



# CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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## Legislation Details (With Text)

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**Attachments:** 1. Schedule A - Bylaw No. 2893 - CD-102, 2. Schedule B - Plan EPP67312, 3. Schedule C - Airphoto, Zoning, 4. Schedule D - SRW, Covenant, LTSA Registered, 5. Schedule E - Housing Agreement, 6. Schedule F - Drawings, Colour Board, BCLS

Date	Ver.	Action By	Action	Result
12/4/2017	1	Council	adopted	Pass

## REQUEST FOR DECISION

**DATE:** November 28, 2017

Report No. DEV-17-069

**TO:** Laurie Hurst, Chief Administrative Officer

**FROM:** Trevor Parkes, Senior Planner and Bill Brown, Director of Development Services

**SUBJECT:**

Rezoning Application, 101 Island Highway, PID 030-296-625, Lot 1, Section 2, Esquimalt District,  
Plan EPP67312

**RECOMMENDATION:**

That Council, upon considering the comments made at the Public Hearing, resolves that Zoning Bylaw, 1992, No. 2050, Amendment Bylaw No. 2893, attached to Staff Report DEV-17-069 as Schedule "A", be **adopted**.

**RELEVANT POLICY:**

Official Community Plan Bylaw, 2006, No. 2646  
Zoning Bylaw, 1992, No 2050  
Parking Bylaw, 1992, No. 2011  
Development Application Procedures and Fees Bylaw, 2012, No. 2791  
Advisory Planning Commission Bylaw, 2012, No. 2792  
Subdivision and Development Control Bylaw, 1997, No. 2175

## **STRATEGIC RELEVANCE:**

This Request for Decision does not directly relate to a specific strategic objective.

## **BACKGROUND:**

### **Purpose of the Application**

The applicant is requesting a change in zoning from the current Tourist Commercial [C-5A] and Marine Navigation [M-4] zones to Comprehensive Development District No. 102 [CD No. 102]. This zoning amendment is required to accommodate changes to the uses permitted on the property and would refine parking requirements associated with the proposed uses.

The “EconoLodge” site has a long history of providing tourist accommodations. Changes in the tourism economy have resulted in challenges to continuing the motel business model on this site. Significant demand for affordable rental units exists and is expected to continue due to critically low vacancy rates across the region. To maintain the vitality of this site and to meet market demand, the new owners are proposing to convert the existing buildings to residential units while maintaining commercial uses on the site ensuring consistency with the OCP Land Use Designation. The applicant’s proposal includes retaining a 145 square metre restaurant/coffee shop on the site, to be run by an independent operator, retaining a modest 59 square metre office space for on-site management of the building, and reducing the total accommodations on the site to 96 units.

In an effort to anticipate possible alternative uses that might be appropriate on this site, staff have included Retail Store and Fitness Centre as permitted uses that, similar to the other permitted commercial uses, excepting Tourist Commercial, would be restricted to operation within the West Block. To achieve maximum flexibility for the site, the applicant has requested that Tourist Accommodation also be included as a permitted use ensuring the option to offer short term accommodation to the traveling public remains possible. While staff support the diversification of commercial uses on the site to ensure vitality at this prominent location, prudence dictates that Tourist Accommodation use and residential uses be physically separated to avoid unnecessary conflicts. For this reason, the Tourist Accommodation use has been restricted to no more than two entire “blocks” at the same time. This limitation ensures that, based on the proposed floor plans, not less than 51 dwelling units will remain as market rental dwelling units at all times and that conflicts that might arise if unsympathetic uses were abutting each other are avoided.

Should the rezoning application be approved, the form of the buildings would remain fundamentally unchanged; however, the character would be noticeably altered through notable changes to paint and exterior cladding of the buildings. This change of use and associated renovations constitute “redevelopment” on the site, therefore approval of a Development Permit for form and character as well as for enhancement/rehabilitation of the foreshore area would be required.

