



The Corporation of the District of Saanich

Supplemental Report

To: Mayor and Council
From: Sharon Hvozdzanski, Director of Planning
Date: December 21, 2021
Subject: Uptown-Douglas Plan
File: 2310-20

RECOMMENDATION

That Council:

1. Receive the Economic Analysis on potential transition of land use in the Uptown-Douglas Plan area (Attachment J) for information.
2. Endorse housekeeping amendments (Attachment G) to the Uptown-Douglas Plan.
3. Endorse minor amendments (Attachment H) to the Uptown-Douglas Plan as recommended by staff.
4. Give first reading and direct Staff to schedule a Public Hearing for Council's consideration of Official Community Plan Amendment Bylaw No. 9722, which includes:
 - Adding the Uptown-Douglas Plan as Appendix "P" to the Official Community Plan;
 - An amendment to Section 4.2.3.8 of the Official Community Plan to permit building heights up to 24 storeys in "Uptown Major Centre"; and
 - Amendments to the relevant sections of the Saanich Core, Tillicum, Carey and Quadra Local Area Plans with appropriate references to the Uptown-Douglas Plan.

PURPOSE

The purpose of this Report is to:

1. Present comments and potential Plan revisions as identified by:
 - Council at their August 10, 2020 meeting (Attachment D);
 - The Active Transportation Advisory Committee (Attachment E);
 - The Planning Transportation Economic Development Advisory Committee (Attachment E); and
 - The Housing Task Force (Attachment F).

2. Present Council with supplemental information from an Economic Analysis that assesses the potential land use transition through future redevelopment in the Uptown-Douglas area (Attachment J).
3. Seek Council direction on potential Plan amendments, namely:
 - Housekeeping edits (Attachment G);
 - Minor amendments (Attachment H); and
 - Potential major Plan amendments (Attachment I).
4. Seek first reading of Official Community Plan Amendment Bylaw No. 9722, to:
 - Include the Uptown-Douglas Plan as Appendix “P” (Attachment A),
 - To permit increased building heights in the Uptown Major Centre; and
 - To amend the relevant sections of the affected Local Area Plans.

DISCUSSION

Background

The Uptown-Douglas Plan considers the future of the area and illustrates how it will grow over the next 20-30 years through a variety of public and private sector developments and initiatives. It is intended to build on and directly implement the Official Community Plan’s vision of environmental integrity, social well-being and economic vibrancy. The Staff Report that presented the proposed Uptown-Douglas Plan on August 10, 2020 is attached for reference (Attachment B) and includes an overview of plan content and the plan development process.

Council Direction

At the August 10, 2020 Special Council Meeting, Council endorsed in principle the Uptown-Douglas Plan, endorsed four implementation items and directed Staff to undertake additional work before the Uptown-Douglas Plan was considered for formal adoption. Specifically the motions made were:

“That Council endorse in principle the proposed Uptown-Douglas Plan and include policies 7.1.4 and 7.1.5 to the list of Priority Actions identified in Section 12 of the Plan.

That Council direct staff to prepare an Official Community Plan Amendment Bylaw and present the following items to Council for consideration for first reading at a subsequent meeting:

- Adoption of the Uptown-Douglas Plan as an appendix to the Official Community Plan;
- Amendments to the relevant sections of the Saanich Core, Tillicum, Carey, and Quadra Local Area Plans with appropriate references to the Uptown-Douglas Plan; and
- An amendment to section 4.2.3.8 of the Official Community Plan to permit building heights up to 24 storeys in Uptown Centre.

That Council direct staff to incorporate the development of Community Amenity Contribution (CAC) targets for the Uptown-Douglas Plan area as part of the future District-wide initiative to establish a structured CAC program.

That Council direct staff to prepare Uptown-Douglas Development Permit Area Design Guidelines, based on Section 9: Urban Design of the Uptown-Douglas Plan, and bring forward an Official Community Plan Amendment Bylaw to update Appendix "N" of the Official Community Plan.

That Council direct staff to undertake a pilot pre-zoning project in the "Urban Mixed-Use Residential" and "Mixed Employment" land use designations and bring back a report with recommendations on pilot pre-zoning in these areas.

