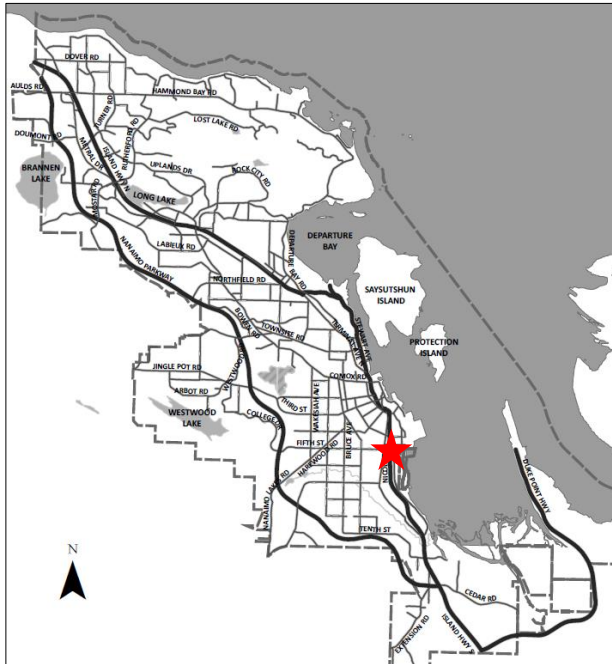


DATE OF MEETING April 22, 2024

AUTHORED BY CALEB HORN, PLANNER, CURRENT PLANNING
NANCY SKEELS, PROPERTY SERVICES AGENT, REAL ESTATE

SUBJECT **REZONING APPLICATION NO. RA491 AND PROPERTY
DISPOSITION NO. LD3857 – 120 NEEDHAM STREET, 515, 535,
545, AND 575 NICOL STREET**



Proposal:

To allow for a multi-family residential development

Current Zoning:

R1 – Single Dwelling Residential and
COR3 – Community Corridor

Proposed Zoning:

COR1 – Residential Corridor with site-specific provisions

City Plan Land Use Designation:

Residential Corridor

Total Lot Area:

2,452m²

RA



OVERVIEW

Purpose of Report

To present Council with an application to rezone 120 Needham Street, 515, 535, 545, and 575 Nicol Street, from Single Dwelling Residential (R1) and Community Corridor (COR3) to Residential Corridor (COR1) with site-specific provisions; and, to approve a property disposition of City-owned property located at 545 Nicol Street, in order to facilitate a multi-family residential development.

Recommendation

That:

1. Council approve the disposition of City-owned property at 545 Nicol Street to Nicol Street Residential Holdings Inc. for \$25,000;
2. Council direct the Mayor and Corporate Officer to execute the necessary documents to affect the property disposition transaction;
3. "Zoning Amendment Bylaw 2024 No. 4500.221" (to rezone 120 Needham Street, 515, 535, 545, and 575 Nicol Street, from Single Dwelling Residential [R1] and Community Corridor [COR3] to Residential Corridor [COR1] with site-specific provisions) pass first reading;
4. "Zoning Amendment Bylaw 2024 No. 4500.221" pass second reading;
5. "Zoning Amendment Bylaw 2024 No. 4500.221" pass third reading; and,
6. Council direct Staff to secure the conditions related to "Zoning Amendment Bylaw 2024 No. 4500.221", as outlined in the "Conditions of Rezoning" section of the Staff Report dated 2024-APR-22, prior to final adoption.

BACKGROUND

A rezoning application, RA491, was received from Urban Solutions Architecture Ltd., on behalf of Nicol Street Residential Holdings Inc., to rezone 120 Needham Street, 515, 535, 545, and 575 Nicol Street to facilitate a multi-family residential development. The property at 545 Nicol Street is City-owned and a property disposition will be considered concurrently to support the rezoning application. A Covenant Amendment application (CA18), to discharge a restrictive covenant from the property titles of 120 Needham Street and 575 Nicol Street, was approved by Council on 2022-DEC-05.

Subject Property and Site Context

The subject properties are located in the South End Neighbourhood at the northeast corner of Nicol Street and Needham Street, the former being under the jurisdiction of the Provincial Ministry of Transportation and Infrastructure (MoTI). The lots slope downhill from west to east and are adjacent to a lane on the east side of the site. The site is presently vacant with the exception of a single residential dwelling currently under demolition at 515 Nicol Street and a closed surface parking lot at 120 Needham Street. The lots will be consolidated as a condition of rezoning.

