



The Corporation of the District of Saanich

C 27 Sep 2021

## Supplemental Report 2

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*By T.Da Silva, Legislative Services at 3:29 pm, Sep 09, 2021*

**To: Mayor and Council**  
**From: Sharon Hvozdanski, Director of Planning**  
**Date: September 9, 2021**  
**Subject: Rezoning and Development Permit Amendment Application**  
**File: REZ00605; DPA00931; DPA00959 • 3956 Shelbourne Street**

### PURPOSE

The purpose of this report is to provide Council with:

- A summary of the applicant initiated changes to the application since the September 28, 2020 Council Meeting;
- Further information on items provided in the Council Report dated August 6, 2020 that were considered at the Council meeting on August 24, 2020; and
- Options for a community contribution equivalent to the cost of undergrounding the Hydro lines, as moved by Council on September 28, 2020.

### BACKGROUND

The University Heights development application was first considered by Council on August 24, 2020, at which time Council Moved the following:

“That a Public Hearing be called to further consider the rezoning application on Lot A, Sections 56 and 57, Victoria District, Plan EPP84722 (3956 Shelbourne Street)” and

“That Council direct staff to prepare a supplemental report to be brought to Council prior to a Public Hearing outlining options for additional EV charging infrastructure and refining the costs of undergrounding the hydro lines along Cedar Hill Road”.

At the meeting on September 28, 2020, Council received for information the Supplemental Report of the Director of Planning dated September 10, 2020, which provided additional information on the electrical vehicle infrastructure and the cost of undergrounding of the Hydro lines. At this meeting, Council moved the following:

“That the applicant be requested to present a community amenity of the same value as the cost of undergrounding the hydro lines.”

Immediately following Council consideration Wesbild Holdings Ltd. formally requested that the application be placed on hold.

A revised application was submitted in May, 2021. The proposed revisions, as well, as the information requested by Council from their September 28, 2020 motion and the materials required prior to Public Hearing as outlined in the August 6, 2020 staff recommendation, are detailed in the body of this report.

### DISCUSSION

The application is to rezone the site from the C-2 (General Commercial) Zone and the C-3 (Shopping Centre) Zone to a new site-specific C-3UH (Shopping Centre University Heights) Zone. A Development Permit Amendment is requested in order to redevelop the existing University Heights Shopping Center site for a mixed-commercial/residential development. As noted previously, a revised application was submitted in May 2021 which proposed minor changes to Buildings B, C and D, the proposed temporary driveway from Cedar Hill Road and an expansion to the Home Depot on the Northern portion of the site. The details of these revisions are provided below.

#### Home Depot Expansion

Since Council last considered the proposed development application, significant revisions have been made through the proposed expansion to the Home Depot Store. The proposed work includes an 856 m<sup>2</sup> addition to the existing Home Depot in the location of the existing Garden Centre. A new Garden Centre would be located north of the proposed addition and a Seasonal Outdoor Area is proposed north of the Garden Centre (see Figure 1). The operation of the Seasonal Outdoor retail area would be limited to: mid-March through to mid-September; and November 23 to December 25 to allow for Christmas trees sales. This seasonal outdoor retail period has been expanded from the existing operational period currently in place and included in the Development Permit registered on the property. Staff recommend that these time limited operational periods be secured by covenant and note that the applicant is supportive of this expanded operational period.

