

City of Nanaimo

REPORT TO COUNCIL

DATE OF MEETING: 2015-JULY-20

AUTHORED BY: KARIN KRONSTAL, PLANNER, PLANNING & DESIGN SECTION

RE: REZONING APPLICATION NO. RA000348 – 306 HILLCREST AVENUE,
525 THIRD STREET AND 305, 311, AND 321 WATFIELD AVENUE

STAFF RECOMMENDATION:

That Council:

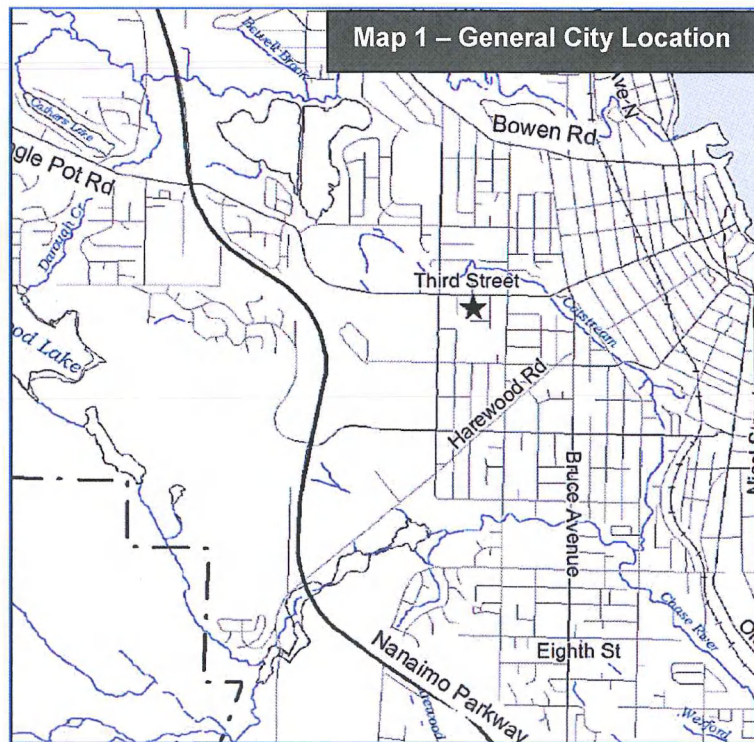
1. Receive the report pertaining to “ZONING AMENDMENT BYLAW 2015 NO. 4500.082”; and,
2. Direct staff to secure covenants for a bus stop shelter, lot consolidation, bicycle parking, a housing agreement and the community contribution, prior to the adoption of the bylaw, should Council support the bylaw at Third Reading.

PURPOSE:

The purpose of this report is to present a rezoning application for property located at 306 Hillcrest Avenue, 525 Third Street and 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.

BACKGROUND:

The City has received a rezoning application (RA000348) for 306 Hillcrest Avenue, 525 Third Street and 305, 311 and 321 Watfield Avenue from Mr. Gunter Yost of Universal Estates BC Ltd., on behalf of the property owners, Mr. and Mrs. Heringa, and C.D.F. Developments Ltd. Inc. No.253858.



Council
 Committee.....
 Open Meeting
 In-Camera Meeting
Meeting Date: 2015-JUL-20

Subject Properties: 306 Hillcrest Avenue, 525 Third Street and 305, 311 and 321 Watfield Avenue

Location:	The properties are located on the south side of Third Street and take up an entire block between Watfield Avenue and Hillcrest Avenue (see <i>Figure 1 - Subject Properties</i> , shown on page 2)
Combined Total Lot Size:	1.8 hectares (4.4 acres)
Current Zones:	Single Dwelling Residential (R1) Duplex Residential (R4)
Proposed Zone:	Mixed Use Corridor (COR2)
Current Official Community Plan (OCP) Designation:	Corridor
Current Harewood Neighbourhood Plan Designation:	Mixed Use Corridor

DISCUSSION:

