

**POLICY AMENDMENT AND LAND USE AMENDMENT  
HILLHURST (WARD 7)  
NORTH OF KENSINGTON ROAD NW AND WEST OF 10  
STREET NW  
BYLAWS 12P2015 AND 50D2015**

**MAP 21C**

**EXECUTIVE SUMMARY**

This land use redesignation application seeks to redesignate the site located at 201 – 10 Street NW to allow for an increase in density and height from the existing DC Direct Control District. The existing DC Direct Control District (Bylaw 33D2013) allows for a maximum floor area ratio of 5.0 and a maximum height of 26.0 metres and is based on the C-COR1 District of Bylaw 1P2007. This redesignation would allow for a floor area ratio of 7.0 and a maximum building height of 36 metres. It would also implement a new density bonus provision for a public open space on the site.

**ADMINISTRATION RECOMMENDATION(S)**

2015 March 12  
2015 February 26

That Calgary Planning Commission recommends **REFUSAL** of the proposed Policy Amendment and Land Use Amendment.

**RECOMMENDATION(S) OF THE CALGARY PLANNING COMMISSION**

That Council hold a Public Hearing on Bylaws 12P2015 and 50D2015; and

1. **REFUSE** the proposed amendments to the Hillhurst/Sunnyside Area Redevelopment Plan, in accordance with Administration's recommendation; and
2. **ABANDON** the proposed Bylaw 12P2015.
3. **REFUSE** the proposed redesignation of 0.12 hectares ± (0.29 acres ±) located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) from DC Direct Control District to DC Direct Control District to accommodate mixed use development, in accordance with Administration's recommendation, as amended; and
4. **ABANDON** the proposed Bylaw 50D2015.

**REASON(S) FOR RECOMMENDATION:**

The Corporate Planning Applications Group (CPAG) recommends refusal of this proposal as the proposed DC Direct Control District and policy amendment do not meet the intent of the existing policy of the Hillhurst/Sunnyside Area Redevelopment Plan and are not deemed appropriate for this site. The proposed DC district proposes a number of elements, primarily the density bonus provisions for a public space and the inclusion of the use of Restaurant: Licensed – Large as a permitted use, that are not in keeping with both existing policy and current density bonusing provisions in place for the area.

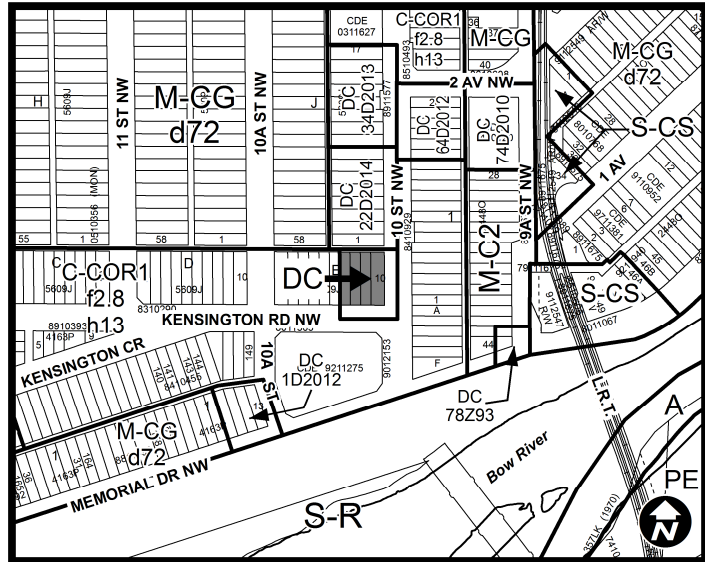
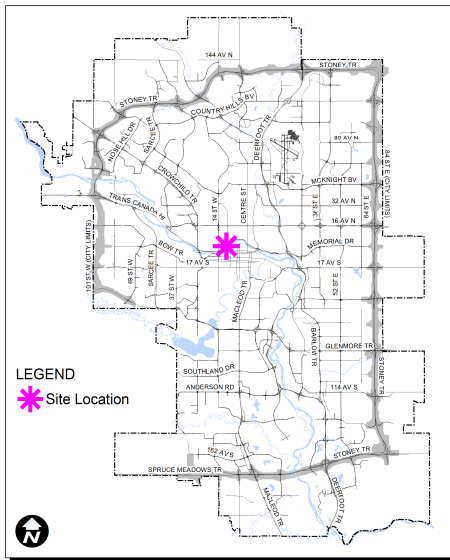
**ATTACHMENTS**

1. Proposed Bylaw 12P2015
2. Proposed Bylaw 50D2015
3. **Public Submission(s)**

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LOCATION MAPS



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**ADMINISTRATIONS RECOMMENDATION TO CALGARY PLANNING COMMISSION**

1. Recommend that Council **REFUSE** the proposed amendments to the Hillhurst/Sunnyside Area Redevelopment Plan (APPENDIX II).

**Moved by: R. Wright**

**Carried: 5 – 4**

Opposed: M. Wade, G.-C. Carra,  
S. Keating and  
J. Gondek

2. Recommend that Council **REFUSE** the proposed redesignation of 0.12 hectares  $\pm$  (0.29 acres  $\pm$ ) located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) from DC Direct Control District **to** DC Direct Control District to accommodate mixed use development with guidelines (APPENDIX III).

**Moved by: R. Wright**

**Carried: 5 – 4**

Opposed: M. Wade, G.-C. Carra,  
S. Keating and  
J. Gondek

Reasons for support of the Refusal recommendation from Mr. Wright:

- The ARP process to increase densities through the TOD process was long, arduous and involved many tradeoffs and compromises on the part of the community. The site in question was indeed acknowledged as “special” and as such was accorded 1 FAR and 6 metres extra height than the rest of the west side of 10 Street SW commercial properties to the north. Communities enter into these processes with some trust and confidence that agreed to solutions will remain unless some “material” changes occur and re-negotiation starts up again. There has been no evidence of material changes other than the applicant just wants 40 percent more massing and 38 percent more height on top of the already increased height and density already allowed for the site. If you compare properties to the north (which this site likely would have fallen in if it did not get special treatment the first time around), the applicant is asking for about 80 percent more height and density.
- The project will overwhelm and dwarf everything on 10th St. and is not of the scale and fine grain expected of a commercial project in such a residential neighbourhood. The applicant is suggesting that open space will be provided as the tradeoff. Such open space has not been well defined in terms of use, function, ownership or quality. The most basic question has to revolve around the “public interest” and is it being served. The March 9 public hearing, at which another application requested changes to the ARP, captured the essence of why a change may be appropriate to a “living document”. A community representative stated “...changes must show benefit back to the community otherwise there is no

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compelling reason to support such a change". I do not believe, and it appears the community also does not believe this project will meet that simple test.

- Lastly, another community resident at the same public hearing suggested this community was the "canary in the mine" in terms of being the first community to embrace densification and TOD principles. Therefore the handling and logic applied to changes must be carefully weighed so as to not erode the trust that was built during the planning process and have other communities contemplating densification to perhaps give pause.

Reasons for support of the Refusal recommendation from Mr. Morrow:

- I voted in favour of Administration's recommendation of Refusal because there are too many issues to be negotiated. I recommend Council adopt a consistent bonusing formula, for example mirroring Chicago's:

Bonus = (A / B) x C x D, where

A = Amenity

B = Site Area

C = Premium factor (eg Plaza = 1)

D = Allowable FAR

If Calgary had this formula, a 3000 square foot Plaza would mean a bonus of 1.2 FAR. ((3000 / 12.500) x 1 x 5 = 1.2 FAR bonus). As such I think a 2.0 FAR bonus is excessive.

- Additionally, I would have liked to see more form based controls in the Bylaw. For example, additional height beyond the 26 metre ARP limit should require a step-back to minimize the impact from the public realm.
- Further there is some question how much of the public area is truly public. I think the valuation of the Plaza is also highly debateable.
- I am also uncomfortable with using a withholding of second and third reading as the primary means of control. (What if a majority of council doesn't want to withhold second and third reading?)
- Bottom line, I agree with the Plaza in this location and agree with a reasonable bonus, but think this is too high and with many unresolved issues. This is best negotiated at the Administration level. This is a case where CPC should have been involved earlier and also needed more flexibility to propose compromise amendments.
- I agree this is an important corner, ideal for a public plaza, which should warrant a density/height bonus.
- But if it's a critical corner, it should be done right, not with a half-baked DC.
- The Chairman advised CPC to send it back to Administration if we thought further negotiations were necessary (in lieu of my proposed amendments, which were deemed not minor enough). So that's what I did.

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- Research from other cities suggest a 2 FAR/10 metre bonus for this size plaza is double what is best practice. Evidence-based planning!
- Treating the entire plaza as though it was "bonusable" is disingenuous - we know a portion will be used by the restaurant, but the DC doesn't spell out conditions of public/private use.
- Locking in the \$17/square meter contribution when we know it will very soon dramatically increase didn't sit right with me (note: Beltline bonusing is \$270/ square meter!).
- There were no form-based controls (step-back) for the additional height, as most cities require and is best practice.
- We didn't even address a lot of issues -- parking, how hotel drop-off/pick-up could possibly work on this corner, etc (it's a tough site for a hotel).
- I'm not confident Council will withhold second/third reading to wait for a DP.
- So bottom line, too many unresolved issues for me to go against clear opposition from administration and the community.

Reasons for support of the Refusal recommendation from Mr. Friesen:

- I believe the project and the idea of a plaza have merit however I also felt that the incentives in the proposal were too generous. The pattern of amendments proposed by the Commission and the sequence of voting were complex. Commissioners always had to keep in mind that any particular vote might go against ones beliefs. When we were told that extensive adjustments to the plan were against our mandate I had to support refusal to allow for a renegotiation. However the final vote might have led to support for the plan and so I supported amendments to limit the proposal in that case.
- I support a renegotiation of the terms of the planned change to reduce the height to something between 26 and 36 metres ideally with some setback of the top storeys and also an increase in the amount paid to the community for the change. If this is not enough for the developer to proceed he will have to revert to the ARP terms as developed after several years work with the Community.

**2015 March 12**

The Calgary Planning Commission **LIFTED THE ITEM FROM THE TABLE**

The Calgary Planning Commission **TABLED** the Item to review the correspondence from Hillhurst Sunnyside Community Association dated 2015 March 06.