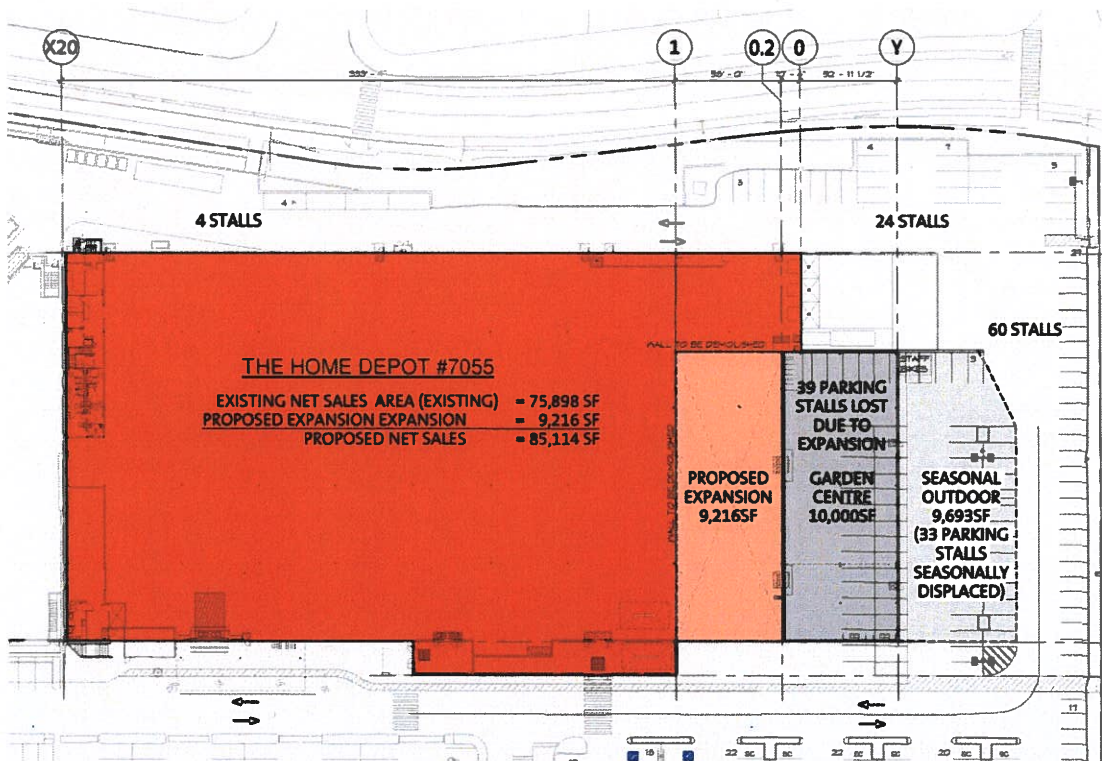


Figure 1: Proposed Home Depot Expansion –Site Plan (provided by Kubik Developments Corp)

The proposed addition to the Home Depot would increase the commercial floor area, as well as, displace existing commercial parking. As a consequence, a greater parking variance for the site is being proposed. Variances are discussed in more detail later in this report.

As described in greater detail in the Supplemental Report to Council dated September 10, 2020, previous to the revised application, it was clearly understood for many years by the applicant and Saanich Staff that the subject redevelopment application would not include any changes north of the southern wall of the Home Depot building. As per the previous understanding, Staff were supportive of the phasing of the works and services with the agreement that future development of the north/Home Depot end of the site would trigger the delivery of these outstanding works.

As described above, the application now proposes development north of the southern face of the Home Depot. As an alternative to including the required works and services at this time, Staff recommend that the additional works and services required be provided when any future development and/or works requiring a permit that are not associated with the subject application. It is recommended that the future works and services which would be triggered by a permit, and be secured by covenant. This approach has been reflected in the revised recommendation. The memo from Engineering dated June 15, 2021, details the future works and services that would be required. This memo has been provided to and acknowledged by the applicant, and is attached to this Report for Council's information. The applicant has agreed to securing this requirement, through a covenant.

#### Proposed Building D

The revised application proposes to relocate the commercial lobby and elevator from the north elevation to the west elevation fronting the internal 'High Street'. On the Shelbourne Street elevation, the lobby access has also been relocated which allows for additional commercial frontage at the north east corner of the building. The below grade and residential floors above have been revised to accommodate the ground floor changes described above.

#### Proposed Building B and C

The applicant's architectural team noted that the podium height of Building B and Building C was increased during design development to allow for the required vertical clearance for the anticipated grocery store use at grade.

The revisions described earlier in the Report have resulted in a reduction of one proposed dwelling unit from 598 to 597. The proposed number of affordable rental units is unchanged. However, these changes would result in the total proposed parking being reduced from 1,115 spaces to 1,062 spaces.

