

DATE OF MEETING March 21, 2016

AUTHORED BY KARIN KRONSTAL, PLANNER, PLANNING AND DESIGN

**SUBJECT REZONING APPLICATION NO. RA363 – 306 HILLCREST AVENUE / 525 THIRD STREET / 305, 311 AND 321 WATFIELD AVENUE**

## OVERVIEW

### **Purpose of Report**

To present a rezoning application to Council for the properties located at 306 Hillcrest Avenue, 525 Third Street, 305, 311 and 321 Watfield Avenue, to rezone the lands from Single Dwelling Residential (R1) and Duplex Residential (R4) to Mixed-Use Corridor (COR2), in order to permit a mixed-use development that includes student housing.

### **Recommendation**

That Council:

1. receive the report pertaining to the City of Nanaimo "Zoning Amendment Bylaw 2016 No. 4500.095"; and,
2. direct Staff to secure covenants for road dedication, a bus stop shelter, lot consolidation, bicycle parking, additional roadworks, a housing agreement and the community contribution, prior to the adoption of the bylaw, should Council support the bylaw at third reading.

## BACKGROUND

The City has received a rezoning application (RA363) for 306 Hillcrest Avenue, 525 Third Street and 305, 311 and 321 Watfield Avenue from Universal Estates Ltd. (Mr. Gunter Yost) on behalf of the property owners, C.D.F. Developments Ltd. Inc. (Mr. Hans Heringa) and Hai Yang Estate Developments Ltd. Inc. (Mr. Xu Guo).

### **Subject Properties:**

*306 Hillcrest Avenue, 525 Third Street, 305, 311 and 321 Watfield Avenue*

<b>Location:</b>	The properties are located on the south side of Third Street between Watfield Avenue and Hillcrest Avenue
<b>Combined Total Lot Size:</b>	1.8 hectares (4.4 acres)
<b>Current Zones:</b>	Single Dwelling Residential (R1) and Duplex Residential (R4)
<b>Proposed Zone:</b>	Mixed-use Corridor (COR2)
<b>Current Official Community Plan (OCP) Designation:</b>	Corridor
<b>Current Harewood Neighbourhood Plan Designation:</b>	Mixed-use Corridor

### ***Previous Rezoning Application (RA348)***

At its Special Meeting of 2015-AUG-06, Council voted to deny Rezoning Application RA348 for a similar mixed-use project on this site. On 2015-NOV-16, Council voted to allow a new rezoning application to proceed prior to the usual six-month waiting period before re-applying following a defeated bylaw. During the intervening period, the applicant met with adjacent landowners and adjusted the proposed development in response to their feedback. Significant changes include: limiting the building height along Watfield Avenue to two storeys, reducing the number of proposed student housing units from 135 to 100, reducing the number of proposed student housing buildings from three to two, increasing the amount of amenity space, and providing more detail on the proposed landscaping.

## **DISCUSSION**

### ***Subject Properties and Surrounding Area***

The subject properties are located on the south side of Third Street and take up an entire block between Watfield Avenue and Hillcrest Avenue. The total area of the development site (including proposed road closures) is approximately 1.8 hectares (4.4 acres).

### ***Proposed Development***

The application is to rezone the subject properties from Single Dwelling Residential (R1) and Duplex Residential (R4) to Mixed-use Corridor (COR2). Subsequent to the previous rezoning application, the applicant worked with the adjacent residents to develop a site plan which reflects neighbours' input while respecting the vision of the Harewood Neighbourhood Plan. For more detail, see Attachment B - Applicant's Letter of Rationale.

The proposed development concept features mixed-use buildings along Third Street with 1,616m<sup>2</sup> of ground floor commercial space and 60 residential units above; two student housing buildings with a total of 100 units containing 220 beds; and 18 residential townhomes along Hillcrest and Watfield Avenues. As the development is proposed over multiple lots, lot consolidation will be required prior to issuing a development permit. For more details on proposed development, see Attachment C – Development Concept.

### ***Staff Review***

#### ***Official Community Plan***

The Official Community Plan (OCP) designates the subject properties as 'Corridor'. Corridor development is characterized by a mix of residential, commercial, professional, and service uses, with residential development at medium-to-high-level densities. Within mixed-use developments, ground floor uses include retail, office, or community uses that invite public activity.