That Council refer the development of new off-street parking standards for the Uptown-Douglas Plan to a future Strategic Planning session, with prioritization, to determine scope of work, resources, and funding.

That prior to a Public Hearing for the Uptown-Douglas Plan staff prepare a supplemental report that:

- Captures the inputs and recommendations of the Planning, Transportation and Economic Development Committee, the Active Transportation Committee, and the Housing Task Force;
- Provides additional information on the economic analysis and examination of tax rates and revenue related to the proposed land use changes, specifically considering industrial, commercial, and mixed-use developments; and
- Responds to the comments and questions provided by members of Council during the deliberation of the Uptown-Douglas Plan at the August 10, 2020 Special Council Meeting.

Update Council with work undertaken over the fall with the development of an economic analysis and outline commitments of working with the advisory committees and task force."

The comments made by Council at this meeting have been organized by plan section and are included as Attachment D.

ADVISORY GROUP FEEDBACK

Active Transportation Advisory Committee

The Active Transportation Advisory Committee (ATAC) reviewed the Uptown-Douglas Plan at its August 2020 meeting. While it did not make a formal motion, comments made by the ATAC are captured in Attachment E and have resulted in some recommendations for housekeeping edits and minor amendments.

Planning Transportation and Economic Development Committee

At its meetings of September 10 and October 7, 2020 the Planning, Transportation and Economic Development (PTED) Advisory Committee discussed the Uptown-Douglas Plan. At the October meeting, the following motion was adoption:

"That the Planning, Transportation and Economic Development Advisory Committee recommends to Council that upon the conclusion of an Economic Development Strategy for Saanich, that land use planning documents be reviewed and updated through the lens of the Economic Development Strategy."

Attachment E includes comments that were provided by the PTED committee and assesses potential changes to the plan in response to these comments. Housekeeping edits and minor amendments have been suggested based on PTED feedback.

Housing Task Force

As directed by Council, Staff consulted the Housing Task Force on the Uptown-Douglas Plan. Through discussions over the fall 2020 and early winter 2021, the committee considered the Uptown-Douglas Plan and provided a motion. Attachment F analyzes the Housing Task Force feedback and potential responses.

The Task Force motion (see below for full motion) consisted of three components:

1. Support, in principle, for the Uptown-Douglas Plan;
2. Identification of Feedback Themes, that highlight more general comments on plan directions; and
3. Specific comments to consider as part of the Uptown-Douglas Plan approval or the implementation process.

On January 21, 2021 the Housing Task Force made the following motion:

1. “That the Housing Task Force support, in principle, the Uptown-Douglas Plan, while highlighting the following key feedback themes:
 - a. Desire to explore potential opportunities to increase maximum height provisions throughout the Plan area to create a more bold vision for growth;
 - b. Support for the prioritization of public realm improvements and social infrastructure in parallel with and, where possible, in advance of new developments;
 - c. Concern about the impacts of new development on existing affordable housing units and the potential displacement of tenants;
 - d. Need for assurance that the Uptown-Douglas Plan enables project viability and responds to economic and market conditions and trends; and
 - e. Importance of the need for growth and density in other Centres, Villages and Corridors to meet the diverse needs of current and future Saanich residents as a complement to Uptown-Douglas Plan.
2. That the Housing Task Force forward the following comments on the Uptown-Douglas Plan to Council for consideration as part of the Plan approval and/or implementation process:
 - a. Consider identifying minimum building heights for some or all land use designations;
 - b. Consider increasing the maximum height in the Core designation;
 - c. Assess changes to the tapering of building heights in the Plan area that recognizes taller building forms throughout, and consider options for additional tapering of properties outside the Plan area;
 - d. Include additional policies to support the viability of affordable and supportive housing projects and protect existing affordable units;
 - e. Assess revisions to the urban design guidelines that restrict tower floor plate where project viability could be negatively impacted;

- f. Assess proposed viability of development through changes to land use and building height designations to ensure building forms are conducive to current and emerging practices; and
- g. Explore the development of an Economic Development Strategy, on a District or Regional scale, to support the ongoing implementation of the Uptown-Douglas Plan, and include:
 - Analysis for existing and future employment lands;
 - Development of an Industrial Land Strategy;
 - Assessment of Uptown-Douglas objectives and policies to ensure they align with the economic development vision; and
 - Consideration of Saanich-specific solutions, with a focus on looking at the balance of employment and housing (Made in Saanich Solution)."