#### Temporary Loading Ramp from Cedar Hill Road

To avoid disruption of Home Depot's business operations during the construction of the primary development proposed for Development Area A, a temporary loading ramp is proposed to allow loading access to the Home Depot loading bay from Cedar Hill Road.

The design of the proposed temporary loading ramp has been revised as per Figure 3 below. The temporary ramp would displace 35 commercial parking stalls. Should Council see merit in the proposed development application, and when construction of the project is complete, the temporary loading ramp would be removed and the boulevard and parking stalls would be reinstated consistent with proposed works for DPA00931. The temporary nature of the ramp is proposed to be secured by covenant which would be limited to a five year period.

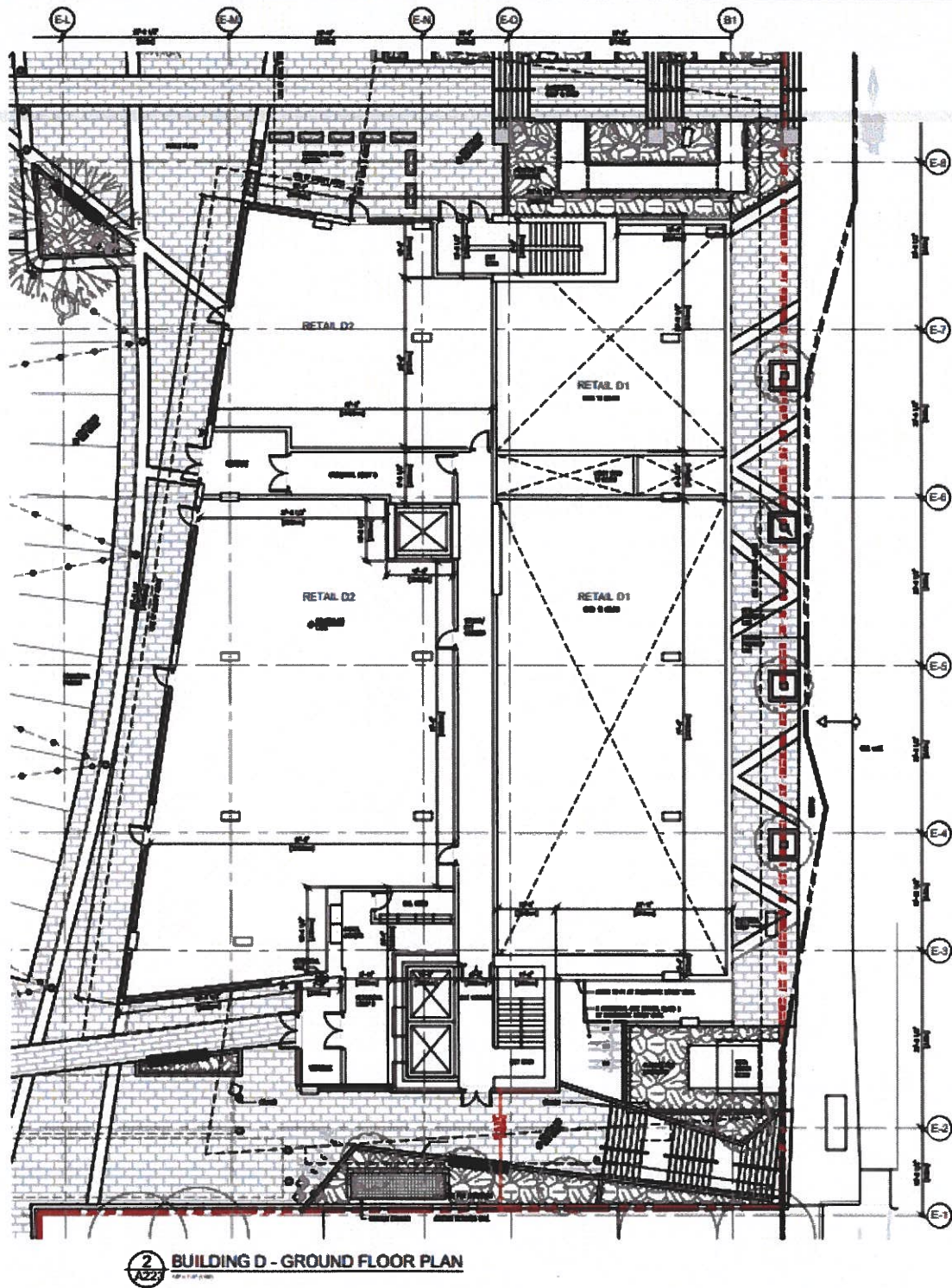


Figure 2: Proposed Building D's Ground Floor Plan (provided by WA architecture)