#### ***Harewood Neighbourhood Plan***

The Harewood Neighborhood Plan identifies the subject properties as Mixed-Use Corridor, a designation which encourages development characterized by a mix of uses including multiple family residential, public amenities, commercial, professional and service uses, with residential densities of 50 - 150 units per hectare, in two to six-storey buildings. Within mixed-use developments, ground floor uses will be retail, office or community uses that invite public activity, with residential and professional uses supported in upper storeys.

### *Nanaimo Transportation Master Plan*

A key goal of the Nanaimo Transportation Master Plan is to reduce overall demand for travel, especially by personal vehicles. The subject properties are located within the 600m buffer of the Vancouver Island University (VIU) Mobility Hub, one of the five major transportation centres in the city. With good access to transit and active transportation linkages, the proposed development is highly connected and would provide multiple transit options for residents.

### *Access and Parking*

There are two proposed vehicle accesses into the development at Hillcrest Avenue and Watfield Avenue. The parking requirement for the site is 302 parking stalls (129 spaces for multi-family residential use, 74 spaces for commercial use and 99 spaces for the non-student residential housing as per the Zoning Bylaw, and 0.45 spaces per bed for student housing as per recent similar development). The site plan shows a total of 270 spaces, including 180 above ground and 90 underground stalls, for a parking shortfall of 32 spaces. The applicant has indicated they will apply for a variance to the parking requirements during the development permit process.

### *Third Street Re-Profiling*

In addition to the standard works and services typical of all new construction, the developer of the property will be required to re-profile the portion of Third Street between Hillcrest Avenue and Watfield Avenue. The re-profiling will greatly improve vehicular sightlines by reducing the crest of the hill by approximately 1m. As re-profiling of Third Street requires works beyond the centreline, which may be considered extraordinary road works, Staff recommends securing the works as a condition of rezoning. In this case, the developer would be responsible for costs up to the centreline and the City would complete the road to an interim standard with \$50,000 of the community contribution dedicated towards the City's costs.

Discussion about re-profiling this section of Third Street began in 2012 during a successful rezoning application for a similar mixed-use project across the street at 560 Third Street. The conditions for approval of that project included a covenant requiring the developer to re-profile Third Street between Howard Avenue and Lambert Avenue up to the centerline and provide a \$100,000 community contribution towards works towards the cost of Third Street re-profiling. As this project was only partially completed, only part of the community contribution has been collected and the re-profiling was not done. If the 560 Third Street project is completed after the City re-profiles their side of the road to an interim standard, the developers will still be responsible for building the road to the ultimate standard and for paying the rest of their community contribution which will be used to off-set the City's costs.

### *Traffic Impact Assessment*

The applicant updated the traffic study undertaken for the previous rezoning application to account for existing conditions, the impact of additional traffic, and any improvements required due to the development. The updated traffic impact assessment concludes that the current levels of service would not be significantly impacted by the proposed development, provided the improvements include a westbound left-turn lane on Third Street at Watfield Avenue, re-profiling along the site frontage on Third Street between Watfield Avenue and Third Street, and installing a marked crosswalk on Third Street at Lambert Avenue with pedestrian-activated side-mounted flashers. The addition of a new road within the site connecting Watfield Avenue and Hillcrest Avenue would also provide another option for vehicles pulling out from Watfield Avenue onto Third Street, with improved sightlines at this intersection as a result of the re-profiling.

### *Student Housing*

The student housing use requires a text amendment to the City of Nanaimo “Zoning Bylaw 2011 No. 4500” to allow the use as a site-specific use on the subject property. As there are no general regulations in the Zoning Bylaw regarding student housing facilities, Staff recommends securing the following items via a registered covenant: communal space on every second floor of the building; an imposed limit of a total number of beds to 220; a requirement for a one-bedroom unit for the manager within the student housing building; and the registration of a housing agreement restricting the use of the building to student housing and outlining terms and conditions.