Subject Properties and Surrounding Area

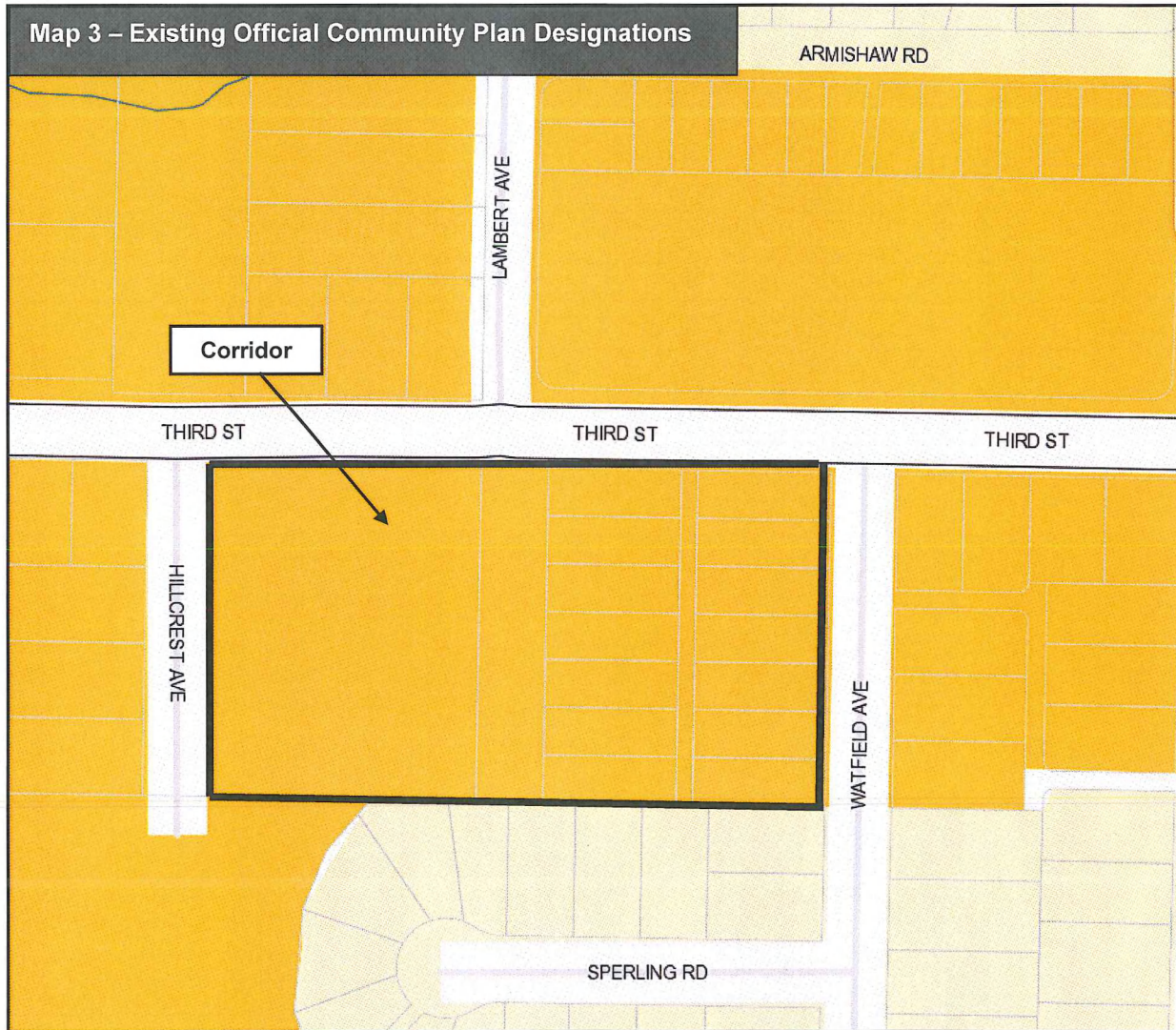
The subject properties are located on the south side of Third Street and take up an entire block between Watfield Avenue and Hillcrest Avenue (see *Map 2 – Location of Subject Properties*). The total area of the development site (including proposed road closures) is approximately 1.8 hectares (4.4 acres).