The surrounding neighbourhood consists of a mix of residential and commercial uses where Nicol Street acts as a gateway corridor to Downtown Nanaimo. Adjacent properties include Corridor-designated single residential dwellings to the north, a liquor store and vacant commercial structure (formerly the "Jolly Miner Inn" pub and hotel) across the lane to the east, a car wash across

Needham Street to the south, and single residential dwellings and institutional uses across Nicol Street to the west. The properties to the north, west, and south are designated Residential Corridor in City Plan while the properties to the east are designated Neighbourhood Centre.

Nearby development applications are currently under review for a four-storey residential development (427-455 Nicol Street) and a BC Housing six-storey supportive housing development (355 Nicol Street) further north on the same block.

Public Notification

Pursuant to sections 464(3) and 467 of the *Local Government Act*, a public hearing is prohibited for proposed “Zoning Amendment Bylaw 2024 4500.221” as the bylaw is consistent with the Official Community Plan (City Plan) and the purpose of the bylaw is to facilitate a residential development as outlined in this report.

Statutory notification of first reading occurred on 2024-APR-11. |

REZONING DISCUSSION

Proposed Zoning

The applicant is proposing site-specific amendments to the City of Nanaimo “Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) to facilitate the development of a multi-family residential building. The current zoning would allow single residential dwellings in the R1-zoned portion and mixed-use development in the COR3-zoned portion. The proposed zoning is based on the Residential Corridor (COR1) zone that is intended for medium density residential development along major roads, but with site-specific provisions to suit the development plans. The proposed zoning could allow some mixed-use, but will require development to be primarily residential.

The base COR1 zone and proposed site-specific regulations are shown below:

<i>Zoning Regulation</i>	Base COR1 Zone	Proposed Site-Specific COR1 Zone
<i>Permitted Uses</i>	Residential uses and limited commercial uses (assembly hall, daycare, hotel, and up to 1,000m ² of office floor area)	Same as COR1, but with no less than 50% of the gross floor area dedicated to a residential use
<i>Maximum Density – Floor Area Ratio (FAR)</i>	1.00, +0.25 with underground parking, and +0.50 with density bonusing per ‘Schedule D’ of Zoning Bylaw	2.90
<i>Maximum Building Height</i>	14.0m; or 18.0m with 75% of parking below or beneath a building	14.0m; or 19.8m with 75% of parking below or beneath a building

The site-specific zoning provisions have been proposed to accommodate conceptual plans for a multi-family residential building. The conceptual development plans envision a six- to seven-storey residential building with 127 dwelling units (including nine ground level live/work units), underground parking, and a rooftop amenity space for residents. All vehicle access will be from the lane to the rear of the site. Future variances are anticipated at the development permit stage for parking and setbacks, to be reviewed further and confirmed through detailed design review.

Policy Context

Staff are of the opinion that the proposed rezoning is consistent with City Plan, including the specific policy areas highlighted below.

City Plan – Future Land Use

City Plan identifies the subject properties as within the Residential Corridor future land use designation where mid-rise residential apartments are contemplated with typical building heights between three and six storeys. The proposed site-specific zoning regulations meet the intent of the land use designation by facilitating the development of a multi-family residential building in apartment form with underground parking. The proposed zoning will align land uses more closely with City Plan than under the current zoning by prioritizing residential use over mixed use. While the bulk of the conceptual building massing is six storeys, the east elevation is expected to present a seven storey façade given the slope of the land. Overall, the rezoning is supported by City Plan as it will enable more housing along a corridor in proximity to amenities and services.

City Plan – Mobility Network

The subject site is located on a future primary active mobility route and bus rapid transit line as identified in Figure 36 of City Plan. An existing local bus route runs southbound on Victoria Road (approximately 200m to the west) and northbound on Haliburton Street (approximately 50m to the east). City Plan's mobility policies envision densification of housing along frequent and rapid transit routes.

Community Consultation

The subject property is within the area of the South End Community Association. The application was forwarded to the association and no response has been received to-date. The applicant hosted a Public Information Meeting (PIM) on 2023-JUN-07 at the Clay Tree Society on Old Victoria Road. Approximately nine members of the public attended the PIM. The applicant noted that comments from residents were generally supportive with most concerns related to traffic and safety at the intersection of Needham and Nicol Streets. Frontage works along Needham Street will be triggered at the building stage and are anticipated to include improved pedestrian and cycling facilities. As Nicol Street is under the jurisdiction of MoTI, frontage works and any potential signal timing changes may be considered with MoTI at the time of detailed design through future building permit, and a 2.5m-wide statutory right-of-way (SRW) will be secured along Nicol Street for future frontage works as a condition of rezoning.