### **Conditions of Rezoning**

Should Council support this application and pass third reading of Bylaw No. 4500.095, Staff recommends the following items be secured prior to final adoption of the bylaw:

1. Road Dedication  
3.7m will be required from the Third Street frontage, as well as additional dedication of 6m corner roundings of the property line where Third Street intersects with Watfield Avenue and Hillcrest Avenue.
2. Lot Consolidation  
As the development is proposed over multiple lots, lot consolidation will be required prior to issuing a development permit and no building shall be permitted on the property prior to consolidation.
3. Bus Shelter  
An existing bus stop is located on Third Street fronting the subject properties. A shelter for the bus stop shall be installed along with the required works and services.
4. Roadworks  
Off-site roadworks to be secured through the rezoning process include the re-profiling of Third Street along the site frontage, left-turn bays on Third Street at Hillcrest Avenue and Watfield Avenue to facilitate access to the site (including any widening required beyond site or centreline), and a crosswalk with pedestrian warning flashers across the east leg of the intersection of Third Street and Lambert Avenue. For all cross-sections; frontages must include boulevards with street trees and offset sidewalks.
5. Onsite Bicycle Parking  
Secure and covered bicycle parking at a rate of one space per unit for student housing; 0.5 spaces per unit for the multi-family units, and ten spaces per mixed-use building.
6. Student Housing Agreement  
As discussed above, a housing agreement must be registered at the Victoria Land Title Office prior to the issuance of a development permit for the student housing.
7. Community Contribution  
The applicant is proposing a monetary contribution of \$221,000 towards road re-profiling (\$50,000), green design features (\$81,000), and site amenities including public space (\$90,000). Staff supports the community contribution proposal and recommends securing the monetary contribution prior to final adoption of the bylaw.

***The Planning and Transportation Advisory Committee***

At its meeting of 2015-MAY-27, the Planning and Transportation Advisory Committee recommended that Council approve application RA348 for the same zoning amendment proposed under RA363.

**SUMMARY POINTS**

- The application is to rezone the property to COR2 to allow for a mixed-use development that includes student housing.
- The proposed development meets the policy objectives of the OCP and the Harewood Neighbourhood Plan, as it is located in an area that supports higher density residential development within mixed-use developments.
- Following the defeat of a previous rezoning application for this property, the applicant worked with adjacent neighbours to address concerns about density and building height and has revised their proposal accordingly.

**ATTACHMENTS**

- ATTACHMENT A: Location Plan  
ATTACHMENT B: Applicant's Letter of Rationale  
ATTACHMENT C: Development Concept  
ATTACHMENT D: Aerial Photo  
ATTACHMENT E: "Zoning Amendment Bylaw 2016 No. 4500.095"

**Submitted by:**



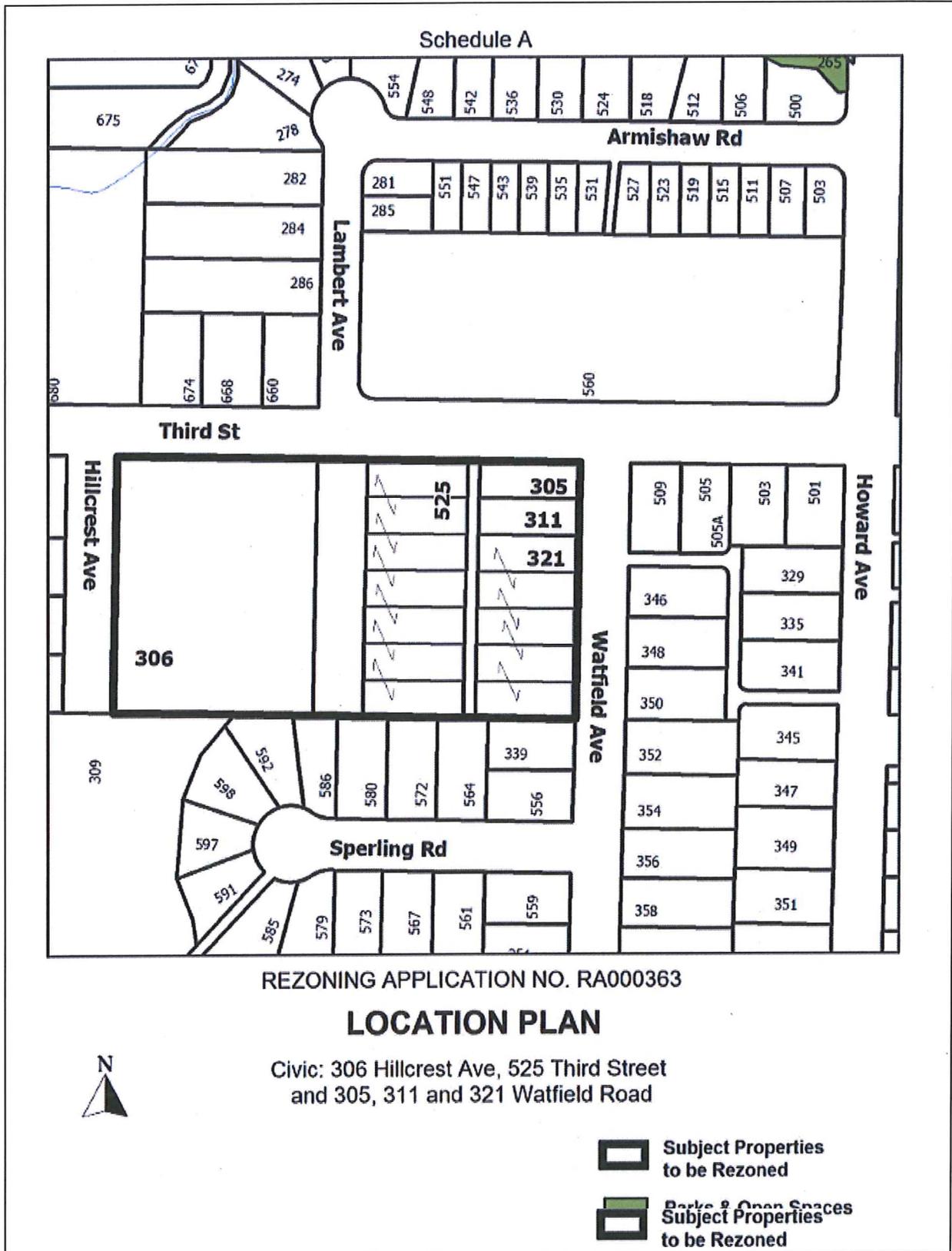
B. Anderson  
Manager, Planning and Design