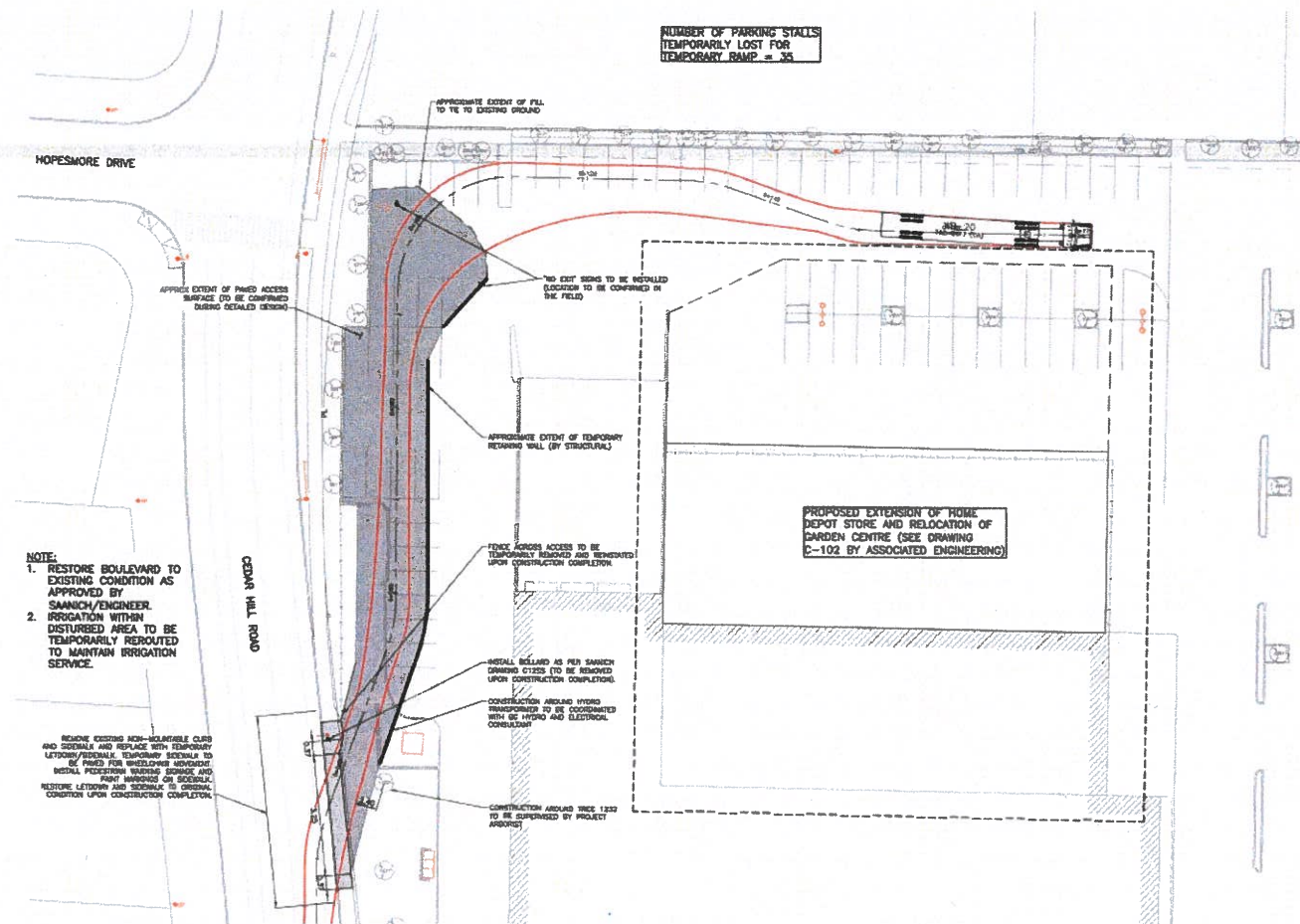


Figure 3: Proposed Temporary Loading Ramp (provided by WA architecture)