### **Timeline**

- November 23, 2016: Application for rezoning received by Development Services.
- December 20, 2016: Application presented to Advisory Planning Commission.
- May 15, 2017: Amendment Bylaw No. 2893 prepared by staff and presented to Council for 1st and 2nd reading.
- May 15, 2017: Council read Bylaw No. 2893 a first and second time.
- June 8, 2017: Special Council Meeting - Housing Agreement Bylaw No. 2897 is scheduled to

- be presented to Council for consideration of first, second and third reading.
- June 12, 2017: Regular Council Meeting - Public Hearing for Amendment Bylaw No. 2893. Council directed staff to resolve issues pertaining to SRW and S.219 Covenant and return Bylaw No. 2893 to Council for consideration of third reading.
  - June 26, 2017: Staff return Bylaw No. 2893 to Council for consideration of 3<sup>rd</sup> reading but recommending withholding adoption pending the registration of a mutually agreed to SRW and S.219 covenant and the execution of the Housing Agreement.
  - November 27, 2017: Staff returned Housing Agreement (101 Island Highway) Bylaw, 2017, No. 2897 to Council for amendments to update the legal description cited within the Bylaw and the associated Housing Agreement.
  - December 4, 2017: In anticipation of the provision of a signed copy of the Housing Agreement (as amended November 27, 2017) by no later than Friday, December 1, 2017, and having been provided an executed and registered copy of the mutually agreed upon SRW and Covenant, staff return Amendment Bylaw No. 2893 to Council for consideration of adoption.

### **Context**

**Applicant/Owner:** Jordon Milne [The Gorge Apartments Limited Partnership]

**Architect:** Hillel Architecture Inc. [Peter Hardcastle]

**Property Size:** Metric: 10845 m<sup>2</sup> Imperial: 116,735 ft<sup>2</sup>

**Existing Land Use:** Tourist Commercial [Motel]

### **Surrounding Land Uses:**

North: Gorge Waterway  
South: Townhouse Residential  
West: Institutional [Craigflower Farm]  
East: Single Family Residential

**Existing Zoning:** C-5A [Tourist Commercial] and M-4 [Marine Navigation]

**Proposed Zoning:** CD-102 [Comprehensive Development District No. 102]

**Existing OCP Designation:** Commercial Mixed-Use [No change required]

### **Schedules:**

- “A” Zoning Bylaw, 1992, No. 2050, Amendment Bylaw No. 2893
- “B” Plan EPP67312 detailing the new registered title of the subject property
- “C” Site Airphoto, C-5A Zone
- “D” Public Trail SRW and S.219 Covenant - Registered on property title
- “E” Housing Agreement
- “F” Architectural Drawings, Concept Colour Board, and BC Land Survey Site Plan and Sketch Plan.

### **Zoning**

**Base Density:** Bylaw No. 2893 is structured as a “Density Bonus” bylaw. This format ensures the site is viable and consistent with the OCP at the base density while offering a lift in density to the applicant in the event certain conditions deemed desirable by the Township and defined within the

structure of the bylaw are met.

Adaptive redevelopment at the Base Density is supported as regulations are structured to offer the entire West Block of the site as commercial space including, if desired by the applicant, offering the 13 proposed dwelling units as Tourist Accommodation units, 27% of units permitted on the site, or adapting the space to accommodate office, retail, fitness or restaurant uses. It is desirable to focus commercial activity within one block abutting the busy frontage of Island Highway as the different uses would support one another and the residential uses would be insulated from the commercial activity on the west end of the site.

Assuming the West Block is entirely dedicated to commercial uses permitted in the zone, the remaining buildings would offer the opportunity to create a mix of unit types up to 35 dwelling units. Given the available habitable space in the Centre, East and South Blocks, some of these units could be large in size serving families thereby addressing a pressing need within the rental market.

By limiting Lot Coverage to 35% of the site, and allowing a maximum of one Two Family Dwelling to be occupied, it requires the applicant to consider the removal of the majority of the two family dwellings and the subsequent rehabilitation of the foreshore consistent with OCP policies.

**Bonus Density:** Bylaw No. 2893 offers the applicant the opportunity to access bonus density, increased number of units and increased lot coverage if certain conditions are met as outlined in the bylaw.

Development of the site at the bonus density is consistent with the applicant's proposed redevelopment of the site including commercial space dedicated to office and restaurant uses in the West Block abutting Island Highway. In addition, the bonus density offers the possibility to see up to 45 units used as Tourist Accommodation, enhancing the volume and diversity of commercial uses on the site.

Bonus density offers an increase to 96 dwelling units spread across the site which ensures that not less than 51 units will be occupied as rental residences at any given time. Also allowed is the use of all 10 units located within the Two Family Dwellings sited adjacent to the waterfront in recognition of the viability of these units in the near term without sanctioning their presence on the site in perpetuity.

These bonuses are offered in exchange for securing legal public access via a required Statutory Right of Way [SRW] to lands located within 20 metres of the Gorge Waterway for the purposes of passive recreation and a public trail consistent with OCP Policies.