**Concurrence by:**



D. C. Lindsay  
Director, Community Development

# ATTACHMENT A



# ATTACHMENT B

## REZONING RATIONALE

### **Brief Property Description:**

Our proposed development complies with the goals and objectives of the Official Community Plan, the Harewood Neighbourhood Plan, and the City zoning regulation.

The site is located along the south side of Third Street between Hillcrest Ave. and Watfield Ave. The property is approximately 5 acres in size.

At present there are two rental houses and a large old warehouse shop and storage-buildings. All will be removed upon commencement with the new project.

The immediate neighbourhood surrounding the north side of Third Street directly opposite from our property is a newly rezoned development and has COR2 zoning in place already.

East of the property along Watfield Ave. are single family homes. Along the south-west portion of this property is an existing multi-residential development. Directly south of the property are single family homes.

West of the property along Hillside are older single family homes.

At present the property is zoned for single family and small portion zoned for duplex.

Since our original rezoning application third reading in August 2015 was not approved; and at the direction and request of council, we have done more substantial consulting with the neighbourhood.

We held a general meeting at the MGM wherein we asked each individual member what their concerns are ( if any )

From that meeting we created a list of guidelines that the neighbours were looking for such as the following:

1. No more two storey townhouse buildings at Watfield Avenue
2. Style of building more traditional pitch roofs
3. Commercial spaces just limited to Third Street (small scale commercial is ok , no big box commercial)
4. Building at Third Street close to Watfield can be two storey of residential above commercial
5. Building at Third Street close to Hillcrest Ave. can be three storey of residential above commercial
6. No interior located buildings on site higher than the roof elevation of a two storey building at Watfield Avenue
7. Building at Hillcrest Avenue can be higher
8. Building facing to south (Sperling Road) should be 25' away from property and stepping done to protect the privacy of homes at Sperling Road.

9. Consideration in the design should be given for safe environment for all, privacy, good looking building and not overly dense development
10. Parking access from Hillcrest Ave. and Watfield Avenue

Thus, to incorporate some of the above items, we have revised our plans from the original design, with lesser density of student housing. We orientated the interior buildings to better suit the topography of the land and also addressed the height of the buildings.

It is now a better overall layout and design from the original and incorporated neighbours wishes.

We have provided an east- west drive through on the property for better traffic flow and easier entry to Third Street.

We propose to rezone the site to corridor COR2 since it meets with the requirements of the OCP and corridor zoning along Third Street, as well as with the Harewood Neighbourhood Plan.

It is well located along Third Street corridor and complies with the Third Street precinct to develop predominantly residential in character with some local servicing retail at this key location.

Although the OCP corridor development allows the buildings to be six stories in height; our buildings will only be three stories along Third Street and there will be two story town houses along Watfield Avenue.