Community Amenity Contribution

In exchange for the value conferred on the lands through rezoning, the applicant is encouraged to provide a Community Amenity Contribution (CAC) per Council's *Community Amenity Contribution Policy* (the "CAC Policy"). Using the 2023 rates at the time of application, the CAC would be calculated at \$41/m² of gross floor area (GFA) for multi-family residential and the anticipated CAC value would be \$290,690 based on the conceptual plan showing a GFA of 7,090m².

The applicant is proposing a combination of an in-kind and monetary CAC. As an in-kind CAC, public plaza features are proposed in the southwest and southeast corners of the site, such as: a water fountain, book exchange, bicycle maintenance station, seating with tables, and a decorative plaza surface with additional plantings. The public plaza areas will be secured by an SRW with an approximate combined area of 26m². The total value of the public amenities to be provided onsite is estimated to be \$58,960. The remainder of the CAC value (approximately \$231,730) will be calculated at the time of building permit application based on final GFA, and will be directed towards the City's Housing Legacy Reserve Fund. Should the property owner commit to providing purpose-built rental dwelling units through a Housing Agreement prior to building permit issuance, the anticipated CAC value could be reduced by 50% per the CAC Policy.

Conditions of Rezoning

Should Council support the application and pass third reading of "Zoning Amendment Bylaw 2024 No. 4500.221", Staff recommend that the following items be secured prior to final adoption of the bylaw:

1. *Community Amenity Contribution* – Registration of a Section 219 covenant for the CAC to consist of:
 - Public plaza and proposed features to be protected by SRW (approximately 26m² in area) to registered prior to building occupancy; and,
 - A monetary contribution equal to \$41/m² of the gross floor area, minus the value of the public plaza features, to be paid prior to building permit issuance.
2. *Road Dedication* – Road dedication with approximate widths of:
 - 3.35m from the Needham Street frontage;
 - 1.5m from the lane abutting 515, 535, and 545 Nicol Street; and,
 - 6.0m radius corner rounding at the intersection of Needham Street and Nicol Street.
3. *Statutory Right-of-Way* – Registration of a 2.5m-wide SRW along the Nicol Street frontage, for anticipated frontage works.
4. *Property Disposition and Lot Consolidation* – The disposition of 545 Nicol Street and consolidation of all subject properties.

PROPERTY DISPOSITION DISCUSSION

The parcel at 545 Nicol Street is a City-owned property originally acquired through a tax sale in 1940 from the Vancouver Coal Mining and Land Co. It was previously intended for use as a public walkway but was never developed for this use. The property location is shown in Attachment F. The lot area is approximately 54m² and is approximately 1.5m in width. No viable development potential has been identified for the standalone lot, and the property disposition and lot consolidation will create a contiguous viable development parcel.

A land exchange for a public walkway elsewhere on the site was explored through the rezoning process; however, given the proximity to the intersection of Needham Street a walkway was determined to be unnecessary at this location. The possibility of a mid-block walkway is being explored with private property owners further north on the same block. As required by the *Community Charter*, before Council approval can be received a Notice of Disposition was published in the local newspaper and online for two consecutive weeks.

Staff are requesting Council provide approval of the disposition of 545 Nicol Street to Nicol Street Residential Holdings Inc. for the purchase price of \$25,000. Subject to Council approval being received, it is anticipated that ownership of the property will transfer prior to final adoption of the zoning amendment bylaw. If Council directs Staff to move forward with the property disposition of 545 Nicol Street, the proceeds of the sale will be returned to the Property Sales Fund to spur further acquisitions.

SUMMARY POINTS

- The application is to rezone 120 Needham Street, 515, 535, 545, and 575 Nicol Street, from Single Dwelling Residential (R1) and Community Corridor (COR3) to Residential Corridor (COR1) with site-specific provisions, to facilitate a multi-family residential development.
- The conceptual development plans envision a six- to seven-storey residential building with 127 dwelling units (including 9 ground level live/work units), underground parking, and a rooftop amenity space for residents.
- The rezoning is supported by City Plan as it will enable more housing along a corridor in proximity to amenities and services.
- Staff are requesting Council provide approval of the disposition of 545 Nicol Street to Nicol Street Residential Holdings Inc. for the purchase price of \$25,000.
- No viable development potential has been identified for the standalone lot, and the property disposition and lot consolidation will create a contiguous viable development parcel.

ATTACHMENTS

ATTACHMENT A: Subject Property Map
ATTACHMENT B: Conceptual Site Plan
ATTACHMENT C: Conceptual Building Perspectives
ATTACHMENT D: Shadow Study
ATTACHMENT E: In-Kind Community Amenity Contribution Proposal
ATTACHMENT F: 545 Nicol Street – Property Disposition Location Map
“Zoning Amendment Bylaw 2024 No. 4500.221”

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