The comments received from the Task Force have resulted in some proposed minor amendments. Additionally, some comments would require major amendments, which are not recommended at this time. However, they do flag important considerations that can continue to be monitored as the plan is implemented and adjusted over time.

POTENTIAL PLAN AMENDMENTS

Through Council feedback at the August 10, 2020 meeting, and feedback and recommendations from the Active Transportation Advisory Committee, the Planning, Transportation and Economic Development Advisory Committee and the Housing Task Force, a number of suggested changes have been compiled for Council's review prior to considering adoption of the Uptown-Douglas Plan.

Overall, the feedback received from the Advisory Committees and Housing Task Force shows support for the Uptown-Douglas Plan. Additionally, Staff have independently identified smaller refinements based on additional review of the Uptown-Douglas Plan. The comments and recommendations have been divided into three streams, namely: housekeeping edits; minor amendments; and major amendments.

Housekeeping Edits

Housekeeping items are intended to be small alterations to the Uptown-Douglas Plan and include straightforward edits suggested by advisory committees or identified by Staff. These include items such as correcting errors, adjusting graphics and clarifying policies. The table of proposed housekeeping items are included in Attachment G. Staff support all of the proposed housekeeping amendments and they have been incorporated into the version of the Uptown-Douglas Plan attached to this Report.

Minor Amendments

The list of minor amendments (Attachment H) addresses feedback from Council, Advisory Committees, and the Housing Task Force. The minor amendments will require Council consideration at this stage to allow for any updates to the Uptown-Douglas Plan, prior to scheduling a Public Hearing.

These items represent changes that adjust policies or context in a consequential way, but do not fundamentally change the direction of the Uptown-Douglas Plan that was endorsed in principle. A full analysis of potential minor amendments is included in Attachment H. Staff suggest that Council endorse only those minor amendments that are recommended by Staff.

Key recommended minor amendments (which are included in the proposed Uptown-Douglas Plan) include:

- Adding a policy in section 4.2 supporting adaptive re-use and deconstruction of existing buildings;
- Adding a policy in Section 5.1 to generally not support rezoning proposals for projects that are significantly lower than the base building height in the applicable land use designation;
- Providing an increase in the maximum height for Neighbourhood Apartment Residential land use designation from 5 to 6 storeys for not for profit affordable housing;
- Amending policy 5.1.5 to increase the generally supported floor height for industrial uses;
- Adding a policy in section 5.2 supporting the retention of existing purpose built rental housing units;
- Adding a policy in Section 6.2 supporting the exploration of scramble intersections at intersections with high pedestrian volumes;
- Adding a policy in Section 8.1 supporting the use of undeveloped right of ways to enhance park space and mobility network connectivity;
- Revising policy 9.2.11 iii to increase maximum tower floor plates;
- Adding a policy in Section 11 supporting an Economic Development Strategy and assigning this a medium priority as an implementation item in Section 12;
- Identifying the development of a MOU with the Ministry of Transportation and Infrastructure on the design of Ministry-owned roads (policy 7.1.3) as a high priority item in Section 12; and
- Identifying exploration of Saanich gaining control of Ministry-owned roads (policy 7.1.4) as a medium priority item in Section 12.

Major Amendments

The items identified as potential Major Amendments (Attachment I) would result in fundamental alterations to the foundations of the Uptown-Douglas Plan. Staff do not recommend endorsement by Council of the items identified as potential Major Amendments. In order to fully consider the potential Major Amendments, further research and analysis would be required and additional public consultation undertaken. Should Council wish to pursue some or all of these suggested changes, Staff would strongly recommend additional research, analysis and public consultation be completed prior to bringing the Uptown-Douglas Plan to Council for consideration for adoption.

The Uptown-Douglas Plan was developed through diligent research and policy development and included an extensive engagement process where many of the recent issues identified were explored. It is important to note that, as the Uptown-Douglas Plan is a “living document”, there will be opportunities to make changes to adapt over time.