The subject site has three road frontages: Third Street, Watfield Avenue, and Hillcrest Avenue. Several buildings are located on the subject properties, including single residential dwellings and old outbuildings; however, the majority of the land is vacant. Primarily, the surrounding areas to the south, east, and west of the subject properties contain single residential dwellings. A multiple family development abuts the southwest property line and is located at the end of Hillcrest Avenue. Across the road to the north is a large undeveloped lot with COR2 zoning (560 Third Street). Also on the north side of Third Street, to the west, are single residential dwellings and several older apartment buildings.

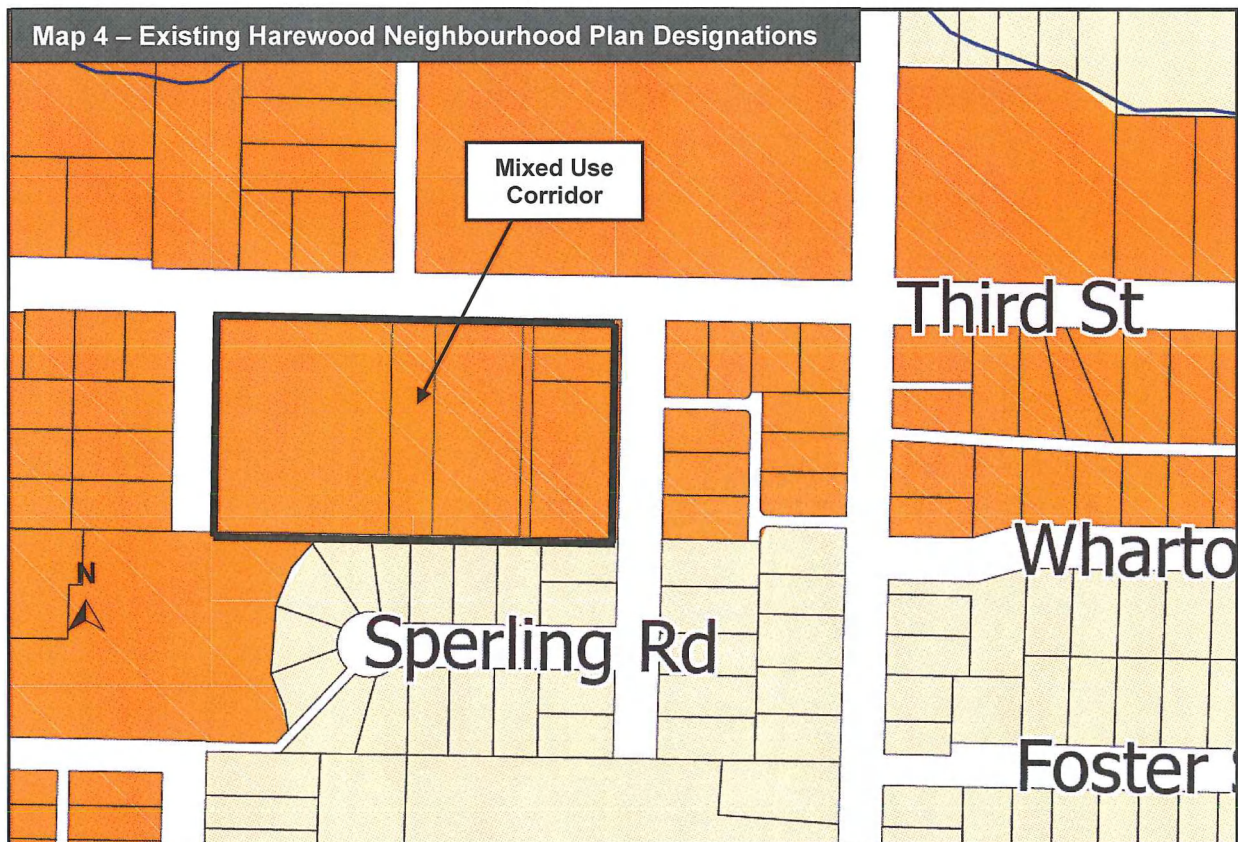
Official Community Plan

The Official Community Plan (OCP) identifies the subject properties as Corridor designation; see *Map 3 – Existing Official Community Plan Designation* below. Development in Corridors will be 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 will be retail, office, or community uses that invite public activity.



