

Report

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Subject Development Variance Permit Application for 2945 Green Road

PURPOSE

To consider a development variance permit (DVP) application to increase the maximum permitted principal building height from 12 metres to 20 metres for a proposed hotel at 2945 Green Road.

BACKGROUND

The subject property is a 2.49 hectare (ha.) commercial lot within the Cowichan Commons regional shopping centre in the South-End Urban Containment Boundary (Attachments 1, 2 & 3).

The subject property was developed in 2007 for a regional-scale building supply and retail store (Rona Inc.), which operated until its closure in 2013. The building was vacant until 2019 when Duncan Storage Ltd. purchased the property and renovated the building for a mini-warehousing facility (mini-storage). The applicant has provided a letter of rationale in support of the proposed height variance to facilitate the construction of a six-storey hotel (Attachment 4).

The applicant has provided the proposed hotel's site plan, floor plans, and massing drawings (Attachments 5 & 6). These drawings are provided for indicative purposes only. The actual development will be reviewed and approved through the development permit process and will differ from the indicative design.

DISCUSSION

Official Community Plan (OCP) Bylaw No. 3900, 2022

The OCP's objective for the commercial designation (s. 3.2.10) is:

"A network of commercial centres provides larger sites for the location of stores such as hardware and appliance retailers, garden centres or auto dealerships. By providing opportunities for these regional-scale goods retailers, there is less dependency on travel to larger centres such as Nanaimo or Victoria. However, this form of development is highly auto oriented, and expansion of these areas or the creation of new ones should be proven necessary and limited."

In addition, the commercial designation identifies the following related policies:

3.2.11 The Municipality will strive to:

- a. *Require retail as the primary use, but other complementary commercial, leisure or service uses may also be permitted in this designation.*
- c. *Discourage expansion of these areas if it facilitates auto-oriented uses or development.*
- d. *Expect a high standard of landscaping, including tree planting and sensitive lighting, to mitigate some of the impacts from large parking areas.*
- e. *Require new commercial buildings to follow form and character guidelines.*

Section 8 of the OCP contains a wide array of objectives and policies that speak to how the Municipality intends to encourage economic development, such as:

8.1.1 Defining Success / Objectives:

c. *Create 15 minute communities so individuals can readily access most services and amenities (daily needs met) without the use of a vehicle.*

8.3.2 The Municipality will strive to:

h. *Promote high quality urban design and make strategic investments in public amenities and the public realm to create healthy, livable, amenity-rich communities that are paramount for attracting desirable, sustainable businesses.*

8.5.2 The Municipality will strive to:

a. *Encourage infill of existing commercial areas and incentivize the redevelopment or intensification of use on existing commercial sites.*

c. *Encourage a full range of commercial land uses to serve both the local and regional markets.*

Zoning Bylaw No. 2950, 1997

The subject property is zoned C2 (Commercial General Zone), which permits a variety of commercial uses, including a hotel and restaurant (Attachment 7). A "hotel" is defined in the Zoning Bylaw as:

"a building which contains sleeping units used or intended to be used for the temporary accommodation of lodgers and it may include accessory facilities ..."

Mini-warehousing, which the property is currently used for, is also a permitted use in the C2 zone.

As per s.21(4) of Zoning Bylaw No. 2950, warehouse uses have a substantially reduced on-site parking requirement compared to retail stores. Out of the 216 parking spaces provided on-site, only 59 are required for the current mini-warehousing facility. The mostly vacant (159-space) parking area offers an opportunity for additional development of the subject property.

Principal buildings within the C2 zone are permitted to have a maximum height of 12 metres. The additional height (8 metres) requested is a 67% increase to the maximum permitted building height. For comparison, the proposed hotel will be over double the height of the existing mini-warehousing building and substantially higher than other commercial buildings in Cowichan Commons.

Local Government Act

As per s.498 (2) (a) of the *Local Government Act*, a DVP must not vary *the use or density of the land from specified in the bylaw*. Most zones provide specific density provisions stipulating the maximum density or gross floor area of buildings and structures permitted on a lot, regardless of the maximum height permitted. This isn't the case for the C2 zone in that no density or building gross floor area provisions are provided. The absence of density provisions allows the proposal to be considered a DVP even though authorization of the proposal will significantly increase the gross floor area permitted on the subject property.

The following is a summary of considerations and potential implications of the requested building height variance:

Land Use:

- A hotel is not ideal at this location because few areas are available elsewhere to expand regional shopping centre uses.
- The redevelopment of the parking area as proposed is in opposition to OCP Policy 3.2.11(a) of the OCP because it limits the potential conversion of the existing building back to a retail use due to lack of parking.
- Although regional commercial retail uses are preferred, the site is zoned for a hotel, and the property owner may develop it for that use provided it complies with applicable regulations and development guidelines.
- The extent of the variance requested makes this application akin to a land use (zoning) amendment, allowing for a larger hotel alongside the other property uses than what would generally be permitted.

Form, Character, and Urban Design:

- A 6-storey hotel will be much taller than the prevalent building forms of the Cowichan Commons regional shopping centre.
- The requested height increase does not directly impact residential properties in the area.
- Cowichan Commons is very auto-oriented, and the proposal can potentially improve the public realm if the building, landscape and site design are more pedestrian-oriented, using sound urban design principles.
- Development permit guidelines "A.1" identify several design objectives and guidelines for new commercial development (Attachments 8 & 9), including improving the public realm, standards for safety and accessibility, incorporation of active transportation facilities, management of vehicular impacts, and building and landscape design considerations. These objectives and guidelines cannot be considered in this variance application because the application does not include fully developed design drawings, and the DVP process does not allow the overall design to be secured through the DVP approval.