The Calgary Planning Commission **LIFTED THE ITEM FROM THE TABLE**

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- MOTION:** The Calgary Planning Commission accepted correspondence from:
- Hillhurst Sunnyside Community Association dated 2015 March 06;
- as distributed, and directs it to be included in the report in APPENDIX VIII.
- Moved by: G. Morrow**                      **Carried: 8 – 0**
- AMENDMENT:** Amend DC Guideline “8(6)” to read “The floor area ratio may be increased from 5.0 FAR provided for in subsection (2) to a maximum of 7.0 with the provision of a public open space.”
- Moved by: G.-C. Carra**                      **WITHDRAWN**
- AMENDMENT:** Delete DC Guideline 4(b), DC Guideline 8(6), and DC Guideline 9, and renumber the guidelines accordingly.
- Moved by: R. Wright**                      **LOST: 2 – 6**  
Opposed: M. Wade, C. Friesen,  
W. Smithers, G.-C. Carra,  
S. Keating and J. Gondek
- AMENDMENT:** Add new DC Guideline 8(7) to read “Direct the cash contribution funds to be used within the proposed open space.”
- Moved by: M. Wade**                      **LOST: 1 – 7**  
Opposed: G. Morrow, C. Friesen,  
R. Wright, W. Smithers,  
G.-C. Carra, S. Keating  
and J. Gondek
- Reasons for Approval from Ms. Wade:
- The cash contribution tied to open space would support the success of the public space, address HSCA’s concerns stated in their letter dated 2015 March 06, to provide an atmosphere for successful public space.
  - Administration and HSCA could work together with the Applicant to collaborate to develop a successful plaza area for public benefit.
  - Tying the cash contribution to the open space is preferred by the applicant.

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**AMENDMENT:** Amend DC Guideline 8(6) to read “The floor area ratio may be increased from 5.0 FAR in subsection (2) to a maximum of 7.0 with a provision of a public open space and a cash contribution for 2.0 FAR calculated at the same rates specified in clause (3) and (4).”

**Moved by: G.-C. Carra**                      **Carried: 8 – 0**

**AMENDMENT:** Amend DC Guideline 5 to read “The permitted uses of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 are the permitted uses in this Direct Control District.

**Moved by: R. Wright**                      **Carried: 7 – 1**  
Opposed: S. Keating

**AMENDMENT:** Amend DC Guideline 6, insert new subsection (1) to read “The discretionary uses of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 are the discretionary uses in this Direct Control District with the exclusion of:

- (a) Addiction Treatment;
- (b) Artist’s Studio;
- (c) Assisted Living;
- (d) Billiard Parlour;
- (e) Child Care Service;
- (f) Cinema;
- (g) Computer Games Facility;
- (h) Custodial Care;
- (i) Place of Worship - Small;
- (j) Residential Care;
- (k) Social Organization; and
- (l) Utility Building.”

**Moved by: R. Wright**                      **Carried: 8 – 0**

**AMENDMENT:** Amend DC Guideline 6, insert new subsection (2) to read “The discretionary uses of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 will have the following uses included:

- (a) Restaurant Food Service Only – Large; and
- (b) Restaurant Licensed – Large.”

**Moved by: R. Wright**                      **Carried: 8 – 0**

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**MOTION:** The Calgary Planning Commission **FILED** Administration's recommendation of **REFUSAL** and recommends that Council:

- A. 1. **ADOPT**, by bylaw, the proposed amendments to the Hillhurst/Sunnyside Area Redevelopment Plan; and
2. Give three readings to the proposed Bylaw; and

**Moved by: S. Keating** **WITHDRAWN**

- B. 1. **ADOPT**, by bylaw, the proposed redesignation of 0.12 hectares  $\pm$  (0.29 acres  $\pm$ ) located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) from DC Direct Control District to DC Direct Control District to accommodate mixed use development; and
2. Give three readings to the proposed Bylaw.

**Moved by: S. Keating** **WITHDRAWN**

**MOTION:** The Calgary Planning Commission **FILED** Administration's recommendation of **REFUSAL** and recommends that Council:

- A. 1. **ADOPT**, by bylaw, the proposed amendments to the Hillhurst/Sunnyside Area Redevelopment Plan; and
2. Give first reading to the proposed Bylaw; and
3. **WITHHOLD** second and third readings until such time as a concurrent Development Permit is processed to the point it can be approved upon the adoption of the bylaw.

**Moved by: J. Gondek** **LOST: 4 – 5**  
Opposed: G. Morrow, C. Friesen,  
R. Wright, W. Smithers  
and M. Logan

**RECONSIDERATION:** To **RECONSIDER** the vote for amendments to Hillhurst/Sunnyside Area Redevelopment Plan to vote on the amendments to Hillhurst/Sunnyside Area Redevelopment Plan and the Land Use Redesignation at the same time.

**Moved by: G.-C. Carra** **Carried: 8 – 0**



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**Moved by: J. Gondek**

**LOST: 4 – 5**

Opposed: G. Morrow, C. Friesen,  
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2. Give first reading to the proposed Bylaw; and
3. **WITHHOLD** second and third readings until such time as a concurrent Development Permit is processed to the point it can be approved upon the adoption of the bylaw.

**Moved by: J. Gondek**

**LOST: 4 – 5**

Opposed: G. Morrow, C. Friesen,  
R. Wright, W. Smithers  
and M. Logan

Reasons for support of the Approval recommendation from Ms. Wade:

- That there needs to be clear definition on what is public space, semi-public space and private space with the plaza concept.
- By tying development permit drawings with the Land Use delineation of these spaces and their purpose could be determined. Then bonus payment funds may be used to support operation and maintenance of the PUBLIC space to address community residents' concerns, if possible. The built form of the plaza would be part of the development costs associated with the development permit

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application as regulated by City policies and regulations as deemed appropriate. The development permit tied to Land use would inform the public realm better as at the land use level this is not well defined and is a point of controversy.

**2015 February 26**

**MOTION:** The Calgary Planning Commission accepted correspondence from:

- Sturgess Architecture dated 2015 February 26;

as distributed, and directs it to be included in the report as APPENDIX VIII.

**Moved by: G.-C. Carra**

**Carried: 7 – 0**

Absent: R. Wright

**AMENDMENT:** Amend DC Guideline “8(6)” to read “The floor area ratio may be increased from 5.0 FAR provided for in subsection (2) to a maximum of 7.0 with the provision of a public open space.”

**Moved by: G.-C. Carra**

**NO VOTE**

Absent: R. Wright

**MOTION:** The Calgary Planning Commission **FILED** Administration’s recommendation of **REFUSAL** and recommends that Council:

- A. 1. **ADOPT**, by bylaw, the proposed amendments to the Hillhurst/Sunnyside Area Redevelopment Plan; and
2. Give three readings to the proposed Bylaw; and

**Moved by: S. Keating**

**NO VOTE**

Absent: R. Wright

- B. 1. **ADOPT**, by bylaw, the proposed redesignation of 0.12 hectares ± (0.29 acres ±) located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) from DC Direct Control District to DC Direct Control District to accommodate mixed use development; and

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2. Give three readings to the proposed Bylaw.

**Moved by: S. Keating**

**NO VOTE**

Absent: R. Wright

**MOTION:**

The Calgary Planning Commission **ADJOURNED** Item 07  
(LOC2013-0097) **TO THE CALL OF THE CHAIR.**

**Moved by: S. Keating**

**Carried: 7 – 0**

Absent: R. Wright

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Applicant:

Sturgess Architecture

Landowner:

Terrigno Investments Inc

Planning Evaluation Content	*Issue	Page
<b>Density</b> <i>Is a density increase being proposed.</i>	Yes	6
<b>Land Use Districts</b> <i>Are the changes being proposed housekeeping or simple bylaw amendment.</i>	No	5
<b>Legislation and Policy</b> <i>Does the application comply with policy direction and legislation.</i>	ARP Amendment	7
<b>Transportation Networks</b> <i>Do different or specific mobility considerations impact this site</i>	No	8
<b>Utilities &amp; Servicing</b> <i>Is the site in an area under current servicing review and/or has major infrastructure (water, sewer, storm and emergency response) concerns.</i>	No	8
<b>Environmental Issues</b> <i>Other considerations eg. sour gas or contaminated sites</i>	No	8
<b>Growth Management</b> <i>Is there growth management direction for this site. Does the recommendation create capital budget impacts or concerns.</i>	No	9
<b>Public Engagement</b> <i>Were major comments received from the circulation</i>	Yes	9

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**PLANNING EVALUATION**

**SITE CONTEXT**

The subject site has a prime location at the entrance to the commercial area of Hillhurst/ Sunnyside and is situated on the north-western corner of the intersection between 10 Street NW and Kensington Road NW.

Surrounding development consists of small scale retail commercial uses to the north and east of the subject site along 10 Street NW. To the south and west of the site, larger retail commercial uses, mixed use buildings and restaurants are the predominant uses.

The subject site is situated in close proximity to two routes of the Primary Transit Network, indicated on Map 2 of the Calgary Transportation Plan. The north-west LRT line is situated to the east of the subject site with the Sunnyside LRT station within a 10 minute walking radius. Several bus lines are operating along 10 Street NW with bus stops to the north and south of the site.

**LAND USE DISTRICTS**

On 2013 May 07, Council adopted Bylaw 33D2013. The land use district was a DC Direct Control District based on the Commercial – Corridor 1 District with rules stipulating a maximum floor area ratio at 5.0 and a maximum height of 26.0 metres. In addition to allowing for a mixed use development with retail uses on lower floors and with office or residential uses above, the DC district had a number of key components to implement the policies and development guidelines of the Hillhurst/ Sunnyside Area Redevelopment Plan, including allowing for the implementation of density bonus provisions.

The proposed land use district is a DC Direct Control district based on the Commercial – Corridor 1 District as well as the previous DC district with rules stipulating a maximum floor area ratio of 7.0 and a maximum height of 36.0 metres. While the proposed district incorporates much of the existing direct control district that is in place for the site there are a number of areas that where it differs significantly.

**Permitted Uses**

The proposed DC district includes a number of permitted uses including Hotel and Restaurant: Licensed - Large that are not typically included as permitted uses. Throughout the Land Use Bylaw these are uses that are always included as discretionary. Permitted uses are usually those uses that are considered to be always appropriate regardless of circumstances. If one of these uses meets all the rules of the Bylaw, the development must be approved. Including these as permitted removes the discretion of the Development Authority in approving a permit.