Advisory Design Panel

The development proposal was considered by the Advisory Design Panel (ADP) at their July 7, 2021, meeting. The panel moved that it be recommended that the design to redevelop a portion of the site as a mixed-use commercial/residential development including 597 dwelling units at 3956 Shelbourne Street be approved as presented.

The Panel provided the following comments:

- Consideration could be given to strengthening the breezeway condition and connection with feature paving;
- Reconsideration could be given to the spacing, location or sizes of the art niches so they catch the public’s eye;
- Consideration could be given to softening the sightlines of the bike ramps coming up from Cedar Hill Road;
- Landscaping could address the appearance of the retaining wall around the gas station.
- Ensure there are shade elements on the south elevation of Building D; the Daycare patio will be in the direct afternoon sun;
- Smaller trees would soften the edge at the corner of Shelbourne Street and McKenzie Avenue; it is a bit "hard" at the pedestrian level; and
- There aren’t enough charging stations.

The applicant chose to make no changes to the proposed design to accommodate the Advisory Design Panel’s comments.

### Proposed Zone

The applicant has requested a rezoning to a new site-specific C-3UH (Shopping Centre University Heights) Zone. The new zone would include the same permitted uses as the current C-3 (Shopping Centre) Zone. The C-3UH Zone has been revised to accommodate the most recent development proposal to include two Development Areas (see Figure 4).

Development Area A (DA-A) would include the site south of the southern face of the Home Depot and is proposed to regulate the primary development. DA-A would permit a 2.12 Floor Space Ratio (FSR) and limits the number of dwelling units to the proposed 597. The new zone would allow a maximum building height of 66 m measured from sea level (approximately 31.0 m measured from grade) whereas the C-3 Zone permits a maximum height of 15.0 m measured from grade.

Development Area B (DA-B) would include the site north of the southern face of the Home Depot and is proposed to regulate the Home Depot portion of the site. DA-B would permit a 0.39 Floor Space Ratio (FSR), which allows for the proposed expansion to the Home Depot, and prohibits dwelling units. The proposed increased required setbacks are to wrap the existing and proposed area and location of the Home Depot. The maximum building height permitted would be 40.84 m measured from sea level, which allows for the one storey commercial development.

### Parking Variances

The proposed addition to the Home Depot would increase the commercial parking requirement which is calculated on leasable commercial floor area. In addition, the proposed addition displaces existing commercial parking spaces. Consequently, the proposed commercial parking variance has increased from previously proposed 178 stalls to 319 parking stalls for Shopping Center use. The proposed variance includes 33 parking spaces for Shopping Center use that would be displaced when Home Depot's Seasonal area is operational should Council see merit in the proposed development application.

The Zoning Bylaw permits that required visitor parking for the residential area (0.3 spaces per unit) can be assigned to commercial use parking spaces as long as they account for no more than 15% of the commercial spaces. As a result of the reduction in proposed commercial parking, a greater visitor parking variance is now required. A variance of 82 visitor parking stalls would be required.

On August 24, 2021, Bunt & Associates issued a memo to supplement Bunt's most recent Transportation Impact Assessment (TIA), to address staff concerns regarding the increased parking variances sought. The memo has accounted for the additional 33 parking spaces that would be lost when Home Depot's seasonal retail is operational. Based on the consultant's findings, the proposed commercial parking supply is anticipated to accommodate peak period parking demands based on demand observation at the existing site.

The proposed residential parking supply rate of 0.64 spaces per residential rental unit, is considered appropriate for the University Heights context, and is anticipated to accommodate parking demand of residents. The commercial parking spaces are anticipated to accommodate residential visitor demand as well as commercial demands during peak periods. This is due to the site's location and the anticipated rental demographic.

