

REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council
Date: March 27, 2023

From: Jackie Teed, Acting Director of Climate Action, Planning and Development
File: REZ00191
SDP00225

Item #: 2023-217

Subject: Rezoning and Special Development Permit (809 - 811 Carnarvon Street and 60 – 70 Eighth Street) – Preliminary Report

RECOMMENDATION

THAT Council direct staff to work with the applicant to prepare plan of development for the subject properties suitable for consideration of First and Second Readings.

THAT Council direct staff to proceed with processing the proposed rezoning of the subject properties as outlined in the “Application Review Process” section of this report.

THAT no Public Hearing be held for this application in accordance with the Local Government Act.

PURPOSE

To provide preliminary information on a development proposal for 809 – 811 Carnarvon Street and 60 – 70 Eighth Street; to outline the application review process for endorsement; and to direct staff to work with the applicant towards a suitable plan of development.

EXECUTIVE SUMMARY

Rezoning and Special Development Permit applications have been received to allow the proposed development of a 44 storey mixed use development with an overall density of 7.92 Floor Space Ratio (FSR). The proposal includes 469 stratified market condo units; a 138 room hotel with an overall size of 6,701 square metres (72,135 sq. ft.); and 746 square metres (8,034 sq. ft.) of at-grade retail space.

The proposal includes a 22% reduction to required vehicle parking spaces (526 space to 411 spaces). The proposal meets both short term and long term bicycle parking requirements.

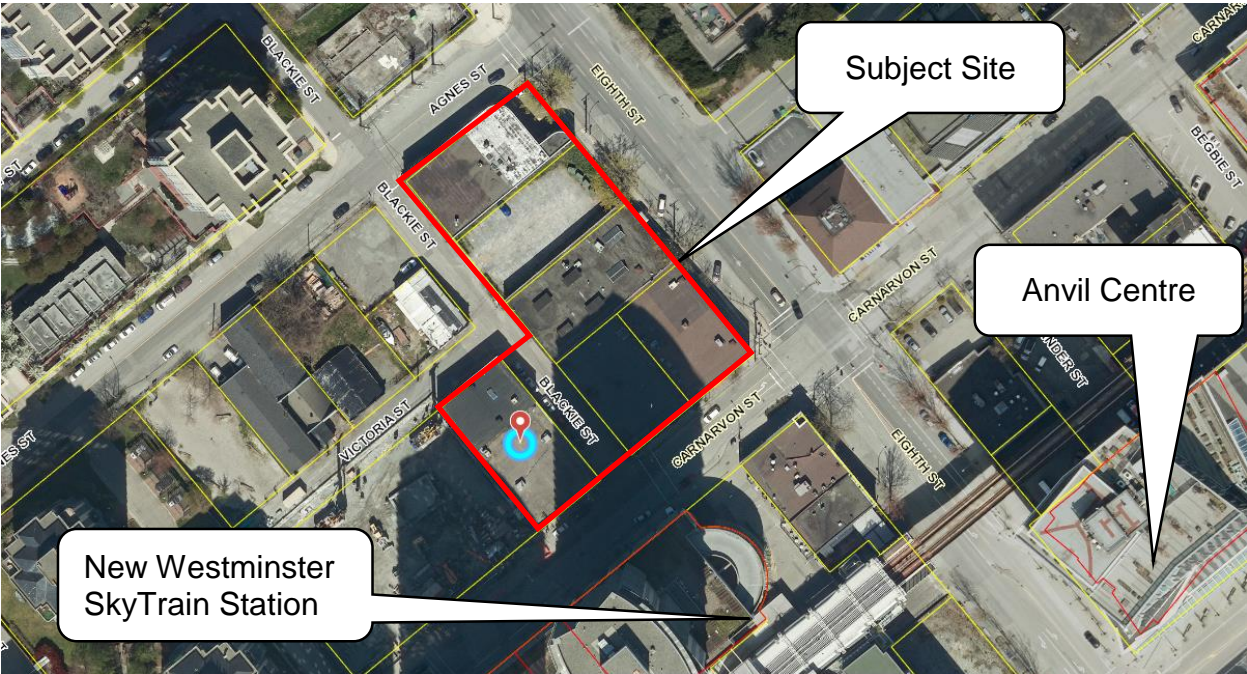
BACKGROUND

Pre-Application Review

This application was presented to the Land Use and Planning Committee (LUPC) on October 1, 2018 at which the LUPC endorsed recommendations regarding several key topics, including: 1) the building siting and separation; 2) that the hotel use be considered an amenity for the purposes of determining amenity contributions and balancing the proposed heights and density; 3) land sale considerations for a portion of Blackie Street; 4) street scape improvements; and 5) transportation analysis related to vehicles movements and proposed parking reductions. A full list of the recommendation is included in Attachment 1.