Harewood Neighbourhood Plan

The subject properties are located within the Harewood Neighborhood Plan which further defines the Corridor for the subject properties as Mixed Use Corridor (See *Map 4 – Existing Harewood Neighbourhood Plan Designation*, shown below). The Mixed Use Corridor designation 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. Residential uses will be provided in upper storeys; professional uses in upper storeys are also supported.



Nanaimo Transportation Master Plan

The Nanaimo Transportation Master Plan (NTMP) recognizes that combining both land use and transportation policies and actions will help to create synergies to support the goals and objectives of both the NTMP and the OCP. A key goal of the NTMP is to reduce overall demand for travel, especially by personal vehicles. Overall, the NTMP recognizes the importance of strengthening Urban Nodes and Corridors to help people meet their daily needs with less travel over shorter distances and to create opportunities for them to walk and cycle within, and take transit between, Nodes and along Corridors. Each of the Urban Nodes should be developed as 'Mobility Hubs' served by quality facilities and an exceptional experience to encourage people to use sustainable modes of transportation.

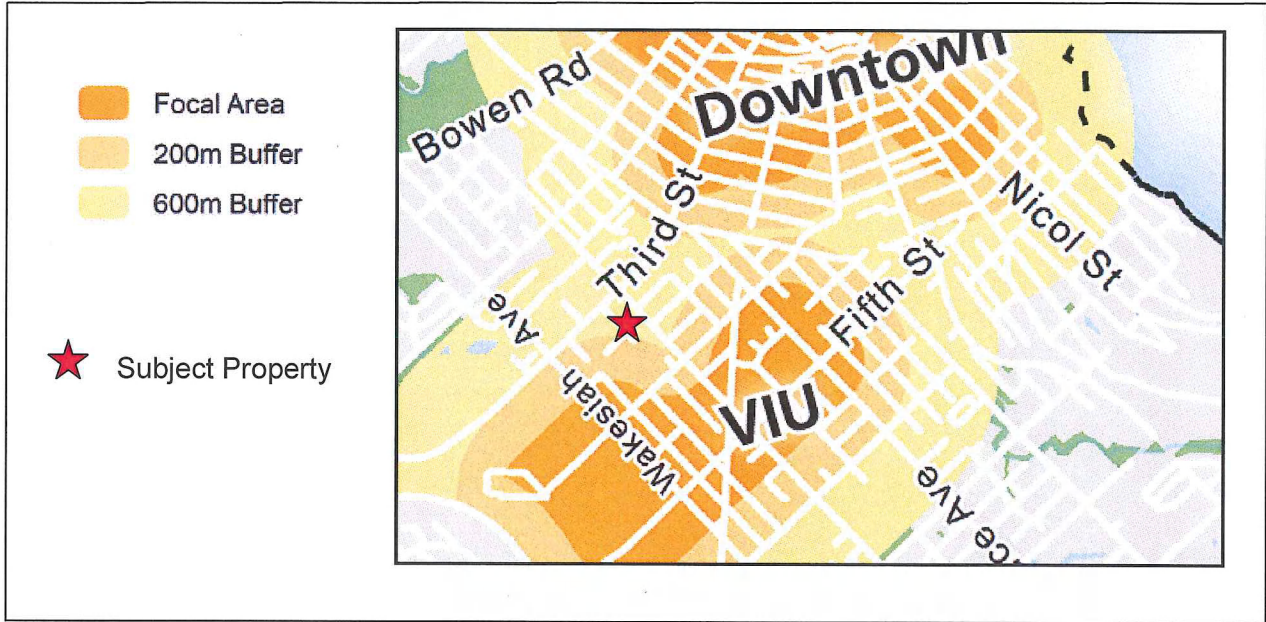
Vancouver Island University Mobility Hub

The subject properties are located within the 600 metre buffer of the Vancouver Island University (VIU) Mobility Hub, as identified in the Nanaimo Transportation Master Plan; see *Map 5 – VIU Mobility Hub*, shown on page 5. The area's unique demographics, good access to transit, and neighbourhood layout, support higher levels of non-automobile travel with the neighbourhood already achieving the second highest proportion of sustainable transportation trips in the City. A future land use vision includes higher density residential housing that meets a mix of demographic needs and income levels.