On the interior portion of the property, the buildings will be lesser in height than zoning allows.

Since the property is well positioned to the community for amenities such as swimming pools, ice arena etc. and is close to the Vancouver Island University , we have designed some of the residences for much needed student housing.

The director of the international student housing for the Vancouver Island University, confirms that there is a great need for good quality accommodation for students. I am advised that there is usually a waiting list for student accommodation.

Our preliminary canvassing for the need of commercial and residential along Third Street has been positive; since there are no such services in this area and are both welcomed and needed.

Since this is a large project, the development will be built in phases as the general market dictates.

It is the intention of the developer/owner to construct all residential and commercial units for rentals- and not for re-sale purpose.

Please note; there will be an experienced property management team located on site at all times to ensure a seamless operation.

The total development has been reduced from our original submission; and is approximately 30% less of the allowed density for COR2

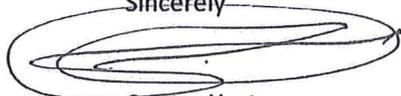
Upon re zoning approval the owner of the property will pay the City \$96,500.00 for the closed roads on this property and give up 3.5 meters along Third Street for upgrading said road.

It will provided a sizable contribution to improve Third Street profile etc. and will pay millions of dollars to the City for DCC's .

It will bring amenities to the area, and be supportive of existing long range pans for the City.

I trust the foregoing meets with your approval to rezone said property to recommended COR2 corridor zoning.

Sincerely

A handwritten signature in black ink, appearing to read "Gunter Yost", enclosed within a large, hand-drawn oval scribble.

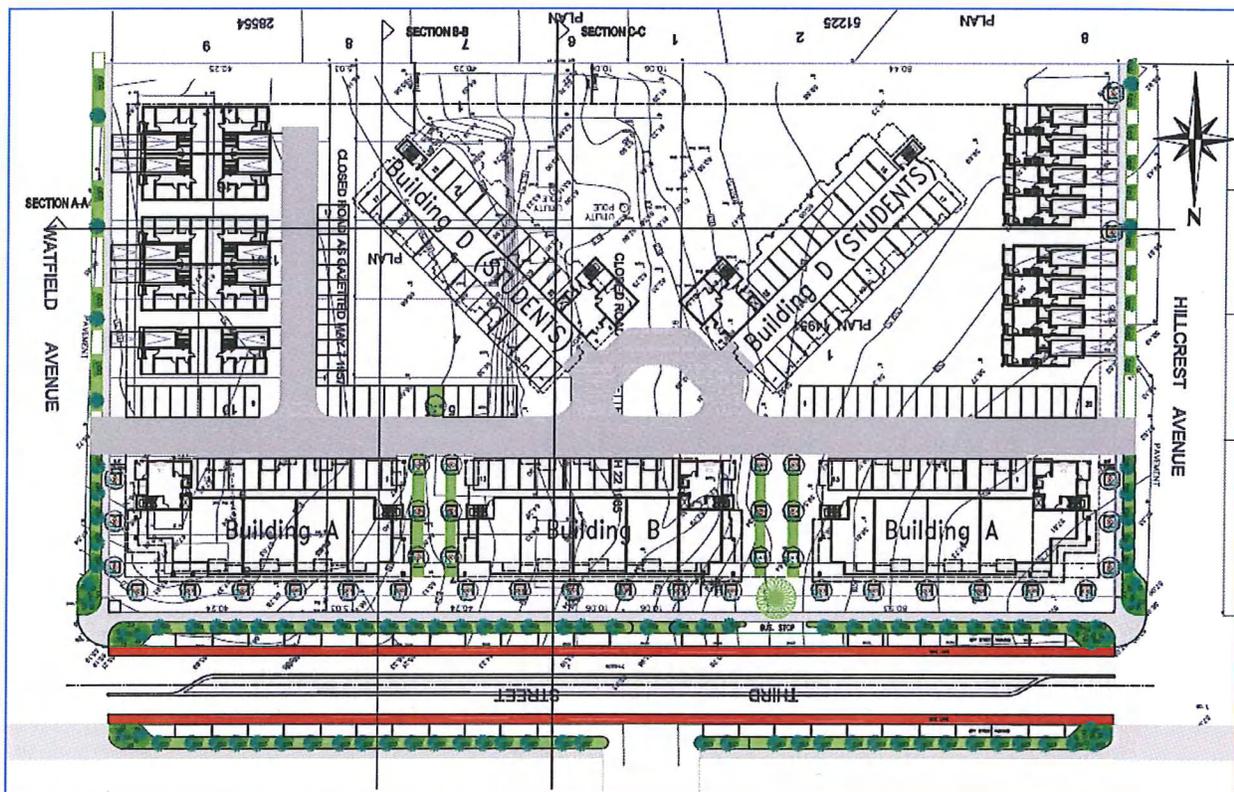
Gunter Yost  
Universal Estates BC Ltd.