It is important to note that this Report identifies all new variances proposed. All other variances previously identified in the Council report dated August 6, 2020 remain unchanged and continue to be part of the subject redevelopment proposal.

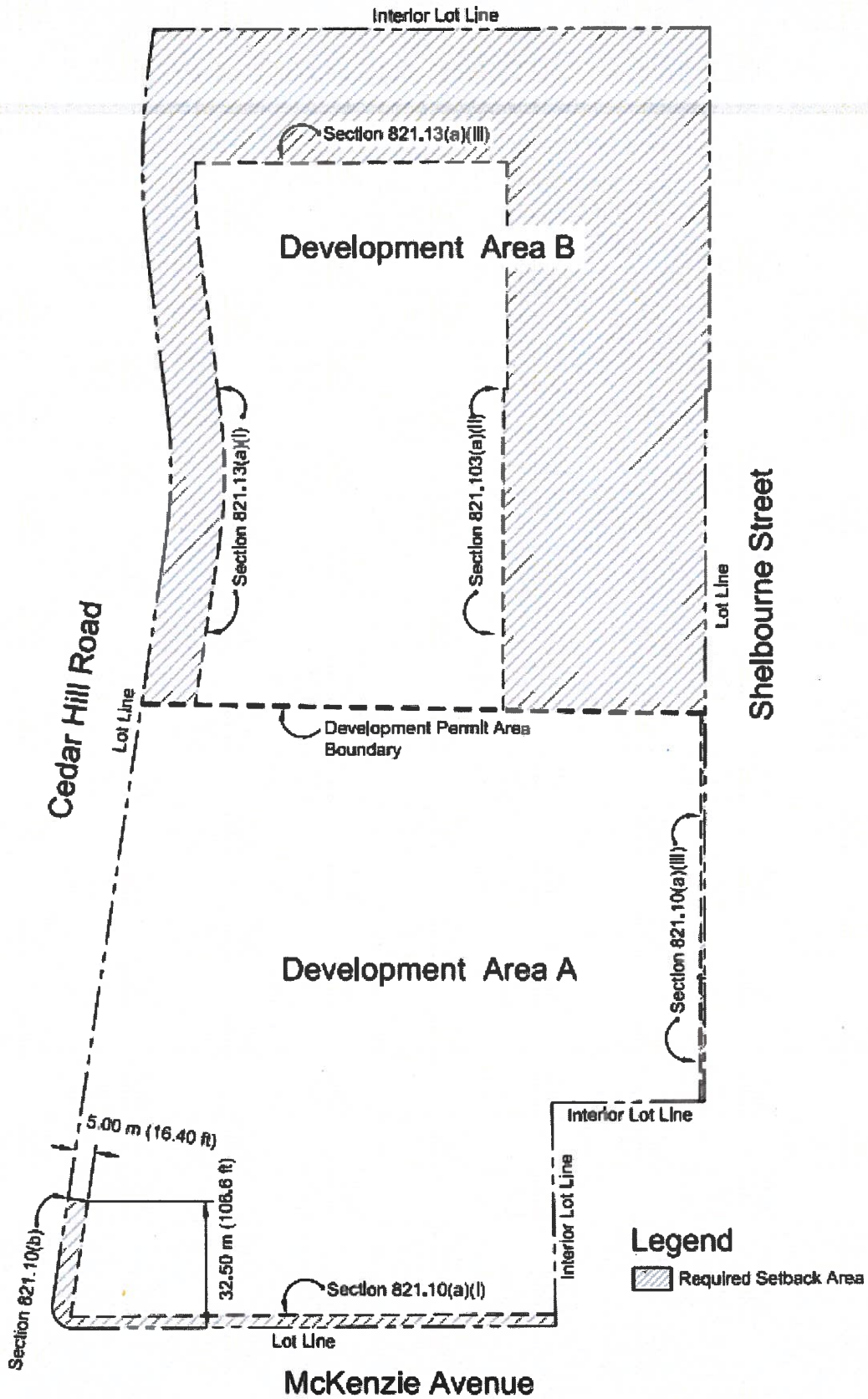


Figure 4: C-3UH Zoning Diagram

### **Undergrounding of the Hydro Lines**

As discussed previously within this Report, at the Council meeting on September 28, 2020 Council moved "That the applicant be requested to present a community amenity of the same value as the cost of undergrounding the hydro lines." In response to the motion, the applicant has provided three options for Council consideration.