Transit service has been identified as a way to reduce travel to campus by car and has resulted in significant service improvements between VIU and other major transit exchanges over the last five years.

The subject properties are also located along Third Street a major linkage to the city’s downtown, which is another mobility hub within the NTMP.

Map 5 – VIU Mobility Hub



Proposed Development

In order to develop the proposed mixed use development described below, the applicant is requesting to rezone the subject properties from Single Dwelling Residential (R1) and Duplex Residential (R4) to Mixed Use Corridor (COR2). The various parcels of land would be consolidated in order for the development to proceed. The proposed mixed use development can be summarized as follows:

<p>Mixed Use Buildings Along the Third St Frontage</p>	<ul style="list-style-type: none"> ○ <u>Buildings</u>: total of 3 mixed use buildings ○ <u>Floors</u>: each building has commercial on the ground floor and 2 floors of residential above ○ <u>Gross Floor Area (GFA)</u>: each building is 2,304m² (24,800 ft²) ○ <u>Units</u>: 20 residential units per building ○ <u>Commercial</u>: 538m² (5,800 ft²) commercial floor area per building ○ Total of 60 residential dwelling units ○ Total of 1,616m² (17,400ft²) commercial gross floor area
<p>Student Housing within the Site Interior</p>	<ul style="list-style-type: none"> ○ <u>Buildings</u>: total of 3 student housing buildings ○ <u>Floors</u>: each building has 4 floors of student housing ○ <u>Gross Floor Area (GFA)</u>: each building is 3,827m² (41,200ft²) ○ <u>Units</u>: 45 units per building ranging from studio to four bedroom units ○ Total of 135 units student housing units

<p>Residential Townhouses along Hillcrest Ave & Watfield Ave</p>	<ul style="list-style-type: none"> ○ Buildings: 6 separate buildings with 3 townhouses per building ○ Floors: each dwelling is 3 floors ○ Units: 9 units on Hillcrest Avenue and 9 units on Watfield Avenue ○ Total of 18 residential townhouses
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The proposed development has a Floor Area Ratio (FAR) of 1.18, which is within the COR2 base density limitation of 1.25 FAR. The proposed mixed-use development also meets the COR2 requirement (Section 9.2.2) with respect to providing at least an equal amount, or greater, of residential uses where a non-residential use exists.

There are two proposed vehicle accesses into the development at Hillcrest Avenue and Watfield Avenue. The parking requirement for the site is 348 parking stalls (80 spaces for commercial use and 129 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 300 spaces, including 210 above ground and 90 underground stalls, for a parking shortfall of 48 spaces. The applicant has indicated they will be applying for a variance to the parking requirements during the development permit process.

The development also involves a road closure application to close the unnamed lane parallel to Watfield Avenue (unbuilt lane), and a portion of road right-of-way known as Lambert Avenue (unbuilt road). The road closure is a separate application and Council has given approval in principle for the road closures to proceed.

As the development is proposed over multiple lots as well as the existing lane, lot consolidation will be required prior to issuing a development permit.

Conceptual plans are shown below in *Figure 1 - Conceptual Site Plan* and in *Figure 2 – Conceptual Colour Renderings* on page 7.