Items categorized as potential Major Amendments, as suggested through discussions with the Housing Task Force, include:

1. Expanding the Plan Area boundary;
2. Adding densities (FSRs) for each of the land use designations;
3. Removing/increasing the maximum height limit in the “Core” designation;
4. Increasing maximum height provisions throughout the study area; and
5. Adding minimum building heights for land use designations in Figure 5.1.

Staff do not recommend adopting these five suggestions, or undertaking additional consultation, at this time as their implications would be substantive. The potential Major Amendments would challenge, if not alter, the fundamentals of the Uptown-Douglas Plan which were developed through a comprehensive community process. Staff have sought to balance the objectives of the community and industry, integrate best practices and develop solutions that respond to the Plan's unique context.

ECONOMIC ANALYSIS

At the Special Meeting of Council on August 10, 2020, as part of the Uptown-Douglas Plan endorsement in principle, Council directed Staff to prepare a Supplemental Report that:

“Provides additional information on the economic analysis and examination of tax rates and revenue related to the proposed land use changes, specifically considering industrial, commercial, and mixed-use developments.”

An economic analysis has been created to assess the land use framework of the Uptown-Douglas Plan (Attachment J). The analysis was completed in-house and was limited in its scope. The intent of the analysis is to:

- Provide a high level economic analysis of the land use framework in the Uptown-Douglas Plan;
- Inventory current conditions related to use, zoning, tax levies and revenues; and
- Highlight key findings related to potential future transitions of properties based on the Uptown-Douglas Plan, specifically for industrial, commercial and multi-unit residential uses.

While this analysis provides some insights into future land use transitions, it is limited in its scope, focus and application. The primary intention is to demonstrate that the commercial and industrial land base would not be significantly eroded by land use change. Should Council wish to undertake a more detailed analysis, including potential future tax revenues, it is recommended that funding be provided to hire an external consultant with economic expertise.

Key Findings

Key findings from the economic analysis for the Uptown-Douglas Plan include:

- From a BC Assessment perspective, current conditions show that there are more commercial (62%) than residential (37%) properties in the Uptown-Douglas Plan area (based on land area). Industrial properties make up only 1% of land area;
- Zoning in the Uptown-Douglas area is quite flexible from a use perspective. Notably, many commercial “C” zones permit 100% residential and many industrial “M” zones permit 100% commercial uses;
- In the Tennyson Industrial Quarter, 96% of properties have “M” zoning which permits industrial uses, yet tax levies generated from industrial activity account for just 1.4% of revenue in the area;
- More than one-third (37%) of the Uptown-Douglas Plan area is currently occupied by residential uses, with 22% of that area being single-detached homes;
- In 2020, the Uptown-Douglas Plan area generated \$15.7 million in tax revenue, with 28% of that coming from the Uptown Shopping Centre;
- The overall proportion of employment uses (industrial and commercial) will likely decline, but the supply of all types of uses is anticipated to increase as vertical growth occurs;

- Based on development assumptions and industrial use requirements in the Uptown-Douglas Plan, 5% of the potential floor space capacity is anticipated to be industrial, which is 10-15x more than the current supply;
- The most significant gain in capacity is for residential uses, with a 5-7x increase when compared to existing supply;
- Much of the gains in residential floor space will be derived from intensification of properties with existing residential uses (i.e. single family properties) or through adding residential on upper storeys of sites that are currently low-rise commercial buildings; and
- The amount of commercial floor space is expected to increase, but at a much slower pace than residential uses.

The findings of this analysis provide assurances that the land use framework in the Uptown-Douglas Plan is generally supportive of existing land uses and affords the capacity to accommodate continued growth of the area's employment lands in parallel with new residential development.

Findings show that, from a tax class perspective, there is a very limited number of industrial properties in the Uptown-Douglas Plan area. While a number of important service commercial uses exist, implementation of the Plan could assist in protecting and promoting industrial activity in the industrial areas (Tennyson and Tolmie Quarters), and its supportive policy could enhance the presence of industrial operations.