#### Option 1

Wesbild would underground the BC Hydro overhead lines from McKenzie Avenue to Arrow Road.

#### Option 2

Wesbild would contribute \$1,000,000 towards the District of Saanich undergrounding the BC Hydro overhead lines from McKenzie Avenue to Arrow Road. The District of Saanich could then leverage the contribution to apply for additional funding from BC Hydro's Beautification Fund to extend the undergrounding of the overhead lines further along Cedar Hill Road. Staff are not supportive of this option (Option 2) as to do so places a burden on the Municipality/Engineering staff to plan and manage the works.

#### Option 3

Wesbild would provide an additional community amenity contribution of \$1,000,000 which would include the following:

- An increase of the current offering of residential EV readiness from 50% to 100% of the residential parking stalls within the new parkade (estimated value of \$50,000);
- Installation of 10 additional at-grade Level 2 EV chargers onsite (estimated value of \$100,000);
- An increase of the proposed on-site Public Art contribution by an additional \$100,000; and
- A contribution \$750,000 to local charities directed towards helping both children and families within the District of Saanich, as well as; helping the District of Saanich acquire and improve greenspace.

Staff continue to recommend Option 1 as the intent of undergrounding the Hydro lines is to provide large class boulevard trees along Cedar Hill Road, to buffer the impacts of the proposed retaining wall and to provide a high quality public realm as envisioned in the Shelbourne Valley Action Plan and befitting a Major Center in the District of Saanich.

If Council chooses to proceed with Option 3, the applicant would be required to specify the recipients of the proposed \$750,000 contribution prior to Public Hearing.

### **Resolution of Items required prior to Public Hearing**

As detailed in the Staff Report to Council dated August 6, 2020 and the Supplemental Report dated September 10, 2020, that recommended that the applicant provide additional information on the following:

- The proposed west east connection;
- Boulevard irrigation;
- The undergrounding of the overhead BC Hydro lines, discussed in detail earlier in this report;
- The restriction of films and other obstructions for commercial frontage along McKenzie Avenue; and
- Soil cells for the four Dawyck Beech boulevard trees.

#### Pedestrian Connection

As described in greater detail in the August 6, 2020 Report to Council, the Shelbourne Valley Action Plan seeks to improve the relationship between the pedestrian realm and adjacent land uses through



a pedestrian and cyclist connection at the north of the site to connect Arrow Road to Shelbourne Street. As described earlier in this report, as minimal work is being proposed for the northern portion of the subject site (Development Area B) it is recommended that the future pedestrian connection be secured through covenant consistent with memo from the Engineering Department dated June 15, 2021 regarding the future works and services.

#### Boulevard Irrigation

The applicant has committed to the District of Saanich's standard of a dedicated irrigation system from a municipally owned water source and timer for the boulevards.

#### Restriction of Films on McKenzie Avenue frontage

The applicant has committed to a restriction on films and other obstructions along McKenzie Avenue to ensure that Building A's ground floor commercial is oriented to the pedestrian realm with a lively interface between the sidewalk consistent with the objectives of the Shelbourne Valley Action Plan.

#### Soil Cells

The applicant has committed to providing soil cells to ensure the vitality of the four Dawyck Beech trees proposed to be planted on the Shelbourne Street frontage.

#### Boulevard Trees

The applicant has committed to planting three boulevard trees between the Hopesmore Drive cross walk and the overhead lines. As the landscape drawings were not revised to reflect this change, Staff are recommending that the planting of the boulevard trees be secured through covenant.

#### **Housing Agreement**

The proposed Housing Agreement to secure the rental rate of 60 units has been refined to reflect the District of Saanich's current practices and to provide Council with more clarity regarding the proposed level of affordability.