Figure 1 – Conceptual Site Plan



Figure 2 – Conceptual Colour Renderings

View facing Third Street



View of Corner at Third Street and Hillcrest Avenue



View of Site Interior



View facing Hillcrest Avenue



Ministry of Environment Release

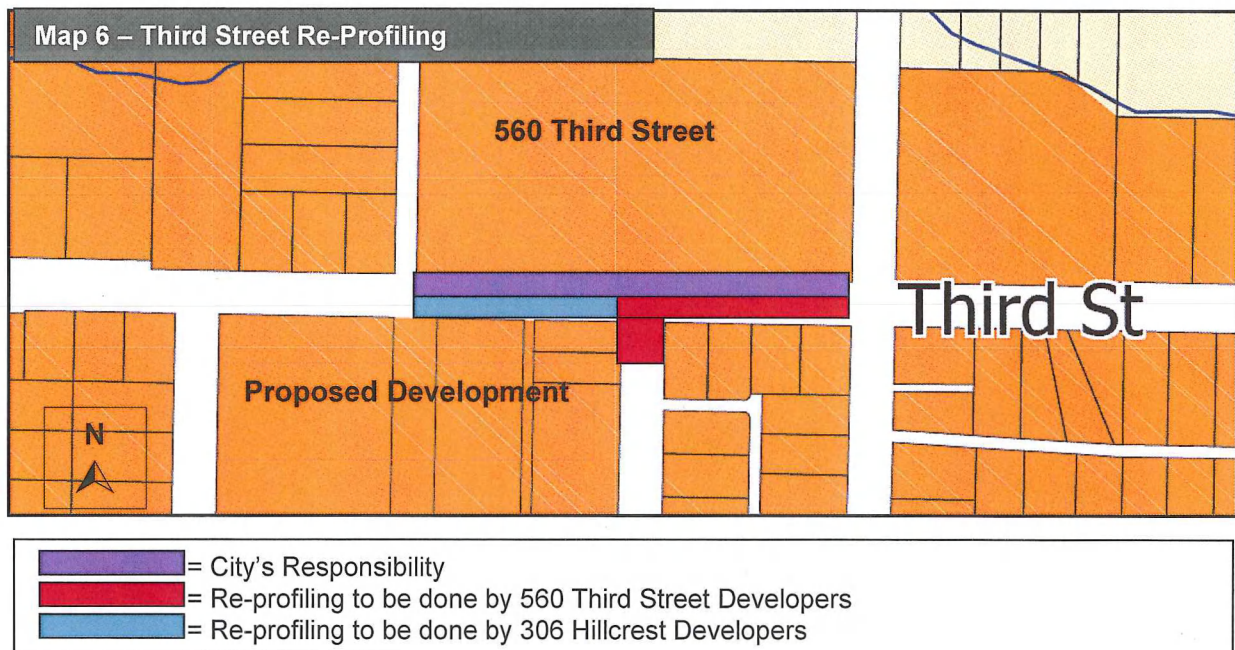
The City’s rezoning process requires the applicant to disclose whether the lands proposed for development have been subject to any activities that may have led to site contamination. The land owner indicated that while the site was fully remediated in 1998, certain portions of the property have since been exposed to hydrocarbons from vehicle storage and repair, as well as above ground oil tank storage. As is required by the Ministry of Environment (MoE), the applicant was required to apply to the MoE for release of the site for development. The release for rezoning approval was obtained from MoE on July 3, 2015; however, the MoE advised that future applications will require further investigation.

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 sight lines by reducing the crest of the hill by approximately 1.0m. As re-profiling of Third Street will require works beyond the centre line, which may be considered extraordinary road works, Staff recommends that a covenant be required to secure the works as a condition of rezoning. In this case, the developer will be responsible for costs up to the centre line and the City covers works beyond the centre line, with some portion of the community contribution put 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 at 560 Third Street, located across the street. The conditions of approval for 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 community contribution towards works beyond the centre line.

Map 6 provides a visual of how the costs of road re-profiling would be allocated if both the proposed projects proceed. In that situation, the community contributions received from the two projects would cover the majority of City’s costs. If only one of the proposed projects proceeds, the City would be responsible for re-profiling the other side of the road to an interim standard; however, the second project would still be responsible for construction to the ultimate design standards at the point of development.



Student Housing

The use of student housing requires a text amendment to the COR2 zone in order to allow the use as a site specific use. As there are no general regulations in the Zoning Bylaw regarding student housing facilities, Staff recommends the following items be secured via a registered covenant (the general items below are consistent with previous student housing projects at 440 Wakesiah Avenue and 560 Third Street):

Number of Beds

The total number of student housing beds shall be limited to 307 beds.

