

February 18, 2014

By Hand & Email

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

Dear Mayor & Council Members,

**Re: 836/838 Broughton Street, Victoria BC
Rezoning and Development Permit Applications**

We are pleased to present applications for the Rezoning and a Development Permit for the above noted lands to develop a 10 storey, 82 unit condominium building. This will be Chard's sixth condominium development in the City of Victoria.

It has been a pleasure to work in the City of Victoria for the past 10 years endeavouring to achieve the objectives of Council and meet the policy objectives set forth in the Official Community Plan (OCP), and most recently, the Downtown Community Area Plan (DCAP).

However, there are policies set forth in these documents that run counter to the positive momentum we have seen in the City and our ability, as developers, to help create a more livable and successful downtown. This Council and Council's before have stressed the importance of housing affordability, yet several policies are contrary to this objective.

The bonus density requirement has the effect of increasing the cost of the end selling price of a condominium by introducing this hidden bonus density tax and compounding an already challenging set of development and market conditions in downtown Victoria. The bonus density program is a deterrent to revitalization and is counter to the major growth and economic objectives established by the City of Victoria.

In our view, the City should be encouraging projects in any way possible to achieve downtown rejuvenation and healthy growth as you have outlined in sections of the OCP and DCAP. By working with developers to address housing affordability issues head on, and in turn making downtown living more attainable for a greater number, the City could see the benefits of critical mass with regards to vitality, economic growth and attracting businesses and employers to downtown. In addition, the City would see the long-term benefits of higher property taxes in perpetuity rather than looking for a onetime 'tax grab' in the form of a density bonus payment.

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We propose a rezoning of 836/838 Broughton Street from a base density of 3.0 FSR to 5.0 FSR as outlined under the City policies. We have agreed with City Staff that we will undertake a bonus density analysis by one of the two preferred economists selected by the City of Victoria. This study will cost \$7,000.00.

In further discussion with City Staff, we have requested that this application be processed using the bonus density policy uplift formula of 25% as outlined in Section 4.15.1 rather than Section 4.15.2 given:

- The application for rezoning and DP was submitted to the City of Victoria on December 3, 2013.
- The subject property backs on to the downtown area where the 25% land lift value is applicable. We understand that the demarcation line was somewhat arbitrary at the time that Maps 14 and 15 were prepared. We consider a 75% Bonus density uplift to be very punitive with a direct impact on increasing costs of housing within the neighbourhoods that are adjacent to the downtown core.

The City will likely require 836/838 Broughton to include a sewer attenuation system that will add further development costs to the project. The size of a 14,400 liter tank (as calculated by our Mechanical Engineer) is very significant in any urban development. The requirement for holding tanks is another challenge that increases the selling cost of a condominium by approximately \$3,000 per suite. This is another deterrent to developing in downtown Victoria.

In summary, we request the consideration of Council to approve the following:

1. If a Density Bonus payment is required, have it based on 25% of the land lift value as the application was made prior to December 3, 2013 and given the subject property is adjacent to lands which require only a 25% calculation.
2. The elimination of a sewer attenuation tank for this development. These tanks impose increased development costs for the project and increased long term strata fees arising from maintenance costs for the owners of the suites. We are speaking from experience of having installed attenuation tanks in two projects to date.

Once again we are pleased to highlight a few of the project benefits for the City of Victoria should this project be approved in a form that is economically viable:

- The project advances the objectives of the OCP and DCAP.

- 836/838 Broughton is currently a surface parking lot located on a portion of Broughton street that requires renewal. We are proposing a development that meets the recommended scale and objectives set forth in the OCP and DCAP, and a primary objective of numerous Councils, the elimination of another surface parking lot.
- The addition of 82 residential units and 2 live work street front units. This will likely provide at least 150 additional residents in the downtown core.
- This project would increase the City's tax base four to five fold from the current use as a surface parking lot.
- The building is in keeping with the OCP and DCAP for building height and FSR.
- 100 bicycle lockers have been provided for residents in addition to exterior visitor bike racks.
- 75 parking stalls plus 7 visitor stalls will be provided for the project. This is lower than the current parking requirements of the Cathedral Hill zone but 82 stalls more than required within the Harrison Green neighborhood. We consider the proposed parking meets or exceeds the expectations of the OCP and DCAP
- The streetfront retail or live/work units will provide for a different form of housing and business use that our company has seen inquiries for in recent years. As Broughton Street is not currently a busy pedestrian street, an office or live/work environment would add interest and vitality at street level.
- The project is articulated with a variety of building setbacks and materials to create an interesting building statement on all four elevations.
- Approximately 50% of the units will be designed as adaptable units.
- The project's street frontage will be landscaped to create an attractive and interesting frontage for this currently bland block of Broughton Street which primary consists of surface parking.
- The suite mix, variety of floorplans and suite sizes provides for a variety of demographics and income levels.

We thank Council for their consideration of this Rezoning and Development Permit application and respectfully request a relaxation of the bonus density calculation to 25% of the land lift value or the cancellation of the requirements for any bonus density analysis and land lift payment on this property altogether.

Yours truly,
CHARD DEVELOPMENT LTD.



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Cc: Alison Meyers – City of Victoria
Development Services Division
Sustainable Planning and Community Development