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It is also worth noting that Restaurant: Licensed – Large is not use that is found in the base C-COR1 district. Restaurant Licensed – Large is a use that is larger in nature and does not typically fit within the C-COR1 district, which is typically supports pedestrian oriented development with small uses areas on small to mid-sized parcels.

Density Bonusing

The original bonusing provisions that allow up to 5.0 FAR with a contribution to a community improvement fund as set up in the Hillhurst/Sunnyside Area Redevelopment Plan (ARP) have been retained in the proposed DC district. However, a further provision which allows the developer to also choose the option of going from the base density of 2.8 FAR to a maximum of 7.0 FAR with the provision of the public open space on the site. The requirements of the public open space have been set out in the DC district. Administration has a number of concerns with both this bonus provision and the public open space. The DC district allows the applicant an additional 4.2 FAR for providing a 278 square metre public space. The applicant provided a valuation of the space in order to determine what the monetary value would be of providing this space on their site in order to compare this to the typical contribution required under the bonusing structure used by the City. Administration had this report evaluated by Coriolis Consulting in order to evaluate the applicant's opinion on the value of the space and to determine the value of this space in under The City's usual bonusing structure (APPENDIX V). Their report found that in their opinion the value of the of the open space was worth approximately \$936,872, while the total amenity contribution for a density of 4.2 FAR should be \$1,920,752, leaving a difference of approximately \$980,000 that should be provided in addition to the proposed open space.

Administration also has concerns with the public open space requirements as set out in the proposed direct control district. The way the requirements are worded the public open space can be used both by a restaurant for a patio space or for the Special Function – Class 1 use. While these may be temporary in nature they will at times reduce the size of the public open space available to the public. In addition, Administration recognizes that this site may not be the best location for a public open space. The site is adjacent to two busy roads increasing potential concerns with noise levels and exhaust for users of the space. As well, there is an existing public plaza space two blocks west of the site that is currently under review for improvements and may be a better location for public open space.

Other Differences

The applicant has eliminated a number of uses from the discretionary uses of the C-COR1 district. According to the applicant this is a result of discussions with the Hillhurst/Sunnyside Community Association (HSCA) in order to remove uses which might not be appropriate at this location.

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The proposed DC district contains a rule that allows for no minimum required parking stalls for a Restaurant: Licensed - Large. While the site is in within walking distance of an LRT Station this represents quite a large reduction in the required number of parking stalls. As an estimate, if the restaurant was built to the maximum size of 600 square metres and approximately 60% of that was public area, the required number of parking stalls would be 103. This is a significant reduction in parking stalls without an analysis of the parking needs for the site and the greater commercial area.

## **LEGISLATION & POLICY**

### Municipal Development Plan

On the Urban Structure map of the Municipal Development Plan, the land use typology for the subject site is *Neighbourhood Corridor*. Neighbourhood corridors are streets situated in the Inner City and are the “main streets” for one or more communities. Neighbourhood corridors have a strong historical connection to the adjacent communities.

Kensington Road NW and 10 Street NW frame the subject site on the eastern and southern sides and both are classified as neighborhood corridors. Neighbourhood corridors support moderate levels of intensification in close proximity to the Primary Transit Network identified on Map 2 of the Calgary Transportation Plan. The level of moderate intensification for the subject site has been established through the local area redevelopment plan process and is reflected in the DC Direct Control district.

### Hillhurst/Sunnyside Area Redevelopment Plan (latest amendment 2012 November)

In February 2009, Council approved the amendment to the Hillhurst/Sunnyside Area Redevelopment Plan (ARP) to add Part II – Transit Oriented Development Area. The subject site is situated in the area identified as *Urban Mixed-use* on Map 3.1 of the ARP with a maximum floor area ratio of 5.0 and a maximum height of 26.0 metres.

The *Urban Mixed-use* typology in the ARP recognizes the potential of the 10 Street NW neighbourhood corridor to accommodate the highest densities and building heights in the local area. Tenth Street NW however, has a unique and established character of fine-grained small scale retail commercial units and numerous policies are contained in the ARP to reinforce that character while allowing for redevelopment. The ARP policies are designed to protect the public realm (sidewalk) and ensure development that is at a human scale and pedestrian friendly.

The proposal submitted by the applicant does not meet the ARP and thus an amendment to the ARP is required. The ARP amendment will allow for the applicants proposal, however Administration still feels the proposal does not meet the overall objectives of the Hillhurst/Sunnyside ARP. The proposed maximum building height of 36 metres and 7.0 FAR constitutes a substantial increase from the current intensities outlined in the ARP. The ARP

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contemplates a transition from higher intensity uses along 10 Street NW down to the existing neighbourhood along 10A Street NW. The current height and density maximums have already been designed, through a comprehensive public consultation process, to provide for the proposed transitioning.

The Applicant identifies the subject site as an important entrance to the community, which therefore is appropriate for additional density. While this site serves as an important gateway to the community, increased height and density are only contributing factors. Through review of the ARP, Administration recognizes that the subject site has already been considered as an important site through the Transit Oriented Development amendment of the ARP. The subject site has been allowed greater density when compared to other properties located along the west side of 10 Street NW and those along Kensington Road NW.

In addition, the Hillhurst/Sunnyside ARP already indicates other suitable locations for public open space. An open space at this location could reduce the sense of enclosure provided by a continuous streetwall that is encouraged by the ARP for both 10 Street NW and Kensington Road NW. Additionally, as indicated above, the ARP encourages a small scale retail character along these streets, which will not necessarily be met with the development of a large restaurant which will likely take up the majority of the ground floor façade for development on this site.

### **TRANSPORTATION NETWORKS**

A Transportation Impact Assessment (TIA) was not required for this Land Use Amendment application. A TIA and Mobility Assessment may be required at the Development Permit stage depending on the size and nature of redevelopment proposals.

Vehicular access to the subject site will not be permitted from either 10 Street NW or Kensington Road NW and will be restricted to the lane. The purpose of restricting vehicular access across the Kensington Road NW and 10 Street NW boulevards is to increase pedestrian circulation and safety in the area identified as the Hillhurst/Sunnyside Transit Oriented Development area.

A Parking Study was not required for this Land Use Amendment application, although it may be required at the Development Permit stage. No surface parking shall be permitted with the substantive redevelopment of the subject site and all parking must be provided underground. Situated within the Transit Oriented Development area, the parking policies of the Hillhurst/Sunnyside ARP do reflect the reduced demand for parking.

### **UTILITIES & SERVICING**

Site servicing is available to support the redevelopment of the site.



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**ENVIRONMENTAL ISSUES**

No environmental concerns exist on the subject site.

**GROWTH MANAGEMENT**

This Land Use Amendment application does not require additional capital infrastructure investment at this time and therefore, no growth management concerns have been identified.

**PUBLIC ENGAGEMENT**

**Community Association Comments**

The Hillhurst Sunnyside Community Association Planning Committee (HSCA) was engaged with the applicant on this application. The HSCA also worked with the applicant's representatives on the development of a survey to gauge the community receptiveness to the applicant's proposal. A letter submitted by the HSCA indicates that they do not support the application as currently proposed. It indicates they have issues with the results of the survey that was undertaken and that the majority of the community does not support the increase in height and density. They also have stated that while they are supportive of an open space on this site they have concerns that this space may not be maintained as a true public space. A letter from the HSCA is included in APPENDIX IV.

**Citizen Comments**

Administration received twenty-three (23) letters of objection against the application. These letters were received in addition to the on-line survey conducted by the Applicant and Community Association and were received in response to the formal circulation of the application.

The objections received by Administration against the application can be summarised as follows:

- The communities of Hillhurst/Sunnyside spent several years and significant effort to develop the Hillhurst/Sunnyside Area Redevelopment Plan (ARP). The development guidelines and policies determined in the ARP are the maximums acceptable to the community and must not be exceeded.
- Approving this amendment will open the ARP and set a precedent for other applications to request densities above the ARP maximums.
- The land owners of the subject site had an opportunity to participate in the ARP process and accepted the maximum height and FAR for the subject site in the ARP.

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- There are already several important public spaces in the Kensington area and the potential open space on the subject site does not represent the “Significant Singular Public Space” as described or a clear public benefit.
- The proposed increase in density will result in increased traffic on the adjacent lane which needs to be further studied to determine impact on pedestrian safety.
- The increased height will have a detrimental shadowing and privacy impact on the properties along 10A Street NW.

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**APPENDIX I**

**APPLICANT'S SUBMISSION**

It is the Applicant's perception that the current DC zoning allowing Commercial-Corridor 1 with an FAR of 5 and a maximum height of 26 meters is not the appropriate long-term land use policy for the Osteria site, located at the corner of 10 Street and Kensington Road NW. The site area is 13,503.6 square feet according to City records. The site is rectangular with the long side facing on to 10 Street NW. It is therefore proposed that a new land use amendment be applied for utilizing the Commercial-Corridor 1 land uses but allowing a maximum 7 FAR and 36 meters (10 storeys) in height.

The ARP policy for the site is for a maximum of 5 FAR and 26 metres in height. Unfortunately the ARP does not recognize the uniqueness of the Osteria site. The ARP treats a majority of the properties on the east side of 10 Street NW similarly with the 5 FAR and 26 metres in height regardless of the their locational factors and their transportation access. This application also applies for an amendment to the ARP to allow for the increase on the proposed FAR and height.

Recently, the Hillhurst Sunnyside Community Association has initiated a Public Engagement Process to deal with applications that propose site specific development with density and height maximums that exceed those of the Area Redevelopment Plan. This Land Use Amendment Application supports and is intended to collaborate with this process.

The principal rationale to request an increase in density and height beyond those proscribed in the ARP is the unique and significant location of this site within the neighbourhood and civic context. Kensington does not enjoy a significant and singular public space that should be a function of its village environment, and, in our opinion, this site is the logical location for such an initiative. The proposal is to increase the site density from an FAR of 5 to an FAR of 7 and to increase the height from 26 metres to 36 metres.

