Chair

Yours truly,

Marg Gardiner
President, JBNA

Cc: Brian Sikstrom, Planning
Robert Jawl, Jawl/Concert
JBNA Board of Directors

JBNA September 10th, 2014 General Meeting Minutes: EXCERPT

7. Capital Park (South Block) Rezoning and OCP amendments
Robert Jawl, Jawl/Concert Consortium
Alan Endall – Endall Elliot Assoc: Architect
Derek Lee – PWL: Landscape Architect

The proposal involves a rezoning, OCP amendments, and modification of an existing Section 219 Covenant to facilitate the development of a multi-phased mixed-use complex incorporating office, retail, and residential uses. The rezoning proposal would be from the existing CD-2 zone to a Comprehensive Development Zone.

Phase 1 including Building A1 (Superior) and Residential B (Menzie's) should start approximately in a year. Phase 2 is building A2 at the east end and Phase 3 is Michigan residential buildings.

Q: See need for traffic calming on Michigan St

A: Haven't started work on that as yet and as there will be no parking access of Michigan should mitigate traffic calming. Have a traffic consultant on the project.

Q: How firm are plans for library and is there any daycare?

A: Nothing has been firmed up – there will be critical thinking of what and who will be entertaining for the retail. Will require a floor load to facility the library space. Have made proposal to City. Do not yet know if City will accept.

Q: Did I hear that there are 188 parking stalls for office workers

A: 198

Q: How many office workers

A: estimate 1000

Q: Where will overflow park?

A: 1 parking stall for 9 people in other businesses up town – this proposal ratio is greater, including bike storage, change room and shower facilities, encourage busing. Gov't feels adequate and that not everyone will request parking.

Q: Concern about using residential street parking.

A: This will be a case of policing.

C: Questioned consultation as the plan seemed quite complete.

A: Chair responded that the project had already been to JBNA on 2 other occasions and that the Victoria Accord had driven aspects of the development. The Victoria Accord was agreed upon by the city, Government and community in 1993.

Q: Thank you presenting a quality project, however have concern of height of buildings on Michigan, 5-storey building feels out of place with the other residential buildings, green space on inside at expense of pushing setbacks to sidewalks.

A: The Accord states a 5-storey cap and have tried to mitigate the height concerns, angling the 5 storey building on Michigan which provides front green space. The tree canopy will also mitigate the height and the upper part of the building may not even be visible from Michigan.

Since Capital Park is on the north side of Michigan, there will be no shade effects on existing residences on Michigan.

Q: Will there be an exercise pool in the fitness area?

A: No. Didn't have special allowances and would have to be managed by City or YMCA and neither requested it.

C: Would like to see, at a future presentation, the proposed lighting for evening, concerns for safety issues.

A: Will be warmly lighted, will avoid darkened areas, to provide safe traffic areas and natural safety and will have onsite security – will be safe and welcoming all hours.

Q: As an amenity would like to see a performance space for plays or other community events.

A: Outdoor plaza may serve that purpose and perhaps for the Community Market some day.

Q: 5-storey building behind Leg, will it be seen above Leg?

A: No

Q: Question whether there will be adequate bus service for employees.

A: Bus service on Government Street.

C: 4 of the Schematics will be on JBNA website, thank you for coming tonight.

C: There has been consultation with JBNA and the community through a survey late last year. There has been consultation between the developers and the community. There has not been consultation between the City and the community.

C: Thank you for a happy experience with developers, feels trying to work with everyone in community and this will be a very beautiful project.

Q: Will the 3 heritage homes be residential or commercial?

A: Rental residential units, following upgrading will be designated as heritage

Q: 198 parking spaces for residential use?

A: For office workers only. Residential and retail will be separate, over 200 more.

C: Entry & egress very concerned about left hand turns.

C: Interesting evening. Perhaps the project could be altered to include the removal of the "bunker building" on the south east corner of the leg grounds once government workers move into new office space.

A: Will have to consult with government what their intentions will be for the continued use of the building.

Q: handicap access?

A: entire development will be accessible, which is mandated by building codes

Q: How long for complete development of site?

A: Hope to commence first phase next year and complete in 18 months, 2017, then start phase 2 for completion in summer or fall of 2019, earliest residential on Michigan 2019 or shortly thereafter.

Q: Will there be provisions for the contractors workers parking?

A: There will be parking on site and parking on Q-lot during building phase.

General applause from those present.