# ATTACHMENT C

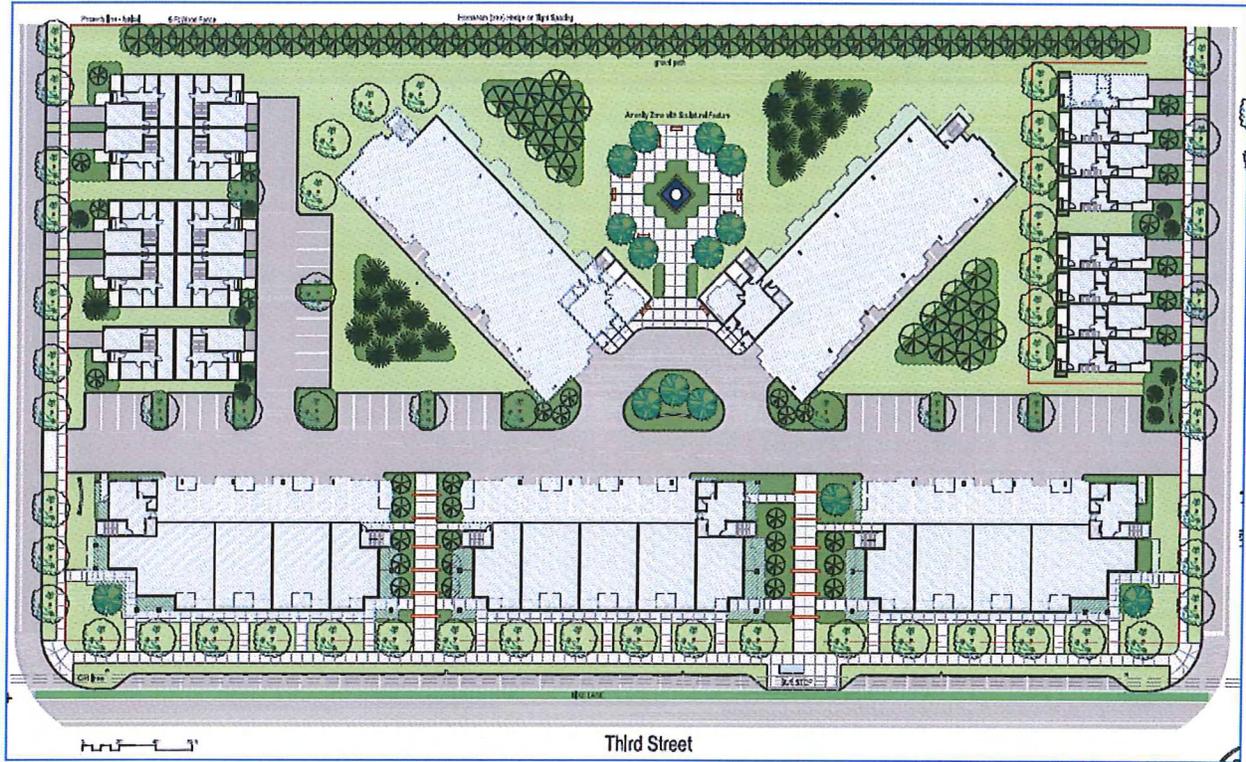
**Table 1 – Development Data**

<p><b>Mixed-use Buildings along the Third St Frontage</b></p>	<ul style="list-style-type: none"> <li>○ <b>Buildings:</b> total of 3 mixed-use buildings</li> <li>○ <b>Floors:</b> each building has commercial on the ground floor and 2-3 storeys of residential above</li> <li>○ <b>Gross Floor Area (GFA):</b> each building is 2,304m<sup>2</sup> (24,800 ft<sup>2</sup>)</li> <li>○ <b>Units:</b> 20 residential units per building</li> <li>○ <b>Commercial:</b> 538m<sup>2</sup> (5,800 ft<sup>2</sup>) commercial floor area per building</li> <li>○ <b>Total of 60 residential dwelling units</b></li> <li>○ <b>Total of 1,616m<sup>2</sup> (17,400ft<sup>2</sup>) commercial gross floor area</b></li> </ul>
<p><b>Student Housing within the Site Interior</b></p>	<ul style="list-style-type: none"> <li>○ <b>Buildings:</b> total of 2 student housing buildings</li> <li>○ <b>Floors:</b> each building has 4 floors of student housing</li> <li>○ <b>Gross Floor Area (GFA):</b> each building is 3,827m<sup>2</sup> (41,200ft<sup>2</sup>)</li> <li>○ <b>Units:</b> 50 units per building ranging from studio to four-bedroom units</li> <li>○ <b>Total of 100 student housing units with 220 beds</b></li> </ul>
<p><b>Residential Townhouses along Hillcrest Ave &amp; Watfield Ave</b></p>	<ul style="list-style-type: none"> <li>○ <b>Buildings:</b> 4 separate buildings with 4 townhouses per building and 1 building with 2 townhouses</li> <li>○ <b>Floors:</b> Buildings along Watfield are 2 storeys, buildings along Hillcrest are 3 storeys</li> <li>○ <b>Units:</b> 8 units on Hillcrest Avenue and 10 units on Watfield Avenue</li> <li>○ <b>Total of 18 residential townhouses</b></li> </ul>

**Figure 1 – Conceptual Plan**



**Figure 2 – Proposed Landscape Plan**



**Figure 3 – Conceptual Elevations**



**Corner View from Third Street and Hillcrest Avenue**

**Figure 3 – Conceptual Elevations (cont.)**



**View facing Hillcrest Avenue (3 Storeys)**



**View facing Watfield Avenue (2 Storeys)**



**Student Housing (located to the site interior)**

# ATTACHMENT D



CITY OF NANAIMO

BYLAW NO. 4500.095

A BYLAW TO AMEND THE CITY OF NANAIMO "ZONING BYLAW 2011 NO. 4500"