The previously proposed Housing Agreement, described in the August 6, 2020 Report to Council, secured the rental in perpetuity. "In perpetuity" has been revised to secure the rental for 60 years or the life of the building (whichever is less), consistent with the District of Saanich's current practice. This has been noted in bold in the recommendation below.

The August 6, 2020 Council Report also noted that the 60 units would be designated at 10% below market rents. In order to provide clarity to Staff and the public, market rents will be determined by an appraiser at the time of occupancy for a period of 20 years. This has been noted in bold in the recommendation below.

The proposed Housing Agreement has also been revised to include income limits for the future qualified renters. The proposed Low and Moderate Income Limits, as defined by BC Housing, are \$75,730 for units with less than two bedrooms and \$117,080 for units with more than two bedrooms. This information was provided by the applicant and has been noted in bold in the recommendation below.

#### **RECOMMENDATION**

1. That the application to rezone from the C-2 (General Commercial) Zone and the C-3 (Shopping Centre) Zone to a new site-specific C-3UH (Shopping Centre University Heights) Zone be approved.
2. That Final Reading of the Zoning Amendment Bylaw and ratification of the Development Permit Amendment DPA00931 be withheld pending registration of a covenant to secure the following:

- The undergrounding of the Hydro lines along Cedar Hill Road;
- A minimum of 325 m<sup>2</sup> (3,500 ft<sup>2</sup>) be restricted to daycare use for a period of two years following occupancy;
- A contribution of \$500,000 to the Affordable Housing fund;
- A contribution of \$20,000 to a Saanich led report on the safety and visibility of the cross walk at Cedar Hill Road and Arrow Road;
- A contribution of \$5,000 towards the memorial London Plane tree fund;
- A contribution of \$15,000 towards the fabrication of a 'Shelbourne Street of unfinished Dreams' placard to be placed on the subject property;
- A commitment of \$500,000 worth of Public Art;
- Provision of twenty electric vehicle charging stations;
- Provision of conduit to all new areas of the underground residential parking area for 50% of the stalls.
- A statutory right of way to permit the sidewalk to encroach onto the site;
- **That operation of Home Depot's Seasonal Outdoor areas be limited to mid-March to mid-September and November 23 to December 25;**
- **Provision of three boulevard trees between the Hopesmore Drive crosswalk and the overhead lines.**
- Completion of the Traffic Demand Management measures as identified in the Transportation Impact Assessment, dated July 21, 2021 including:
  - One parking stall being assigned for car share use;
  - The purchase of one car share vehicle;
  - Multiple bicycle repair stations for residential and visitor use;
  - Transportation Information Bulletin for all residential units; and
  - An erasable public notice board for the exchange of ride-share information.
- **The property dedication, works and services, outlined in Memo from the Engineering Department dated June 15, 2021, be provided prior to Building Permit Issuance, should any future development and/or works requiring a permit that are not associated with DPA00931 or DPA00959 be applied for.**

Registration of a housing agreement to secure the following:

- **All units to remain as rental for 60 years or the life of the building (whichever is less);**
  - **That 60 units be designated at 10% below market rents as determined by an appraiser at time of occupancy for a period of 20 years; and**
  - **Be rented to qualified renters with Low and Moderate Income Limits as defined by BC Housing.**
3. That Development Permit Amendment DPA00959, for the temporary Cedar Hill Road loading ramp, be approved.
  4. That Final Reading of the Zoning Amendment Bylaw and ratification of the Development Permit Amendment DPA00959 be withheld pending registration of a covenant to secure the use of the loading access off of Cedar Hill Road to be limited to a five year period.

Prepared by: Gina Lyons

Gina Lyons  
Senior Planner

Reviewed by: Shari Holmes-Saltzman

Shari Holmes-Saltzman  
Manager of Current Planning

Approved by: Sharon Hvozdzanski

Sharon Hvozdzanski  
Director of Planning

GL/jsp

Attachments

**ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation from the Director of Planning.



Paul Thorkeisson, Chief Administrative Officer