Site Characteristics and Context

The subject sites are located in the Downtown neighbourhood and are bounded by Carnarvon, Eighth, Blackie and Victoria Streets. The subject sites are located 50 metres (165 feet) from the New Westminster SkyTrain Station and 85 metres (280 feet) from the Anvil Centre.



More site characteristic and context is provided in Attachment 2.

POLICY AND REGULATIONS

The application is consistent with the Official Community Plan (OCP) land use designation for the subject property, which is Mixed Use High Density and with other key City policies including, Family Friendly Housing Policy. The proposal is not consistent with Inclusionary Housing Policy in favour of provision of a Hotel use. Eighth Street and Carnarvon Street are identified as Complete Streets in the Downtown Transportation Plan. Attachment 3 provides more information on policy and regulation context.

PROJECT PROPOSAL

Preliminary submissions have been received for applications for Rezoning and Special Development Permit for a 44 storey mixed use development with an overall density of 7.92 Floor Space Ratio (FSR). The proposal includes 469 stratified market condo units; a 138 unit hotel with an overall size of 6,701 square metres (72,135 sq. ft.); and 746 square metres (8,034 sq. ft.) of at grade retail space. The proposal would require the consolidation of six properties and the purchase of land, or overhead / underground rights, of a portion of Blackie Street.

746 square metres (8,034 sq. ft.) of commercial retail space is proposed on Eighth and Carnarvon Streets with the hotel use within a six storey massing fronting Carnarvon Street. The hotel is proposed to include reception, bar, lounge, food and fitness centre services. A 44 storey residential tower is located on the north side of the site with lobby access fronting Agnes Street.

The proposal includes a 22% reduction to required vehicle parking spaces (526 space to 411 spaces). The proposal meets both short term and long term bicycle parking requirements. Preliminary proposal drawings are included in Attachment 4.

DISCUSSION

Hotel Use

The applicant rationale notes that a hotel would contribute to the variety of uses in the downtown core and help promote the development of tourism in New Westminster as well as build synergies with the nearby Anvil Center and the conferences held there.

A hotel use has been identified as a priority by several policies and plans for a number of year and the provision of a hotel use at this location is consistent with City policy. The Official Community Plan includes policies to foster a strong tourism sector with a focus on the river front, cultural amenities and historic assets. The Downtown Community Plan also contains a number of polices related to economic development and growth in the Downtown to support the tourism industry such as tours and accommodation. The Economic Development Plan (EDP) also includes policies to support tourism

accommodation facilities. The Phase 2 directions for the Draft Retail Strategy presented to Council on March 6, 2023 reference a hotel development in the downtown as a priority direction and as a downtown destination role enhancer.

The applicant is currently in discussion with operators but expects that the space would accommodate a select service hotel typically seen in hotel chains such as Marriot or Hyatt. The hotel program will be refined based on potential operators' feedback as the proposal advances.

With respect to hotel uses downtown, Anvil Centre staff have been engaged and have been generally supportive as the proposed rooms could provide nearby visitor accommodations and allow opportunities to expand Anvil Centre clientele from regional to provincial or national. Anvil Centre staff will continue to be an important stakeholder as application review advances.

As application review proceeds, additional analysis would be considered which would evaluate the level of benefit a hotel use would offer to the community, how that benefit could be maximized through different hotel services, and confirm the level to which such a use could be considered in regards to consideration as an amenity contribution.

Municipal and Regional District Tax

The Municipal and Regional District Tax (MRDT) is an up-to three percent tax applied to sales of short-term accommodation (e.g. hotel units) provided in specific geographic areas of the province (designated accommodation areas) on behalf of municipalities, regional districts or eligible entities. The tax is intended to help grow BC revenues, visitation, and jobs, and amplify BC's tourism marketing efforts in an increasingly competitive marketplace.