Development Considerations:

- North Cowichan and associated local organizations (Economic Development Cowichan and Tourism Cowichan) do not have the information to substantiate the economic feasibility of a hotel in this location.
- Engineering and Fire Protection staff cannot determine servicing requirements for the proposed development until associated plans are provided through a development permit process.
- Further to Attachment 6, compliance with the off-street parking and loading area provisions has not been demonstrated and may require additional variances to be obtained by Council through the development permit process.
- The DP process allows Council to authorize variances where they advance and implement development permit objectives and guidelines. Considering the variance request in isolation removes the ability for Council to link the variance approval to OCP design objectives.

Summary:

- Concept drawings provided do not demonstrate the form of development envisioned by OCP policy and development permit area guideline objectives.
- Approval of the DVP as proposed will make it difficult to achieve OCP design objectives because the building height will be pre-determined.
- The height variance, if it is to be approved, is akin to an increase in density that will impact the function and appearance of the Cowichan Commons regional shopping centre. On site amenities can potentially be negotiated in exchange for increased building height and floor space.
- The hotel siting as proposed (Attachments 5) perpetuates an auto-oriented design, contrary to OCP Policy 3.2.11(c) and (e) and form and character guidelines.
- Removal of the existing parking area will remove or restrict the potential for retail uses to return to the site, contrary to OCP Policy 3.2.11(a).

Conclusion

Hotels are an important part of the local economy and more hotel accommodation in this community is something the Municipality should be supporting and facilitating. While a new hotel accommodation is desirable in general, some locations are more desirable for the use than others. Ideally, hotels should be situated near existing or planned Village Core areas such as Chemainus, Crofton, University Village or Bell McKinnon Road near the new hospital. This allows hotel guests to easily access nearby services, and in turn supports the restaurants and other businesses in the Village Core.

The location of the subject property in a regional shopping centre is, in the opinion of Planning staff, less than ideal. Development of a hotel at that location will remove the potential for other large-format retail business to establish at that location in the future and potentially require the Municipality to re-designate lands elsewhere for regional commercial uses. Development of a new hotel at 2945 Green Road would also be expected to consume market share for hotel rooms, making it more challenging to develop hotels elsewhere.

While staff do not consider the subject property to be an ideal location for a hotel, we do acknowledge that it is zoned for that use and the property owner is entitled to develop it for a hotel, provided it is developed in compliance with applicable bylaws. A primary question for Council with this application is, should development of a hotel be facilitated by granting a large height variance that would allow two additional storeys? Staff recommend maintaining the existing building height at 12 metres (Option 1), as doing so does not create an economic incentive to redevelop land in an established regional shopping centre for a hotel use.

Should Council be generally supportive of a height variance for a hotel use on the subject property, staff recommend that the variance be considered in the context of a comprehensive development permit application. This would allow Council to consider the requested height variance in conjunction with the overall project design to ensure that the project will be appropriately integrated into Cowichan Commons and demonstrate compliance with development permit guidelines and OCP design objectives before the variance is granted. This would involve denying the development variance permit application and inviting the applicant to resubmit the height variance request as part of the development permit (DP) application (Option 2).

Options

1. **(Recommended Option)**

THAT Council deny Development Variance Permit Application DVP00088 to vary Section 69 (6)(a) of Zoning Bylaw No. 2950 to increase the maximum permitted height from 12 metres to 20 metres for the development of a six-storey hotel at 2945 Green Road.

2. THAT Council:

- (1) Deny Development Variance Permit Application DVP00088 to increase the maximum permitted height of a proposed hotel at 2945 Green Road from 12 metres to 20 metres; and,
- (2) Invite the owner of 2945 Green Road to submit a Development Permit with a Variance application for a proposed hotel for future consideration by Council.

3. THAT Council approve Development Variance Permit Application DVP00088 and vary Section 69 (6) (a) of Zoning Bylaw No. 2950, 1997 to increase the maximum permitted height of a proposed hotel at 2945 Green Road from 12 metres to 20 metres.

IMPLICATIONS

If the application is denied, the maximum permitted building height would remain 12 metres. A hotel could be developed at 2945 Green Road after issuing a development and building permits.

Denying the application but inviting the applicant to resubmit the variance request as part of a DP application would signal to the applicant that Council is willing to consider the building height variance if it can be demonstrated that the proposal is compliant with OCP design objectives and applicable development permit guidelines.

Should the development variance permit application be approved by Council, the proponent may proceed through the development permit application process to construct a 6-storey hotel on the subject property. Achieving compliance with OCP design objectives and DPA guideline compliance would be more challenging. Furthermore, the development of the hotel will sterilize the capacity for regional-scaled retail to return to the subject property as a primary use. The DVP would be valid for two years from the date of issuance and would expire if the owner does not substantially commence construction within that period.

RECOMMENDATION

THAT Council deny Development Variance Permit Application DVP00088 to vary Section 69 (6)(a) of Zoning Bylaw No. 2950 to increase the maximum permitted height from 12 metres to 20 metres for the development of a six-storey hotel at Green Road.

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Approved to be forwarded to Council:



Ted Swabey
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Attachments:

- (1) Location Map
- (2) Orthophoto
- (3) Zoning Map
- (4) Letter of Rationale
- (5) Indicative Site Plan and Floor Layout
- (6) Hotel Massing
- (7) General Commercial – C2 Zone
- (8) Form, Character and Performance Development Permit Guideline Objectives
- (9) Applicable Development Permit Guidelines "A.1"
- (10) Draft Development Variance Permit