June 16, 2016

Linda Gillan, Rezoning Planner and

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Planning and Development Services

City of Vancouver

453 West 12th Avenue

Vancouver, BC V5Y 1V4

Re:     **CD-1 Text Amendment- 1030 Denman Street (Coast Hotel)** and

        **Development Permit- 1030 Denman Street**

Dear Linda

The following letter outlines the intent and rationale for the proposed changes to the existing CD-1 (537) Bylaw, and the design rationale to accompany the concurrent Development Permit application.

**Context and Development Intent**:

The existing building is a 31-storey tower above a 3 level podium that currently accommodates retail/commercial at grade and a full service 269 room hotel.  The retail/commercial uses are oriented towards Denman Street and within a single level indoor mall.  The hotel is accessed off Comox Street with a porte-cochere and lobby on Level 2.  Ancillary uses within the hotel include a bar, restaurant and hotel staff offices on Level 2, conference facilities on Levels 3 and 4 and a banquet room on Level 31. The guestrooms occupy the floors within the tower.  A Fitness Centre is located on Levels 3 and 4, with street access via a stairway from Comox Street and direct access from the conference level.  Parking is located above the mall on Level 2 with access from Nelson Street and in a two-level underground parkade off of Comox Street.

The Coast Hotel has advised that they will vacate the building in 2017. Therefore the intent of this application is to seek City approval to proceed with the conversion of the building from hotel use to secured market rental residential use as contemplated a 2012 rezoning, which created the current CD-1 (537) Bylaw. Consistent with the current CD-1 Bylaw, the floor areas within the tower will be converted to secure rental, and the Level 1 retail/commercial uses we be retained. However since the 2012 rezoning, further work on the viability of the conversion has precipitated the need to amend the text of the CD-1 Bylaw. The following is a description of the intent and rationale for the text amendment

**CD-1 Text Amendment- 1030 Denman Street (Coast Hotel)**

The proposed changes are limited to two floors; Levels L2 and L3, as follows:

**Level L2**

| Existing CD-1 Use | Proposal Use |
| --- | --- |
| Pub and Retail Mall Access | Hotel Lobby, Hotel Suites |
| Restaurant | Residential Storage. |
| Laundry and Bike Storage | Residential Storage and Managers Suites |

**Level L3**

The current CD-1 allowed the existing hotel conference centre to be converted into office space. The existing fitness centre was to remain. The current proposal is to demolish the existing Conference Centre and Fitness Centre structure, including the fitness centre access stair from Comox Street and construct a purpose-built, single storey hotel component.

| Existing CD-1 Use | Proposal Use |
| --- | --- |
| Office Space | Hotel Suites and Residential Amenity Space in new floor space |
| Fitness Centre (incl. mezzanine) | Hotel Suites in new floor space |
| Office / Residential Terrace | Residential Outdoor Amenity |

The Text Amendment is required to allow the proposed Hotel use and to modify clause 3.2 to allow the replacement of part of the existing floor space on Level 3 with newly constructed floor space.

**Text Amendment Rationale**

The proposed text amendment responds to the impact on the floor plans when Coast Hotel vacates the premises. The existing Comox Street Bar and Brasserie Restaurant on level L2, are tied to the lease of the hotel. When the hotel closes, these spaces will also be vacated. The existing Fitness Centre on L3, will also vacate the premises, due to their business relationship with the hotel.

The existing CD-1 zoning contemplated the retention of the existing structure level L3 and converting the conference space into office use, with the outdoor terrace area split between office and residential uses. The Fitness Centre was to remain. In the fall of 2015, the client engaged Burgess Cawley Sullivan and Associates, Real Estate Appraisers and Market Analysts to perform an Office Market Analysis in order to review the project and these proposed uses. The report concluded that leasing the existing conference space as office space use would be challenging as a result of the following factors:

- Increase of newer, more desirable leasable spaces in the downtown core
- Not located close to Skytrain
- Higher vacancy rates for existing office space in the downtown
- Older building, size and configuration of the subject office space is challenging
- Limited views from the second floor

As a result of this study and the fitness centre tenant vacating their space, the owner proposes to demolish the existing conference centre and fitness centre structures (including the entrance stairwell from Comox St) to make way for a purpose-built 68 unit boutique hotel. This proposal is more economically viable, not relying on market office leasing trends, and will allow the site to continue to provide a hotel destination for tourists and locals. It also aligns to the West End Community Plan for the Denman Street Corridor, which lists Boutique Hotels as one of the desired uses in the area.