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**APPENDIX II**

**PROPOSED POLICY AMENDMENT**

1. In Part II, delete existing Map 3.2 entitled “Maximum Densities” and replace with the revised Map 3.2 entitled “Maximum Densities” (APPENDIX VI).
2. In Part II, Section 3.1.5 Density, delete Table 3.1 - Minimum & Maximum Densities and replace with the following:

Area (refer to Map 3.2)	Minimum FAR	Base Density	Maximum FAR
A	2.0	<i>as allowable under the provisions of the Land Use District in effect on 2012 August 31</i>	7.0
B	2.0	<i>as allowable under the provisions of the Land Use District in effect on 2012 August 31</i>	5.0
C	2.0	<i>as allowable under the provisions of the Land Use District in effect on 2012 August 31</i>	4.0
D	1.0	<i>as allowable under the provisions of the Land Use District in effect on 2012 August 31</i>	2.8
E	-	<i>as allowable under the provisions of the Land Use District in effect on 2012 August 31</i>	2.5

3. In Part II, Section 3.1.5 Density, Policy 4, add the following new clause at the end:

“iiii. Provision of Public Open Space

For the parcel at 201 – 10 Street NW, a developer may provide for a public open space located on the privately owned parcel that is accessible to the public by means of a public access agreement and is in a location, form and configuration acceptable to the Development Authority.”

4. In Part II, delete existing Map 3.3 entitled “Building Heights” and replace with the revised Map 3.3 entitled “Building Heights” (APPENDIX VII).
5. In Part II, Section 3.2.1 General Policies, delete Table 3.2 - Minimum & Maximum Building Heights (In Metres) and replace with the following:

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<b>Area (Refer to Map 3.3)</b>	<b>Minimum Height</b>	<b>Maximum Height</b>
A	7.5	36
B	7.5	32
C	7.5	26
D	7.5	20
E	-	16
F	7.5	15

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APPENDIX III

PROPOSED DIRECT CONTROL GUIDELINES

**Purpose**

- 1 This Direct Control District is intended to:
- (a) accommodate a pedestrian oriented mixed-use **development** in compliance with the policies of the local area redevelopment plan;
  - (b) accommodate a range of **uses** with development guidelines to maintain the existing retail commercial character along 10 Street NW; and
  - (c) implement the provisions of the density bonus system in the applicable local area redevelopment plan.

**Compliance with Bylaw 1P2007**

- 2 Unless otherwise specified, the rules and provisions of Parts 1, 2, 3 and 4 of Bylaw 1P2007 apply to this Direct Control District.

**Reference to Bylaw 1P2007**

- 3 Within this Direct Control District, a reference to a section of Bylaw 1P2007 is deemed to be a reference to the section as amended from time to time.

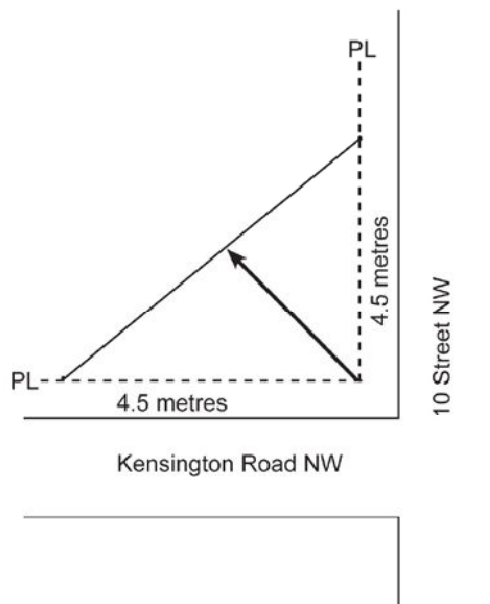
**General Definitions**

- 4 In this Direct Control District,
- (a) “**corner cut setback area**” means an area at the intersection of Kensington Road and 10 Street NW defined by a straight line intersecting with two **property lines** at a distance of 4.5 metres along each of the **property lines** from the corner where they meet, as shown in Illustration 1.

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Illustration 1: Corner Cut Setback Area



- (b) “**public open space**” means open space located on a privately owned **parcel** that is accessible to the public by means of a public access agreement and is in a location, form and configuration acceptable to the **Development Authority**.

**Permitted Uses**

**5** The **permitted uses** of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 are the **permitted uses** in this Direct Control District with the addition of:

- (a) **Hotel;**
- (b) **Restaurant Food Service Only- Large;**
- (c) **Restaurant Licensed – Large; and**
- (d) **Special Function – Class 1.**

**Discretionary Uses**

**6** The **discretionary uses** of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 are the **discretionary uses** in this Direct Control District with the exclusion of:

- (a) **Addiction Treatment;**
- (b) **Artist’s Studio;**
- (c) **Assisted Living;**
- (d) **Billiard Parlor;**
- (e) **Child Care Service;**
- (f) **Cinema;**

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- (g) **Computer Games Facility;**
- (h) **Custodial Care;**
- (i) **Hotel;**
- (j) **Place of Worship- Small;**
- (k) **Residential Care;**
- (l) **Social Organization; and**
- (m) **Utility Building.**

**Bylaw 1P2007 District Rules**

- 7 Unless otherwise specified, the rules of the Commercial- Corridor 1 (C-COR 1) District of Bylaw 1P2007 apply in this Direct Control District.

**Floor Area Ratio**

- 8 (1) Unless otherwise referenced in subsection (2) or (6), the maximum **floor area ratio** is 2.8.
- (2) The **floor area ratio** may be increased to a maximum of 5.0 in accordance with the bonus provisions contained in subsections (4) and (5).
- (3) For the purposes of this section: "Cash Contribution Rate" means: \$17.85 per square metre. The Cash Contribution Rate will be adjusted annually on January 1 by the **Development Authority**, based on the Statistics Canada Consumer Price Index for Calgary.
- (4) A density bonus may be earned by a contribution to the Hillhurst/Sunnyside Park Improvement Fund or any other fund established in the Hillhurst/Sunnyside Area Redevelopment Plan at the time of the Development Permit application, such that:
- Cash Contribution Amount = Cash Contribution Rate x Total floor area in square metres above the **floor area ratio** of 2.8.
- (5) A density bonus may be earned by the provision of an off-site improvement in accordance with the Hillhurst/Sunnyside Area Redevelopment Plan, where the allowable bonus floor area in square metres is equal to the cost of construction of the off-site improvement divided by the Cash Contribution Rate, such that:
- Allowable bonus floor area =  
Total construction cost of the off-site improvement / Cash Contribution Rate.
- Total construction cost will not include any construction costs necessary to fulfill the infrastructure requirements of a **development permit** for a **development** equal to or less than a **floor area ratio** of 2.8. Details of the construction cost will be determined through the **development permit** process.



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- (6) The *floor area ratio* may be increased to a maximum of 7.0 with the provision of a *public open space*.

**Public Open Space Requirements**

9 (1) A *public open space* must:

- (a) be located at *grade* or within 0.45 metres above or below *grade*;
- (b) be located adjacent to, and accessible from, a public sidewalk;
- (c) have a minimum area of 278 square metres;
- (d) have hard surfaced areas that exceed any minimum standards for *hard surfaced landscaped areas* as established in Bylaw 1P2007; and
- (e) be publicly accessible.

(2) *Motor vehicle parking stalls* are allowed beneath the *public open space*.

**Building Height**

10 The maximum *building height* is 36.0 metres.

**Building Orientation**

11 (1) The main *public entrance* for *uses* situated at ground floor must face the *property line* shared with a *street*.

(2) *Motor vehicle parking stalls* and *loading stalls* must not be located between a *building* and a *street*.

**Building Façade**

12 (1) The length of the *building* façade that faces a *street* must be a minimum of 80.0 percent of the length of the *property line* it faces.

(2) In calculating the length of the *building* façade, the depth of any required *building setback* will not be included as part of the length of the *property line*

**Use Area**

13 (1) Unless otherwise referenced in subsection (3), the maximum *use area* for *uses* on the ground floor of *buildings* is 465.0 square metres.

(2) Unless otherwise referenced in subsection (3), there is no maximum *use area* requirement for *uses* located on upper floors.

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- (3) The maximum *use area* of a:
- (a) **Catering Service – Minor**, or a **Catering Service – Minor** combined with any other *use*, is 300.0 square metres;
  - (b) **Supermarket**, or a **Supermarket** combined with any other *use* is 2500.0 square metres.
  - (c) **Restaurant Licensed – Large**, or a **Restaurant Licensed – Large** combined with any other *use* is 600.0 square metres.

**Location of Uses within Buildings**

14 (1) The following *uses* must not be located on the ground floor of *buildings*:

- (a) **Catering Service – Minor**;
- (b) **Counselling Service**;
- (c) **Financial Institution**;
- (d) **Fitness Centre**;
- (e) **Health Services Laboratory – with Clients**;
- (f) **Instructional Facility**;
- (g) **Medical Clinic**;
- (h) **Office**;
- (i) **Pawn Shop**;
- (j) **Pet Care Service**;
- (k) **Post-secondary Learning Institution**;
- (l) **Radio and Television Studio**;
- (m) **Supermarket**; and
- (n) **Veterinary Clinic**.

**Front Setback Area**

15 The *front setback area* on Kensington Road must have a minimum depth of 1.8 metres and a maximum depth of 3.0 metres at the ground level for the height of the first floor of the *building*.

**Rear Setback Area**

16 There is no minimum requirement for a *rear setback area* on the lane.

**Side Setback Area**

- 17 (1) Unless otherwise referenced in subsection (2) and (3), there is no requirement for a *side setback area*.
- (2) The *side setback area* on 10 Street NW must have a minimum depth of 1.8 metres and a maximum depth of 3.0 metres.

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**Corner Cut Setback Area**

- 18 (1) No **building** must be located at the ground floor level in the **corner cut setback area** with the exception of soft and hard landscaping, street furniture, **utilities** and traffic devices.
- (2) Where a **public entrance** to a **building** is situated on the corner of Kensington Road NW and 10 Street NW, an additional **setback area** of 1.8 metres is required at **grade**, measured from the **corner cut setback area**.

**Building Stepback**

- 19 The minimum **building** stepback at a **building height** of 12.0 meters is:
- (a) 3.0 metres from the front façade of the **building** at the closest point to the **front setback area**;
  - (b) 3.0 metres from the side façade of the **building** on 10 Street NW at the closest point to the **side setback area**; and
  - (c) 3.0 metres from the rear façade of the **building** at the closest point to the **rear setback area**.