Based on Uptown-Douglas Plan policy, the development capacity in the area has been increased on virtually every parcel in the Plan area. Overall, the capacity is estimated to be at least five (5) to six (6) times greater than the current supply and well above current zoning allowances. The overall supply of employment uses (industrial and commercial) is anticipated to increase as vertical growth occurs. However, the overall proportion of employment uses will likely decline as significant new residential floor space is developed. Based on development assumptions (and excluding major sites such as the Uptown Shopping Centre), theoretical capacity is anticipated to be 71% residential, 24% commercial and 5% industrial. Given the high proportion of existing commercial uses and projected growth rates, it is anticipated that employment uses will predominate for some time.

The implementation of the Uptown-Douglas Plan will see a transition away from traditional single-detached residential and lower scale commercial uses. Increases to density will result in the development of more mixed-use buildings (i.e. commercial/residential) and create a greater diversity of housing choices. Higher density residential land use designations will be concentrated closer to the core and could contribute to the area's employment base through policy encouraging mixed-use developments.

The findings of this analysis provide assurances that the land use framework in the Uptown-Douglas Plan is generally supportive of existing land uses and affords the capacity to accommodate continued growth of the area's employment lands in parallel with new residential development. The Uptown-Douglas Plan's land use framework offers a sensitive transition to higher density and mixed employment land uses, encouraging comparable commercial activity but on varying scales of intensity and often in a mixed-use format.

ALTERNATIVES

1. That Council approve the recommendations as outlined in the Staff Report.
2. That Council provide alternate direction to Staff.

Staff recommend that Council proceed with the recommendations as outlined in the Staff Report, which includes housekeeping edits and selected minor amendments to the Uptown-Douglas Plan, and move to schedule a public hearing.

As an alternative, Council could provide direction to incorporate more minor edits or explore major Uptown-Douglas Plan amendments. Staff do not recommend that Council proceed with pursuing Major Amendments, as the potential Major Amendments will challenge, if not alter, the fundamentals of the Uptown-Douglas Plan which were developed through a comprehensive community process. Staff have sought to balance the objectives of the community and industry, integrate best practices and develop solutions that respond to the Uptown-Douglas Plan's unique context. This alternative would result in additional implications for overall project timelines and project budget, depending on the type of public engagement and the degree of Plan amendments.

STRATEGIC PLAN IMPLICATIONS

Should Council direct additional work on the Uptown-Douglas Plan, additional resources and/or funding may be required. This additional work could potentially impact the timing of other Strategic Plan priorities.

FINANCIAL IMPLICATIONS

The Uptown-Douglas Plan area is anticipated to experience a higher degree of growth and change than any other area in Saanich. The Uptown-Douglas Plan establishes a long-term vision and provides clear direction for managing change in the area over the next 20 to 30 years. To support this change, the Uptown-Douglas Plan establishes a comprehensive policy framework to guide public and private investments.

The implementation of the Uptown-Douglas Plan would occur primarily through land redevelopment initiated by private developers as well as capital projects and programs initiated by Saanich or other public agencies. A number of the Uptown-Douglas Plan's desired improvements are aligned with future capital works priorities, including through projects identified in the Active Transportation Plan and park acquisition / improvements identified in the Development Cost Charge Bylaw. Section 12 of the Uptown-Douglas Plan identifies priority actions for implementation, highlighting specific actions that are needed to ensure the Plan's vision is implemented.

To help catalyse implementation of the Uptown-Douglas Plan, Council endorsed four critical priority implementation initiatives on August 10, 2020. Table 1, below, provides a summary of these initiatives, including resources and status where applicable:

Table 1: Uptown-Douglas Plan Priority Implementation Initiatives

Implementation Initiative	Objectives	Resources Status
Establish Community Amenity Contribution (CAC) Rate Target	Establish a fixed-rate target (per unit) for community amenity contributions for the Uptown-Douglas Plan area	<ul style="list-style-type: none"> ▪ Council endorsed the Terms of Reference for a Community Amenity Contribution and Inclusionary Housing Program (District-wide approach) and associated budget on April 19, 2021 ▪ Program kick-off November 2021. ▪ Expected completion early 2023.
Uptown-Douglas Development Permit Area Design Guidelines	Development Uptown-Douglas Development Permit Area Design Guidelines, and bring forward as an amendment to the OCP, Appendix "O"	<ul style="list-style-type: none"> ▪ Staff are preparing RFP to contract the update the Development Permit Area Design Guidelines (in-progress). ▪ Funding allocated May 2021. ▪ Expected completion in 2022.
Pilot Pre-Zoning, Urban Mixed Use and Mixed Employment Land Use Designations	Establish new zones to incentivize development in specific areas, including through increased market certainty and reduced approval timelines	<ul style="list-style-type: none"> ▪ Staff time will be required to undertake the development of pilot pre-zones. ▪ Work expected to commence following the adoption of the UD Plan.
Off-Street Parking Standards	Develop new off-street parking standards for the Uptown-Douglas area that reflect current and projected demand and improve development processes and outcomes.	<ul style="list-style-type: none"> ▪ Work targeted to begin in Q3 2022.

PLANNING IMPLICATIONS

The Uptown-Douglas Plan provides guidance for the area of Saanich that is anticipated to experience the greatest amount of change over the next 20 to 30 years. It represents an incredible opportunity to cement the area as a vibrant regional centre that implements the sustainability objectives of Saanich's Official Community Plan. Should Council endorse the Uptown-Douglas Plan, it would provide a contemporary framework to guide and evaluate changes in the area.

The potential further delay of the Uptown-Douglas Plan adoption would have implications for the initiation of area improvements and provide an additional period of uncertainty for the development industry. Staff are aware of current proposals waiting on adoption of the Uptown-Douglas Plan to provide a greater degree of certainty on the area's land use future. These investments are critical to realizing the Uptown-Douglas Plan's vision and implementing changes to land use, transportation and social infrastructure networks.

INTERDEPARTMENTAL IMPLICATIONS

Should Council direct further work, Staff from multiple departments may be required. This could impact other priority projects.

CONCLUSION

The Uptown-Douglas Plan provides a 20 to 30 year vision with clear objectives and actions to implement the goals and policies of the Official Community Plan (OCP), with a focus on affordable and diverse housing, active transportation, urban design, sustainable development and climate change mitigation and resilience.

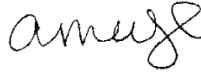
Council endorsed the Uptown-Douglas Plan in principle on August 10, 2020 and directed Staff to engage advisory committees and complete an analysis of potential land use transitions prior to presenting the Uptown-Douglas Plan for formal adoption.

Engagement with Council Committees and the Housing Task Force generated a range of comments that have been categorized into potential housekeeping, minor and major amendments. Staff have recommended a number of housekeeping and minor amendments to enhance the Uptown-Douglas Plan. Staff do not recommend any major amendments. Items identified as potential Major Amendments would alter the fundamental directions of the Uptown-Douglas Plan. In order to fully consider the potential major amendments, further research, analysis and public consultation would be required.

The economic analysis of potential land use transitions based on the Uptown-Douglas Plan directions provided a clear assessment of current conditions and utilized the Uptown-Douglas Plan's land use designation and policies to develop assumptions around future land use. The analysis shows a capacity increase for all types of uses in the Uptown-Douglas Plan area. It is anticipated that residential growth will occur at a much faster rate than other uses, with many sites redeveloping from low-density single use buildings to higher-density mixed-use buildings. While the analysis illustrates key high level trends, it is limited in its scope and application.

Should Council support Staff recommendations and provide direction on the proposed amendments, the Uptown-Douglas Plan could proceed to Public Hearing. This would provide additional clarity for the community and development industry and allow resources to be focused on priority implementation actions.

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AM/jsp

- Attachments:
- A. Uptown-Douglas Plan
 - B. July 23, 2020 Council Report
 - C. Uptown-Douglas Plan Official Community Plan Amendment Bylaw No. 9722
 - D. Council Comments and Input
 - E. Advisory Committee Comments and Recommendations
 - F. Housing Task Force Comments and Recommendations
 - G. Housekeeping Items
 - H. Minor Modifications
 - I. Plan Amendments
 - J. Uptown-Douglas Plan Economic Analysis

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Planning.

Brent Reems, Acting Chief Administrative Officer