At the meeting of September 28, 2020 Council endorsed supporting Tourism New Westminster in implementation of the MRDT tax in New Westminster. New Westminster's destination management organization (DMO), Tourism New Westminster (TNW), applied for and was granted a Municipal and Regional District Tax (MRDT) in 2021. The funding began to flow to TNW in 2022. MRDT funding needs to be renewed with updated applications every five years, requiring support from local tourism accommodation providers.

Density and Height

The Density Bonus Phase 2 Policy anticipates a density of 5.2 FSR and a building height of 240 feet (approximately 24 storeys) on the subject sites. The current proposal exceeds the anticipated density (by 2.72 FSR / 52%) and height (by 20 storeys / 83%). The Density Bonus Phase 2 Policy allows consideration of applications which exceed anticipated height and density in the case of unique and exceptional circumstance, including the provision of amenities addressing City strategic priorities.

The proposed development is generally consistent with densities and heights proposed and approved for developments within close proximity as summarized in the table below.

Development	Density	Storeys
811 Carnarvon St (This Application)	7.92 FSR	44 storeys
813 Carnarvon Street – Ovation	8.53 FSR	32 storeys
900 Carnarvon St – Aqua	6.7 FSR	40 storeys
810 Agnes Street	9.40 FSR*	33 storeys*

*denotes application not approved and under review

An initial economic analysis was completed by an independent land economist consultant in 2020 which determined that, should the hotel use be considered an amenity as per LUPC direction, the additional density proposed was necessary to financially support the development of the hotel space. This is consistent with findings of other older market study and feasibility analyses previously commission by the City.

Staff consider the additional density and height reasonable for further consideration given: 1) the results of the preliminary economic analysis, 2) the development is generally consistent with other proposals in the area and 3) that the development would achieve a strategic City priority in provision of hotel units in the downtown in close proximity to transit and the Anvil Centre, consistent with City Policy to expand tourism and conference offerings in the downtown.

As the application proceeds, additional economic review would be undertaken to explore whether additional community servicing amenities, including those addressing housing needs, would be viable for inclusion in the proposal.

Transportation Considerations

Complete Streets

Both Eighth and Carnarvon Streets have been designated as complete streets in the Downtown Transportation Plan which envisions allocating right of way space to priority modes of transportation (walking, cycling and transit). Directions in the Master Transportation Plan for complete streets include: widening sidewalks, providing boulevard and street trees, prioritizing walking, improving cycling infrastructure, prioritizing cycling, right-sizing road infrastructure, providing seating space for activation and greening and changing curbside uses, loading and, on-street parking based on priority.

Eighth Street between Columbia Street and Royal Avenue has also been identified as a future protected mobility lane in the Active Transportation Network Plan (ATNP), which anticipates improvement implementation in Year 2 of the plan (2025). The proposed development would provide opportunities for streetscape improvements on both of these key complete streets and implementation of other MTP and ATNP priorities.

Vehicle Parking and Loading Considerations

There are unique transportation considerations associated with a hotel use that will need to be assessed as part of the application review, including increased demands for taxi, ride hailing, ride sharing, tour, loading and other related transportation functions. These loading considerations also need to be evaluated in relation to curbside uses.

The application has proposed to provide 411 total parking spaces which is a 22% reduction in required parking spaces (526 spaces required) after inclusion of bylaw included incentives for reduction. These reductions have been proposed to both the commercial and residential components of the proposal.

A comprehensive transportation review including bicycle and vehicle parking, transportation demand management measures and loading configuration and functionality has been provided by the applicant is under review by Transportation Staff. Consideration of walking amenities, proximity to transit, cycling routes, services and amenities would be taken into account through this review. Transportation staff are also proceeding with work on updates to parking regulations which consider formalizing potential reductions for development within close proximity to SkyTrain and transit to be presented to Council for consideration in the future.

The proposal meets both short term and long term bicycle parking requirements and further review is required in ensure commensurate Transportation Demand Management (TDM) measures will be required for the reductions proposed.