**Minimum Required Motor Vehicle Parking Stalls**

- 20 (1) The minimum **motor vehicle parking stalls** of the Commercial-Corridor 1 (C-COR 1) District of Bylaw 1P2007 are the minimum **motor vehicle parking stalls** in this Direct Control District with the exception of subsection (2).
- (2) There is no minimum **motor vehicle parking stalls** for a **Restaurant: Licensed – Large** and **Special Function – Class 1**.

**Development Authority – Powers and Duties**

- 21 The **Development Authority** may consider relaxing the rules of this Direct Control District in accordance with Part 2 of Bylaw 1P2007, except for rules pertaining to **building height** and **floor area ratio**.

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APPENDIX IV

COMMUNITY ASSOCIATION COMMENTS



February 17, 2015

Steve Jones, M.Pl., MCIP, RPP  
Senior Planner | Local Area Planning & Implementation | North Team  
The City of Calgary  
Calgary, Alberta T2P 2M5

Via email: [Steve.Jones2@calgary.ca](mailto:Steve.Jones2@calgary.ca)

Dear Steve:

**Re: DC for LOC2013-0097**

On behalf of the Hillhurst Sunnyside Planning Committee ("HSPC"), we are writing in response to the Application to re-designate the parcel of land located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) currently occupied by the Osteria de Medici restaurant to a revised DC Direct Control District. We have reviewed the proposal for a revised DC and wish to note our strong opposition to the proposal, as well as make the following comments:

**1. Definition of "public open space"**

The definition of *public open space* is not sufficiently defined in the proposed DC. There is nothing contained in the DC which requires the landowner to allow the space to be continuously open to the public, nor does it provide whether the landowner will be prevented from using the space or closing access to the *open public space* for private uses. Furthermore, there is no meaning given the words *accessible to the public* or *public access agreement* used within the definition. It is imperative to know whether the proposed *public open space* will be continuously open to the public, or whether it can be restricted by the landowner, as well as how a *public access agreement* will protect the public interest in respect of the space.

**2. Permitted and Discretionary Uses**

In our view, the Applicant has provided no rationale for increasing the permitted or discretionary uses beyond those specified in C-COR 1. Many of these uses are not in compliance with the local area redevelopment plan ("ARP") and some have specific nuisance and/or traffic issues. For instance, there has been widespread public opposition to the large tent erected by the landowner each year during the Calgary Stampede. Amending the permitted uses to include "Special Function – Class 1" would eliminate the landowner's obligation to apply for the tent each year and the community's ability to respond to such application.

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S. Jones

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**3. Floor Area Ratio (FAR)**

As outlined in the attached letters which were previously submitted to the planning department, the Community Association is adamantly opposed to an increase in FAR to 7.0. Such an increase is absolutely not in compliance with the ARP (purpose 1(a) of the proposed DC). Such an increase also appears to provide a loophole for the Applicant to avoid the density bonus system (purpose 1(b) of the proposed DC). While there is Community Association and resident interest in exploring a *public open space*, the Community Association and residents are opposed to allowing a significant increase in FAR for a *public open space*, particularly where the *public open space* lacks definition and certainty.

**4. Public Open Space Requirements**

As stated above, the proposed DC does not provide enough information to sufficiently assess the proposed *public open space*.

**5. Building Height**

In our view, the maximum building height of 36.0 metres is excessive and not in compliance with the ARP. Furthermore, as stated in the attached letters, such a height is not supported by the Community Association or the residents of the community.

**6. Location of Uses**

Following the ARP, the following additional uses should not be allowed on the ground floor or the proposed development: Addiction Treatment; Assisted Living; Childcare Service; Cinema; Custodial Care; Place of Worship – Small; Residential Care; and Social Organization.

**7. Minimum Required Motor Vehicle Parking Stalls**

The HSPC is opposed to allowing "Restaurant: Licenses – Large" and "Special Function – Class 1" as permitted or discretionary uses. We are further opposed to a parking relaxation for these or other uses.

**8. Development Authority – Powers and Duties**

In our view, there is no basis or rationale for granting the development authority wide-ranging ability to provide relaxations. Rather, should the Applicant or development authority want relaxations, the normal processes should be followed.

The HSPC has made great efforts to engage with and seek the opinion of the residents of Hillhurst and Sunnyside in respect of this project, and has endeavored to collaborate with the Applicant in seeking community input. In order for the CPC to be "responsive and accountable," inclusive and transparent stakeholder engagement is critical. The attached letters show the opinions of the stakeholders within our community as well as the indications of support or opposition for this proposed project. Overall, it is our view that the community does not support this project as proposed, nor does it agree that the benefits offered are a

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sufficient trade-off for the amendments and relaxations being sought by the Applicant. Further, we are opposed to amendments to the ARP being made without community consultation.

As a summary, the results of the community survey, as well as letters of opposition to the project show the following:

1. The relaxations requested by the applicant for increased FAR (7.0) and building height (36.0m), represent unreasonable excesses. The community agreed to relax the ARP standards for this site to FAR 5.0 and height 26m in the 2009 ARP. The ARP increases already granted for this unique parcel are the highest granted for this city block which includes Kensington Road NW (FAR, 2.8 and height 15m) and 10<sup>th</sup> Street NW (FAR, 4.0 and height 20m). Well maintained single-family homes are located within 15 metres of the site.
2. The proposed *public open space* did not include a clearly articulated plan and there was little community confidence that this would demonstrate a true public benefit. Furthermore, no such plan has ever been communicated to the HSPC despite repeated requests to the Applicant and the City Planning Department. The undefined public plaza is too small a concession to the community compared to the financial gain the Applicant will receive for the increased density requested. The community has also not been assured that the *public open space* will not be misused, neglected or "annexed" by the Applicant or a future landowner for a patio or Special Event tent.

The community of Hillhurst-Sunnyside is undergoing unprecedented developmental pressure as a result of increases in density and height. However, the ARP provides a framework for this development. It is our position that the proposed DC for LOC 2013-0097 must be rejected given the severe deviations from the ARP and the absence of any tangible, well-defined and well-supported community benefit.

Thank you for allowing the HSPC to address this Application and proposed DC. We would be pleased to address any follow-up questions you may have.

Sincerely,

**Hillhurst Sunnyside Planning Committee**

Robert McKercher, Dan Murray, Decker Butzner and Kimberly Setrakov

cc: Ward 7 Councillor Druh Farrell ([druh.farrell@calgary.ca](mailto:druh.farrell@calgary.ca))  
Members, Hillhurst Sunnyside Planning Committee ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Tim Kitchen, HSCA Board President ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))  
Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Kimberly Holberton, Administrative Assistant, CPC([kimberly.holberton@calgary.ca](mailto:kimberly.holberton@calgary.ca))

Attachments: Osteria Survey letter to city Sept 2014  
HSPC comment letter on LOC 2013-0097 Oct 2014

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Giyan Brenkman  
Senior Planner, North Planning Area  
Local Area Planning & Implementation  
The City of Calgary  
P.O. Box 2100, Stn M. #8117  
Calgary, AB Canada T2P 2M5  
T (403) 268-2678 I F (403) 268-3542

September 5, 2014

**Osteria Project Survey Results**

Mr. Brenkman,

As you know, the Hillhurst Sunnyside Community Association Planning Committee ("HSPC") has been engaged with representatives of an applicant investigating a land use application for the property at the NW corner of 10<sup>th</sup> Street NW and Kensington Road, commonly known as Osteria.

We understand the applicant is seeking a relaxation of the local ARP and passing of a land use bylaw, so that a taller building with a higher FAR than would normally be permitted could be constructed at that site. Further, we understand that the applicant is considering offering an onsite plaza as a benefit to the community in return for community acceptance of greater height and FAR in the land use bylaw.

The HSPC has reviewed preliminary information on the proposed project with the applicant's representatives. The HSPC also worked with the applicant's representatives on the development of a survey (online and mail-based) meant to gauge community receptiveness to the applicant's proposed project and to provide further information to the HSPC and the applicant. We're appreciative of the time and effort put forward by all parties to pilot this new and innovative approach.

The results of the survey have been shared with both parties. The HSPC has met to discuss these results, and we have prepared this letter to express our findings to you. As discussed further in the attached appendix, we ended up having significant issues with the survey and the survey results. In summary, we feel greater confidence relying on the comments than on a weighting of numeric responses. Letters received by the HSPC from community residents were also aligned with the comments and with our conclusions below. We would be happy to discuss with you and/or the applicant both this approach and our concerns with the survey.

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The HSCA's opinion is that:

- While the comments were by no means unanimous, the general tone of the comments received indicates opposition to significant relaxation of the ARP with regard to building height. A majority of comments received indicate that the community feels it would be negatively impacted by such a significant relaxation. *The HSPC also believes a significant relaxation in height and FAR would not be appropriate.*
- Community comments also indicate that a “small” increase in FAR in exchange for installation/funding of a local amenity may be of benefit to the community. *The HSPC also feels that a creating a local amenity would be of benefit to the community, particularly on this important site.*
- Responses indicated that the “plaza option” was a more popular option than the other options presented on the survey. *The HSPC also believes the plaza option is the most attractive option of those options presented.*
- Responses indicated concern that the proposed plaza space might not be maintained as a true public space (concern that there is a possibility of substantially excluding the public from the site for reasons of commerce, e.g. by closing it off as restaurant or private venue space). *The HSPC feels that further information is required from the applicant and the City to better understand the proposed use and maintenance of the plaza and thus its value to the community.*

Our conclusion therefore is that the HSCA does not support the project as currently proposed and that there is unlikely to be community support for the project. We, nonetheless, look forward to continuing our dialogue both with the City and the applicant's representatives to consider alternatives.

We would like to thank both the City and the applicant for the time and effort they have spent to date on consultation. We believe that with some modifications this process can serve as a model for how significant community consultations should be undertaken in the future.

Yours,

Dan Murray and Bob McKercher on behalf of the HSCA Community Planning Committee

**cc:**

City Councillor Druh Farrell, Ward 7 ([druh.farrell@calgary.ca](mailto:druh.farrell@calgary.ca))  
Tim Kitchen, Chair, Board of Directors, HSCA ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))  
Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Lesley Beale, Partner, Sturgess Architecture ([lesley@sturgessarchitecture.com](mailto:lesley@sturgessarchitecture.com))



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**Appendix A: Survey Comments**

In the absence of a professionally designed, disseminated, analyzed and audited survey, we believe that responses where contact details and/or detailed comments were provided are more credible than those where none were given, especially given that almost all of the “blank responses” supported that the ARP should be relaxed for the height increase.