- **Communal Space**

As a minimum, communal space shall be provided on every second floor of the building.

- **Manager's Unit**

A one-bedroom unit for the manager shall be required within the student housing building.

- **Bicycle Parking**

One bicycle parking space per unit shall be required onsite.

- **Housing Agreement**

A housing agreement relates to the occupancy of the housing units. The covenant will specify that the housing agreement will be registered at the Victoria Land Title Office prior to issuance of a development permit for student housing. The covenant will clarify the general terms of the housing agreement in order to avoid any future confusion.

In general, the terms of the housing agreement will include, but are not limited to:

- the use of the building will be restricted to student housing, and cannot be converted to any other form of lodging;
- the definition of 'Student'; where only a bona fide student will be permitted to reside in the building;
- a live-in manager or caretaker will be required;
- the maintenance of onsite bicycle storage facilities; and,
- the development and maintenance of a Management Plan for the operations of the facility.

Conditions of Rezoning

Should Council support this application and pass Third Reading of Bylaw No.4500.082, staff recommends the following items be secured prior to final adoption of the bylaw

1. **Concurrent Land Exchange Process**

On 2014-MAR-24, Council approved, in-principle, the road closure / land exchange associated with the subject properties. The rezoning and land exchange processes are now happening concurrently and the land exchange process is required to be completed prior to the completion of the rezoning. Through the land exchange process, the development site will be consolidated and all required road dedications taken.

2. **Lot Consolidation**

As the development is proposed over multiple lots, lot consolidation will be required prior to issuing a development permit.

3. Bus Shelter

An existing bus stop is located on Third Street fronting the subject properties. A shelter for the bus stop will be required to be designed at the development permit stage, to be installed along with the required works and services.

4. Onsite Bicycle Parking

The following rates will be applied to the development:

- a. Student Housing – secure and covered bicycle parking at a rate of one space per unit.
- b. Mixed Use Building –
 - i. Secure and covered bicycle parking for multi-family dwelling units - a rate of 0.5 spaces per dwelling unit.
 - ii. Publicly Accessible Bicycle Parking – Ten spaces per mixed use building.

5. Student Housing Agreement

As discussed above, the COR2 zone requires a housing agreement to be registered at the Victoria Land Title Office prior to the issuance of a development permit for the student housing.

6. Community Contribution

As outlined in Section 7.3 of the OCP, in exchange for value conferred on land through a rezoning, the applicant should provide a community contribution. In response to Council's policy, the applicant is proposing a monetary contribution of \$220,000 towards road re-profiling, green design features and site amenities including public space. Staff supports the community contribution proposal and recommends securing the monetary contribution prior to final adoption of the bylaw.

Staff Comment

The proposed development is located in an area of the Harewood Neighbourhood Plan that encourages higher density residential development within mixed use developments. The proposed mixed use conceptual plans endeavour to deliver the goals and objectives of the neighbourhood plan in both function and building form. The neighbourhood plan contains detailed design guidelines for Corridor development and further review of the form and character proposed for the development would occur at the development permit application stage.

The Planning and Transportation Advisory Committee

At its meeting of 2015-MAY-27, the Planning and Transportation Advisory Committee recommended that Council approve the application.

Respectfully submitted,

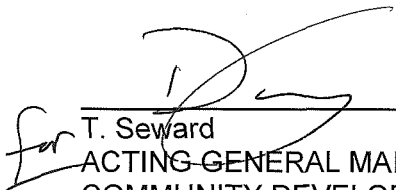


B. Anderson
MANAGER
PLANNING & DESIGN SECTION

Concurrence by:



D. Lindsay
DIRECTOR
COMMUNITY DEVELOPMENT



T. Seward
ACTING GENERAL MANAGER
COMMUNITY DEVELOPMENT &
PROTECTIVE SERVICES

CITY MANAGER COMMENT:

I concur with the staff recommendation.

Drafted: 2015-JUL-10
KK/ds/hd