**Development Permit- 1030 Denman Street**

**Project Summary**

Civic Address:        1030 Denman Street

Legal Description:      Lot D, Block 59, District Lot 185, Plan 17575

Zoning:          CD-1 (537)

Uses:

    Existing:      Commercial/Retail, Office, Hotel (with ancillary restaurant and pub),

          Fitness Centre

    Proposed:      Commercial/Retail, Office, Hotel (68 rooms),

          Residential-Secured Market Rental (316 units)

Site Area:        7967 sm

Development Area:

    Existing:    40,393 sm

    Proposed:    37,988 sm

FSR:

    Allowable:    5.07

    Proposed:    4.77

Building Height:

    Allowable (existing building):      91m (298-6")

    Actual (existing building):      89.9m (294'-9")

**Planning Approach**

The existing hotel guestrooms will be converted into market rental residential units, primarily using the existing demising walls.   This produces a range of studio, one bedroom and two bedroom units summarized in the Project Statistic Sheet A0.1.  The top most floor and mezzanine of the tower (Level 31) currently used as a banquet hall will also be converted into two bedroom and two bedroom loft units.  The residential amenity area are located on Level 3 adjacent to the residential outdoor landscaped podium. This includes a games, party and a garden room, as well as accessible washrooms and storage space.

The existing hotel port-cochere off Comox Street, provides entry for the residence and the proposed hotel. For security, the residential and hotel entrances and floor areas are completely separate, with no crossover access or shared spaces.

Hotel guests are directed from the lobby via dedicated stairs or new elevator to rooms located on the L2 level (8 units - former Comox Bar), or up to the L3 level – 60 units. Hotel guest parking is located on Level 2, above the mall, with direct access to the hotel lobby. While the majority of the Level 3 outdoor landscaped podium is separated from the hotel and dedicated to the residences, the hotel has its own dedicated outdoor landscaped area.

**Architectural Design Rationale**

While the majority of the alterations to the building are interior changes, there are several exterior improvements. These include:

- Removal of two exit stairways along Nelson Street and increased glazing into the Mall Corridor
- Designation of a Public Bike Share area along Nelson
- Provision of benches and water fountain adjacent to the parking ramp on Comox Street
- Complete removal of the Fitness Centre Comox stairway flanking the tower.
- Redesign/ renewal of the entranceway leading to the residential and hotel lobbies
- Replacement of the large-massed (1 ½ -2 storeys), blank-walled and Conference Centre and Fitness Club with a single storey hotel form.
- This hotel component contains generous outward-looking windows and is set-back to accommodate for individual terraces, which further reduces the perceived mass of the podium for the street and lane.
- The existing guardrails throughout the project will be replaced with code-compliance metal and glass guards

The materials and colours of the exterior improvements to the building are consistent with the existing building colours. However it is appropriate to lighten the material and colour palate for the new Level 3 hotel component. Generally they are as follows:

- Painted concrete in the tower and podium to remain the existing colour- Beige
- The majority of the window frames in the tower have been recently replaced- Champagne
- New window frames in the tower, and Level 3 hotel component will match the replacement windows- Champagne
- Metal wall cladding on Level 3 hotel component- Silver
- Projecting bay windows at the top of the tower, change colour from terracotta to champagne (matching the new window frames), allowing the feature to read as a cohesive element.

**Sustainability**

The project will have the following environmental sustainability features:

- Replace existing single glazed windows in the tower with double glazed windows conforming to current performance codes.
- Upgrading the central hydronic heating system with a high energy efficient system
- Replace existing light fixtures with energy efficient fixtures
- Replace plumbing fixtures with water conserving fixtures.
- New exterior walls incorporate rainscreen principles and durable materials
- Upgrade the insulation values in the building envelope where repairs are made.

The project also incorporates social and economic sustainable features including:

- Renewing an existing high-density mixed-use building
- Providing secured rental housing.
- Providing significant indoor and outdoor amenities for the residents.
- Accommodating a hotel use that will create jobs and benefit commercial activity along Denman Street.
- Enhance the pedestrian realm around the building

**Landscape Design Rationale**

Please see the attachment

Yours truly,

Mark Ehman, Architect AIBC, Partner
**DA Architects + Planners**

Attachment: Landscape Design Rationale by Connect Landscape Architecture

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