City Land Purchase

To accommodate the hotel use fronting Carnarvon Street the applicant has requested to purchase air and below grade rights above and below the portion of Blackie Street between Carnarvon and Victoria Streets. At grade public access is still proposed to be maintained for vehicles and pedestrians, but this would allow upper levels of the hotel component of the development to 'bridge' over Blackie Street and allow for more efficient hotel layout and development. It would also allow for more efficient underground parking layout and vehicle circulation.

The applicant proposes to purchase this area and grant back a public right of way to maintain 'street-like' access and rights for the City. Staff would further explore the best legal mechanism and details on required clearance and size parameters, services relocation and other requirements with this application as it advances.

Heritage Building

The building at 809 Carnarvon Street was constructed in 1912, initially as a livery stable and has undergone several changes over the years to accommodate automobile garage, storage and retail uses.

A heritage assessment was commissioned and submitted to the City which concluded that the building has a number of very deteriorated exterior elements, and to be in poor condition structurally. As such, the heritage assessment concluded that it was not a suitable candidate for conservation. Building permits to remove deteriorating exterior elements have been issued.

Financial Considerations

Early financial analysis completed included the hotel component as an amenity for the purpose of determining amenity contributions and balancing the proposed heights and density based on LUPC direction. This analysis has determined that there may be some limited capacity to achieve additional amenity contributions dependent on further application requirements and costing details. This limited capacity would make delivery of inclusionary housing as a part of this proposal unlikely. An updated financial analysis and further study to more closely understand the community benefits of a hotel, would be completed as the proposal proceeds through application review which would inform a final proposal for amenities delivered through this application.

APPLICATION REVIEW PROCESS

Below is an overall outline of the development review process for this project.

1. Interdepartmental Staff Review Toward Suitable Plan of Development(On-going);
2. Preliminary Report to Council (March 27, 2023) (**WE ARE HERE**)
3. Applicant-led Consultation;
4. Presentation to New Westminster Design Panel;
5. City-led public consultation, including the creation of a Be Heard New West webpage and survey;
6. Issuance of Notice of Waiver of Public Hearing;
7. Council Consideration of First, Second and Third Readings of Zoning Amendment and Road Closure and Land Disposition Bylaws;
8. Completion of Adoption Requirements
9. Adoption of Zoning Amendment Bylaw and Road Closure and Land Disposition Bylaws;
10. Issuance of Special Development Permit by Director of Climate Action, Planning and Development.
11. Application and Issuance of Tree and Building Permits.

This report seeks a Council resolution to endorse the above process, including that no Public Hearing be held. Given the size of the application, staff would undertake City-led

public consultation prior to forwarding the application to Council for consideration. At that time, staff would evaluate whether the application is consistent with the City's principles for determining when a project does not require a Public Hearing:

- The application is largely consistent with City policy and/or Council Strategic Priorities, and/or exceeds City policy in support of Council Strategic Priorities;
- The application responds to public and staff feedback, even if significant, to the satisfaction of the Director of Climate Action, Planning and Development; and,
- The application is consistent with the Official Community Plan (OCP), per provincially legislated requirements.

Should the project not meet these principles, staff would recommend to Council that a Public Hearing be held. Council continues to have the option, at the start of consideration of the bylaws, to refer the application to Public Hearing at Council's discretion.

INTERDEPARTMENTAL LIAISON

The City has a project-based team approach for reviewing development applications, which facilitates interdepartmental review, providing comments to the applicant throughout the development review process. This project-based team includes staff from Engineering; Climate Action, Planning and Development; Parks and Recreation, Electrical and Fire Departments.

OPTIONS

The following options are available for Council's consideration:

1. That Council direct staff to work with the applicant to prepare plan of development for the subject properties suitable for consideration of First and Second Readings.
2. That Council direct staff to proceed with processing the proposed rezoning of the subject properties as outlined in the "Application Review Process" section of this report.
3. That no Public Hearing be held for this application in accordance with the Local Government Act.
4. That Council provide staff with alternative direction.

Staff recommend Options 1, 2 and 3.

ATTACHMENTS

Attachment 1 - Land Use and Planning Committee Recommendations

Attachment 2 - Site Characteristics and Context

Attachment 3 - Policy and Regulation Context

Attachment 4 - Applicant Preliminary Submission Materials

APPROVALS

This report was prepared by:

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