The large majority of these blank responses (in the view of the HSPC) are not credibly submissions from different residents – large swathes of “pro” answers provided identical responses to all questions, no commentary, and came from what appeared to be randomly generated email addresses (or no had no email addresses), all of which the HSPC views as very unlikely to be the result of independent submissions. These questionable submissions were exclusively in favour of the relaxation. When these responses were removed from the survey, the survey indicated that approximately 70% of the responses were “con”.

In addition, the effectiveness of survey mail out was low as many residences have “no junk mail” stickers and thus did not receive the survey. It is also not clear whether the surveys were delivered to apartment buildings.

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APPENDIX V  
CORIOLIS REPORT



VIA EMAIL

February 17, 2015

Mr. Steve Jones  
Senior Planner  
The City of Calgary  
Mail Code #8076  
P.O. Box 2100, Station M  
Calgary, AB  
T2P 2M5

Dear Mr. Steve Jones:

**Re: Land Use Application LOC2013-0097**

**1.0 Introduction**

You have asked us to review Application LOC2013-0097 with regard to the amenity contribution that the applicant is offering in order to achieve an increase in density. The information provided by the applicant does not provide a full description of the proposed terms for the increase in density, but based on the information you have provided we assume the situation can be characterized as follows:

- Under the existing Land Use, the site is designated DC based on C-COR1. This allows a base density of 2.8 FAR and the potential to obtain bonus density of 2.2 FAR, for a maximum of 5.0 FAR and a maximum height of 26 meters.
- The applicant would like to obtain additional bonus density of 2.0 FAR above the existing maximum of 5.0 FAR for a total of 7.0 FAR and a maximum height of 36 meters (10 storeys) on the site.
- The applicant has not provided an estimate of the value of the bonus density or an estimate of the appropriate value of the community amenity contribution. However, the applicant has proposed to provide a public plaza as part of the development and has estimated the value of the of the forgone retail space used to accommodate the plaza to be \$3,140,000.
- We assume the applicant is suggesting the value of the plaza is an appropriate amenity contribution in exchange for the total bonus density, but this is not explicitly stated in the provided information provided by the applicant.

S. Jones

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Therefore, to evaluate whether the proposed contribution is consistent with the City's objectives, we have addressed the following questions:

1. What is the market value of the proposed total bonus density?
2. What is the appropriate community amenity contribution based on the existing Area Redevelopment Plan (ARP) and existing Land Use bylaw?
3. What is the value of the proposed public plaza, compared with the applicant's estimate?
4. Based on the foregoing, is the proposed public plaza an appropriate contribution for the proposed density?

**2.0 Market Value of Proposed Additional Density**

Based on our understanding of the materials submitted by the applicant, we assume all additional density will be mainly in the form of residential space. We have also assumed that the requirement for 20% non-residential uses in the existing Land Use district will continue to apply to the proposed increase in density. Our estimate of the value of the proposed additional density is based on recent work we completed for the City on bonus density rates for Hillhurst/Sunnyside in 2014. The estimates from our previous work have been updated to account for changes in market conditions since we conducted our initial analysis. By using a combination of comparable development site sales transactions and a land residual analysis, we estimate that current land value to be as follows:

**Exhibit 1: Land Values for Additional Density in Hillhurst/Sunnyside**

Land Use	Land Value of Additional Density per Sq. Ft. up to 3.5 FAR	Land Value of Additional Density per Sq. Ft. Above 3.5 FAR
Office	\$0	\$0
Concrete Residential	\$5	\$70

As shown in the exhibit above, a portion of the additional density (from 2.8 to 3.5 FAR) is required to make the project viable for redevelopment and should be available at a nominal rate (\$5.00 per square foot). Above 3.5 FAR, the project can begin to pay full market value for additional density.

The applicant has asked for 4.2 FAR of bonus density. The value of the additional density is calculated in the steps below:

From 2.8-3.5 FAR:

$(0.7 \text{ FAR} \times 13,503.6 \text{ square feet of site} \times \$5 \text{ per square foot} \times 80\% \text{ residential}) + (0.7 \text{ FAR} \times 13,503.6 \text{ square feet of site} \times \$0 \text{ per square foot} \times 20\% \text{ office}) = \$37,810$

From 3.5-7.0 FAR:

$(3.5 \text{ FAR} \times 13,503.6 \text{ square feet of site} \times \$70 \text{ per square foot} \times 80\% \text{ residential}) + (3.5 \text{ FAR} \times 13,503.6 \text{ square feet of site} \times \$0 \text{ per square foot} \times 20\% \text{ office}) = \$2,646,706$

The total value of the additional density based on the calculations above is \$2,684,516 (\$37,810 + \$2,646,706). It is important to note that the calculated contribution is based on the assumption that 20% of the total floorspace would be commercial at the base density of 2.8 FAR. It is possible that the developer would build more than 20% ground floor commercial at 2.8 FAR and if this were the case, the calculated value above would slightly understate the total value of the additional density.

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**3.0 Estimate of Appropriate Amenity Contribution for the Proposed Additional Density**

The applicant would like to obtain a total density of 7.0 FAR, which goes beyond the maximum density of 5.0 FAR identified in the Hillhurst/Sunnyside ARP. Therefore the City could possibly calculate an amenity contribution for the bonus density in two possible ways:

1. The City could allow the applicant to obtain bonus density between 2.8 and 5.0 FAR under the existing amenity policy outlined in the existing Land Use bylaw and then require a contribution based on the market value of the additional density between 5.0 and 7.0 FAR.
2. The City may require the applicant to rezone and provide an amenity contribution based on the market value of the additional density between 2.8 and 7.0 FAR. This is the approach the City is moving towards in other parts of the city but has not been implemented in Hillhurst/Sunnyside yet.

We understand from the City that the applicant's proposal is based on the second approach, so we have conducted our analysis on that basis.

In other density bonus areas, the City sets a target of 75% of the value of the extra density as the basis for the amenity contribution. If we apply the 75% contribution factor to our estimated market land values, we calculate the contribution as shown below:

**Exhibit 2: Calculated Amenity Contributions per Square Foot of Additional Density**

Land Use	Contribution per Sq. Ft. of Additional Density up to 3.5 FAR	Contribution per Sq. Ft. of Additional Density Above 3.5 FAR
Office	\$0	\$0
Concrete Residential	\$4	\$50

The applicant has asked for 4.2 FAR of bonus density, which is calculated in the steps below:

From 2.8-3.5 FAR:

0.7 FAR x 13,503.6 square feet of site x \$4 per square foot x 80% residential + 0.7 FAR x 13,503.6 square feet of site x \$0 per square foot x 20% office = \$30,248

From 3.5-7.0 FAR:

3.5 FAR x 13,503.6 square feet of site x \$50 per square foot x 80% residential + 3.5 FAR x 13,503.6 square feet x \$0 per square foot x 20% office = \$1,890,504

The total amenity contribution based on the calculations above is \$1,920,752 (\$30,248 + \$1,890,504).

**4.0 Value of the Proposed Public Plaza**

**Applicant's Approach**

The applicant has provided an opinion of the value of the proposed public plaza. The applicant's consultant uses the income capitalization approach to value the plaza space. The first step in the analysis determined an appropriate retail lease rate and capitalization rate (cap rate) for the space by conducting a survey of current rates and recent transactions. The consultant then applies this rent and cap rate to the 3,000 square foot area of the proposed public plaza using the following calculation:

$$3,000 \text{ square feet} \times \$55 \text{ per square foot (net)} = \$165,000 \text{ annual income (net)}$$

$$\$165,000 \text{ annual income at a } 5.25\% \text{ cap rate} = \$3,140,000$$

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**Our Concerns with the Applicant's Approach**

We have concerns with the applicant's approach, as outlined below:

1. Under existing Land Use, the applicant is required to provide setbacks of 1.8m on both 10<sup>th</sup> Street NW and Kensington Road NW. In addition, the applicant is also required to provide a corner setback area at the corner of Kensington Road NW and 10<sup>th</sup> Street NW of 4.5 metres along both sides, measured from the corner. If the developer chooses to have a public entrance along the corner setback frontage, an additional 1.8 metre setback is also required along this frontage. Assuming the 1.8 metre setback is included along the corner cut, the applicant is already required to provide approximately 872 square feet of the proposed 3,000 square foot dedication, so the net dedication is approximately 2,128 square feet.
2. The applicant's consultant makes some implicit assumptions that need to be evaluated:
  - The loss in value calculated by the applicant is based on the finished value of the lost retail space instead of on the land value of the space, so it does not account for the costs of building the retail space. We acknowledge that by providing the public plaza, the applicant is forgoing the opportunity to collect income on some prime retail space, but capital saved by not building the space could be deployed elsewhere (such as another retail property) to achieve a similar income stream.
  - The analysis assumes that lost floor area is lost prime retail space. The value of prime retail space is dependent on unit depth among other factors. If we assume that a reasonable depth for a prime retail unit is 50 feet, we estimate that the subject site can accommodate approximately 8,630 square feet of retail assuming only the required setbacks are provided. If we include the proposed plaza space, the amount of prime retail space that can be accommodated assuming a retail unit depth of 50 feet is approximately 6,700 square feet, suggesting that the plaza dedication results in a loss of 1,930 square feet of prime retail space. The remaining portion of the net 2,128 square foot dedication calculated above is considered to be lower value ground floor space.
  - The analysis assumes a high lease rate, low cap rate, and has no vacancy allowance. The consultant concludes that the appropriate lease rate for the space is \$55 per square foot and that comparable commercial properties are trading at cap rate of 5.25%. These assumptions seem aggressive in our opinion.

**Alternative Calculations**

We think the net loss of ground floor space that is the result of the plaza dedication is approximately 2,128 square feet. Prime retail space makes up 1,930 square feet of this space and lower value ground floor space makes up the remaining 198 square feet. Based on a land residual analysis using the applicant's inputs with the addition of a 3% vacancy allowance, we estimate the land value of the forgone prime retail space to be \$766,677. Our analysis shows that even at lease rates of \$30 per square foot, the lower value ground floorspace generates no additional land value. For details of the financial analysis see Attachment 1. If we assume the developer builds the 3,000 square foot plaza space and that construction costs are \$100 per square foot, the total cost of building the finished plaza is approximately \$300,000. Based on the land residual approach, the total value of the suggested amenity contribution is approximately \$1,066,677 (\$766,677 + \$300,000) using the applicant's assumptions. This does not account for any positive impact on value at the subject site that might result from the development of an on-site public plaza.