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WHEREAS the Council may zone land, by bylaw, pursuant to Sections 890, 891, 903 and 904 of the *Local Government Act*,

THEREFORE BE IT RESOLVED the Municipal Council of the City of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as the "ZONING AMENDMENT BYLAW 2016 NO. 4500.095".
2. The City of Nanaimo "ZONING BYLAW 2011 NO. 4500" is hereby amended as follows:

By rezoning the lands legally described as LOTS 1 TO 2, BLOCK 2, SECTION 1, NANAIMO DISTRICT, PLAN 1391; LOT 3, BLOCK 2, SECTION 32, RANGE OF PART OF SECTION 1, NANAIMO DISTRICT, PLAN 1391; and LOTS 4 TO 7, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391 (525 Third Avenue); LOT 8, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN (305 Watfield Avenue); LOT 9, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391 (311 Watfield Avenue); LOTS 10 TO 14, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391 (321 Watfield Avenue); LOT 1, SECTION 1, NANAIMO DISTRICT, PLAN 14951 (306 Hillcrest Avenue); and the adjacent closed road from Single Dwelling Residential (R1) and Duplex Residential (R4) to Mixed Use Corridor (COR2) as shown on Schedule A.

3. By amending Subsection 9.2.3 by adding the following site specific use after "Liquor Store":

Student Housing	306 Hillcrest Avenue, 525 Third Street , 305, 311 & 321 Watfield Avenue	LOTS 1 TO 2, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391; LOT 3, BLOCK 2, SECTION 32, RANGE OF PART OF SECTION 1, NANAIMO DISTRICT, PLAN 1391; and LOTS 4 TO 7, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391; LOT 8, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN; LOT 9, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391; LOTS 10 TO 14, BLOCK 2, SECTIONAL 1, NANAIMO DISTRICT, PLAN 1391; LOT 1, SECTION 1, NANAIMO DISTRICT, PLAN 14951
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PASSED FIRST READING \_\_\_\_\_  
PASSED SECOND READING \_\_\_\_\_  
PUBLIC HEARING HELD \_\_\_\_\_  
PASSED THIRD READING \_\_\_\_\_  
COVENANT REGISTERED \_\_\_\_\_  
ADOPTED \_\_\_\_\_

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

File: RA000363  
Address: 306 Hillcrest Avenue / 525 Third Street / 305, 311 & 321 Watfield Avenue