The required Section 219 Covenant [S.219] would restrict use, building development and reconstruction within 20 metres of the Gorge Waterway and prohibit stratification or subdivision of the site, thereby ensuring units remain rental housing for the life of the development. The mutually agreed upon, and now executed and registered, SRW and S.219 is attached as Schedule C.

The Housing Agreement would require units to be offered as market rental units, ensuring dwelling units would be delivered to the open rental market by restricting mass leasing to corporations or governmental agencies by restricting the leasing of a group of units to a maximum of 10 units. The mutually agreed upon Housing Agreement is attached as Schedule D.

## **Official Community Plan**

The Township Official Community Plan contains policies intended to guide Council in decision making around proposed developments in the community including changes in use.

This proposal to adapt the existing buildings at 101 Island Highway to allow residential use of the site while preserving a modest amount of desirable commercial space and retaining the opportunity for built space to change from residential to commercial use is consistent with OCP Section 2.3.2 - General Commercial Mixed-Use Policies.

The proposed renovation and conversion of motel units to a mix of studio, one-bedroom and two-bedroom dwelling units and their delivery to the open market as rental accommodation is consistent with OCP Section 3.3.1/ 3.3.2 Affordable housing Objectives and Policies. As noted, the mutually agreed upon and partially executed Housing Agreement addresses this objective.

Staff has crafted Bylaw No. 2893 as a “Density Bonus” bylaw, in part, to encourage the applicant to provide the Township with legal access rights over lands abutting the Gorge Waterway consistent with OCP Section 6.1.2.2.

Similarly, securing legal rights of access to the waterfront is consistent with OCP Policy 7.1.1 and 7.1.2 relating to passive recreational uses and environmental rehabilitation of these lands. As noted, the mutually agreed upon and now executed and registered SRW and S.219 addresses these objectives.

## **ISSUES:**

### **1. Rationale for Selected Option**

This application for rezoning is consistent with the Land Use Designation assigned to the subject property and the policy direction contained within the OCP for Commercial Mixed-Use development. The APC has recommended support of this application, complimenting the applicant on the creative adaptation of existing buildings on the parcel to meet a pressing need while also offering the community a desirable commercial destination.

Amendment Bylaw No. 2893 is structured to be consistent with current OCP policies directing that public access along the Gorge Waterway should be secured while respecting the reasonable lifespan of the existing non-conforming West Block and the five Two Family Dwellings. This Bylaw and the associated S.219 and Housing Agreement would ensure dwelling units would be delivered to the open rental market by restricting mass leasing to corporations or governmental agencies and requires that the units be operated as market rental housing. This proposed adaptive re-use of the existing buildings at 101 Island Highway is desirable as it would provide much needed market rental units at a time of historically low vacancy rates in Greater Victoria while revitalizing this prominent corner of Esquimalt.

### **2. Organizational Implications**

This Request for Decision has no organizational implications.

### **3. Financial Implications**

There may be property tax implications with the rezoning given the change of use from commercial to commercial - residential mixed use.

### **4. Sustainability & Environmental Implications**

This proposal represents the adaptive reuse of the existing buildings and secures public access to the Gorge Waterway in the future and this proposal includes 146 bicycle lockups, consistent with OCP policy, and dedicated motorcycle and scooter parking spaces. The site is located at the intersection of two major roads with excellent access to transit services and is near a variety of retail shops and services encouraging walking and cycling.

#### 5. Communication & Engagement

The Public Hearing for this rezoning application was held on June 12, 2017. Upon considering the comments made at the Public Hearing, Council directed staff to prepare a staff report, for Council consideration at a future Council meeting to further consider third reading of Bylaw No. 2893.

Staff returned a report at the June 26, 2017 meeting of Council. This report included, as schedules, a mutually agreed upon SRW and Covenant and Housing Agreement. These documents remained consistent with those presented at the Public Hearing therefore no new information was presented to Council. Accordingly, Council read Amendment Bylaw No. 2893 a third time withholding adoption until such time as the applicant executed and registered the SRW and Covenant and provided a signed copy of the Housing Agreement to staff.

#### **ALTERNATIVES:**

1. That Council, upon considering the comments made at the Public Hearing, resolves that Zoning Bylaw, 1992, No. 2050, Amendment Bylaw No. 2893, attached to Staff Report DEV-17-069 as Schedule "A", be **adopted**.
2. Council postpone consideration of Bylaw No. 2893 pending receipt of additional information. [Receipt of new information from the applicant or the public would require a new Public Hearing.]
3. Council defeats Amendment Bylaw No.2893.