Our review of prevailing cap rates in Calgary suggests that neighborhood commercial space trades at cap rates between 5.5% and 6.5%.

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**Exhibit 3: Q3 2014 Cap Rates**

Cap Rates for Neighbourhood Retail (Q3 2014)	Low	High
Colliers	5.75%	6.5%
CBRE	5.50%	6.0%

Source: Colliers Canada Cap Rate Report Q3 2014, CBRE Canada Cap Rate Survey Q3 2014

Given the inherent risk of achieving a relatively high lease rate for this site (\$55 per square foot net), we think a more conservative cap rate is appropriate in this analysis. If we apply a cap rate of 5.75% to the above analysis (see Attachment 2), the value of the applicant's amenity total amenity contribution including construction of the plaza space is \$936,872 (\$636,872+\$300,000).

**5.0 Conclusion**

The applicant has offered an amenity contribution that we estimate to have a value of approximately \$1,066,677 using the applicant's revenue and cap rate assumptions. If a more conservative cap rate of 5.75% is applied, the value of the amenity contribution is \$936,872.

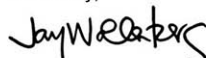
Exhibit 4 compares the value of the requested density (after applying the 75% factor) to the estimated value of the amenity contribution proposed by the applicant.

**Exhibit 4: Value of Proposed Amenity versus Calculated Amenity Contribution**

	5.25% Cap Rate (Applicant's Cap Rate)	5.75% Cap Rate (Our Opinion of Market Cap Rate)
Value of Amenity Proposed by Applicant	\$1,066,677	\$936,872
Calculated Amenity Contribution	\$1,920,752	\$1,920,752
Difference	\$854,075	\$983,880

Exhibit 4 shows that the applicant should provide a further amenity contribution of \$850,000 to \$980,000 in addition to the proposed plaza, depending on the cap rate used for the retail space that is eliminated by the plaza.

Yours truly,



**CORIOLIS CONSULTING CORP.**

Jay Wollenberg

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**Attachment 1**

**Hypothetical Retail Space**

*Assumes developer builds, leases, and then holds*

**Assumptions**

<i>Site and Building Size Assumptions:</i>	
Assumed Site Size	13,503 sq. ft.
Loss of Retail floorspace	1,930
Rentable Area	95% of gross area
Underground/structured Parking	1 stall per 269 sq. ft. of gross building area or
Total Stalls	7
<i>Revenue and Value Assumptions:</i>	
Average Net Lease Rate	\$55.00 per sq. ft. of rentable area assuming landlord provides fit up allowance
Operating Costs	\$15.00 per sq. ft. of rentable area
Annual Vacancy Allowance	3.0%
Property Management	0.0% of lease revenue (included in operating costs)
Structural Allowance	1.0% of lease revenue
Assumed Net Parking Revenue	\$0.00 per stall per month
Capitalization Rate	5.25% premium to account for development risk/profit
Profit Allowance	15.0% of value
<i>Cost Assumptions:</i>	
Site Servicing (sidewalks, landscaping, etc)	\$0 per acre
Piling, Site Prep, Stabilization	\$0 psf of site area on 100.0% of site
Building Construction Costs (to base building - shell)	\$175 per sq. ft.
Parking Construction Costs	\$27,500 per stall above grade
Base Building Hard Construction Costs	\$275 per sq. ft. buildable (including parking)
Fit-up Allowance	\$25 per rentable square foot
Soft Costs (including project management)	12% of hard costs
Contingency	5% of hard and soft costs
Levies	\$0.00 per sq. ft. of building area for non-residential uses
Levies	\$0.00 per sq. ft. of building area
Levies	\$0.00 per sq. ft. of building area
Interim Financing	5.0% on 50% of all costs assuming a 1.75 year construction period
Property Taxes During Development (2014)	1.411% applied to land value in Year 1 \$0
	applied to 50% of gross value of building in Year 2, which is: \$914,419
Upfront Leasing Commissions	17% of Year 1 revenue
Lease-up period after construction complete	8 months or 0.5 years
Assumed up-front vacancy cost during lease-up	\$70.00 per sq. ft. (i.e. lease revenue-operating costs) on 50% of space during lease-up assuming an average of half of this space is vacant during the lease-up period
Sales Commissions	2.00% of value
Marketing during lease up	\$0

**Analysis**

Value:	
Lease Revenue	\$97,817
Recovered Operating Costs	\$26,677
Parking Income	\$0
Total Gross Revenue	\$124,495
Less Operating Costs	\$27,503
Less Management	\$0
Less Structural	\$978
Net Operating Income	\$96,014
Capitalized Value	\$1,828,838
Commission on Sale	\$36,577
<b>Net Value</b>	<b>\$1,792,261</b>
Costs:	
Site Servicing	\$0
Piling, Site Prep, Stabilization	\$0
Hard Construction (including parking)	\$530,750
Fit-Up	\$45,838
Upfront Leasing Commissions	\$16,629
Upfront Vacancy Cost during Lease-up	\$16,043
Soft Costs (including project management)	\$63,690
Contingency	\$29,722
GVRD Sewer Levy (GVS&DD Development Cost Levy)	\$0
DCC	\$0
DCC	\$0
Marketing	\$0
Property Taxes during Development	\$9,677
Interim Financing	\$31,165
Total Costs Before Land and Profit	\$743,514
<b>Value of forgone retail space</b>	<b>\$385</b>
Profit:	\$274,326
<i>Land Residual:</i>	
Land Residual Before Holding Costs	\$774,421
Less interim financing on land for construction plus 6 months	\$0
Less property taxes during approvals	\$0
Less property closing costs	\$7,744
<b>Residual Land Value</b>	<b>\$766,677</b>
Value per sq. ft. buildable	\$397
Value of released space	\$766,677

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**Attachment 2**

**Hypothetical Retail Space**

*Assumes developer builds, leases, and then holds*

**Assumptions**

*Site and Building Size Assumptions:*

Assumed Site Size	13,503 sq. ft.
Loss of Retail floorspace	1,300
Rentable Area	95% of gross area
Underground/structured Parking	1 stall per 268 sq.ft. of gross building area or
Total Stalls	7

*Revenue and Value Assumptions:*

Average Net Lease Rate	\$55.00 per sq. ft. of rentable area assuming landlord provides fit up allowance
Operating Costs	\$15.00 per sq. ft. of rentable area
Annual Vacancy Allowance	3.0%
Property Management	0.0% of lease revenue (included in operating costs)
Structural Allowance	1.0% of lease revenue
Assumed Net Parking Revenue	\$0.00 per stall per month
Capitalization Rate	5.75% premium to account for development risk/profit
Profit Allowance	15.0% of value

*Cost Assumptions:*

Site Servicing (sidewalks, landscaping, etc)	\$0 per acre
Piling, Site Prep, Stabilization	\$0 psf of site area on 100.0% of site
Building Construction Costs (to base building - shell)	\$175 per sq. ft.
Parking Construction Costs	\$27,500 per stall above grade
Base Building Hard Construction Costs	\$275 per sq. ft. buildable (including parking)
Fit-up Allowance	\$25 per rentable square foot
Soft Costs (including project management)	12% of hard costs
Contingency	5% of hard and soft costs
Levies	\$0.00 per sq. ft. of building area for non-residential uses
Levies	\$0.00 per sq. ft. of building area
Levies	\$0.00 per sq. ft. of building area
Interim Financing	5.0% on 50% of all costs assuming a 1.75 year construction period
Property Taxes During Development (2014)	1.411% applied to land value in Year 1 \$0
Upfront Leasing Commissions	17% applied to 50% of gross value of building in Year 2, which is: \$834,904
Lease-up period after construction complete	6 months, or 0.5 years
Assumed up-front vacancy cost during lease-up	\$70.00 per sq. ft. (i.e. lease revenue+operating costs) on 50% of space during lease-up assuming an average of half of this space is vacant during the lease-up period
Sales Commissions	2.00% of value
Marketing during lease up	\$0

**Analysis**

<i>Value:</i>	
Lease Revenue	\$97,817
Recovered Operating Costs	\$26,677
Parking Income	\$0
Total Gross Revenue	\$124,495
Less Operating Costs	\$27,503
Less Management	\$0
Less Structural	\$978
Net Operating Income	\$96,014
Capitalized Value	\$1,669,808
Commission on Sale	\$33,398
Net Value	\$1,636,412

*Costs:*

Site Servicing	\$0
Piling, Site Prep, Stabilization	\$0
Hard Construction (including parking)	\$530,750
Fit-Up	\$45,838
Upfront Leasing Commissions	\$16,629
Upfront Vacancy Cost during Lease-up	\$16,043
Soft Costs (including project management)	\$63,690
Contingency	\$29,722
GVRD Sewer Levy (GVS&DD Development Cost Levy)	\$0
DCC	\$0
DCC	\$0
Marketing	\$0
Property Taxes during Development	\$8,836
Interim Financing	\$31,128
Total Costs Before Land and Profit	\$742,636
Total Costs per sq.ft. buildable	\$385

*Profit:* \$250,471

*Land Residual:*

Land Residual Before Holding Costs	\$643,305
Less interim financing on land for construction plus 6 months	\$0
Less property taxes during approvals	\$0
Less property closing costs	\$6,433
Residual Land Value	\$636,872
Value per sq.ft. buildable	\$330
Value of forgone retail space	\$636,872

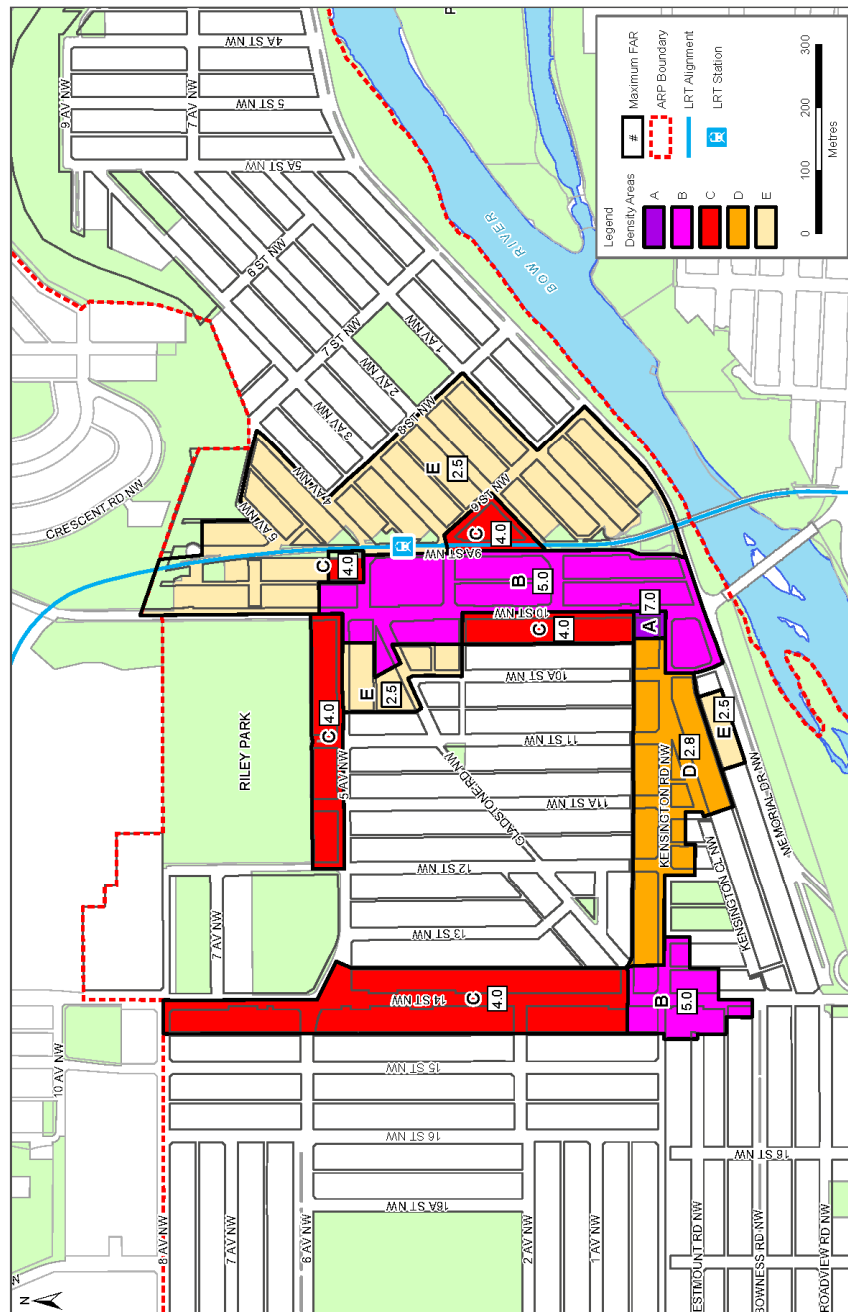


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**APPENDIX VI**

**MAP 3.2 Maximum Densities**

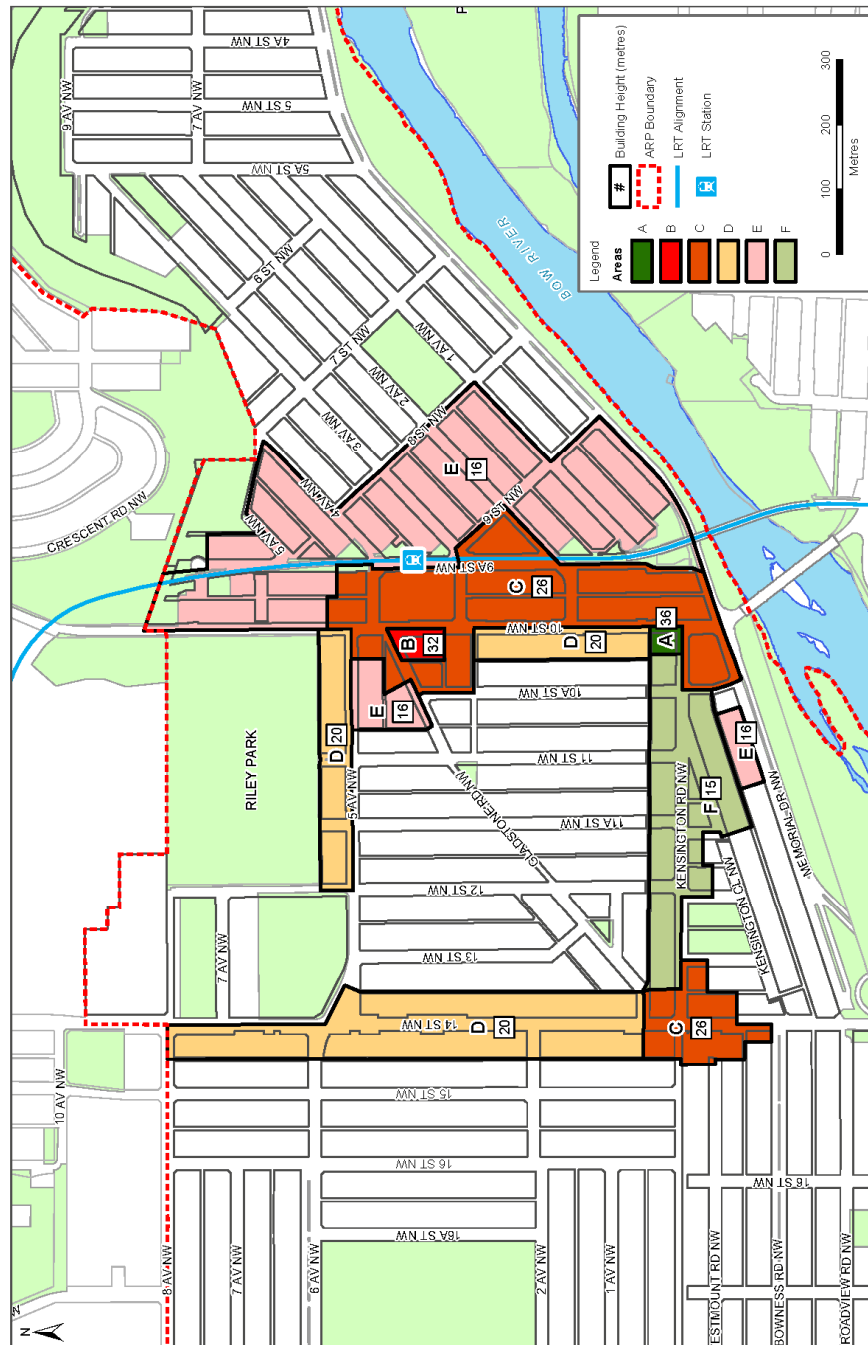


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**APPENDIX VII**

**MAP 3.3 Building Heights**



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**APPENDIX VIII**

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Dear Members of Calgary Planning Commission

On behalf of my client, please find attached our opinion of the valuation of Public Space in the context of this Application.

Attached are two letters from consultants to our Client substantiating his valuation process.

Many thanks for your consideration.

Sincerely

Jeremy Sturgess MAAA MAIBC FRAIC RCA  
principal

**sturgessarchitecture**

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**VALUATION OF PUBLIC SPACE ( summary):**

The Hillhurst/Sunnyside ARP and the current bylaw approved for this site allow bonusing from 2.8 FAR to 5.0 FAR by way of a Cash Contribution at a rate of \$17.47 per square metre. Calculated as follows:

**Cash Contribution Amount** = Cash Contribution Rate x Total floor area in square metres above the floor area ratio of 2.8.

Therefore to obtain bonusing from 2.8 FAR to 5 FAR, the applicant would have to make a Cash Contribution as follows: ( $\$17.47 \times 2.2\text{FAR} \times 1,254.5 \text{ sq m}$ ) = **\$48,215.45** (to gain 2.2 FAR)

The Coriolis report states that the value to the owner of an additional one (1) square foot of buildable area = \$70 or \$50 depending on which approach one takes. (See Appendix V of the CPC report - Page27 and 28).

In Appendix V of the Report to CPC, Administration is suggesting that the calculation of \$70/ sq ft (or \$50/ sq ft) should be used beyond the bonus density from 5 FAR to 7 FAR (said differently from 2.8 FAR to 7 FAR) thereby causing its bonusing value to the owner to be **\$2,646,706** (under the \$70/ sq ft approach) or **\$1,920,752** (under the \$50/ sq ft approach).

The Applicant believes value should be calculated from 2.8 FAR to 5 FAR using the ARP approved Cash Contribution value of \$17.47/ sq metre and from 5 FAR to 7 FAR a value contribution of \$50/sq ft =  $\$1,350,360 + 48,215.45 = \mathbf{\$1,398,575.45}$ . Therefore, under the Coriolis approach which takes the value of the bonusing from 2.8 FAR to 7 FAR rather than just from 5 FAR to 7 FAR there is a skewed valuation difference in favor of the City by roughly **\$1,248,130.55** (under the \$70/ sq ft approach) and **\$522,176.55** (under the \$50/ sq ft approach).

Further to the above, the Coriolis valuation commentary found behind Appendix V of the CPC report does values the cost to the Applicant of constructing the public plaza to be only \$300,000. PCL has estimated the construction cost to be \$1,200,000.

The Applicant position is that its value contribution is \$1,200,000 (cost of constructing the public space+ additional cost to overall development by its public plaza development) + the value of the land given up (\$3,100,000). A total value contribution of **\$4,300,000** or 3x more than the value it is receiving.

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CONSTRUCTION LEADERS

SHARING YOUR VISION. BUILDING SUCCESS.

*VIA Email*

April 28, 2014

Mike Terrigno  
TERRINGO INVESTMENTS INC.  
201 – 10<sup>th</sup> Street NW  
Calgary, Alberta T2N 1W6

Re: Kensington Condominium Project

Dear Mike:

We reviewed the revised land use plan provided to us and based on the 3000 sf of plaza space shown, we believe that the cost of this plaza could range from \$150 to \$200 per sf. That includes the waterproofing, insulation, concrete topping and stone or brick pavers. That would not include trees or tree wells inside of the setback, artwork or furniture.

At this stage it is difficult to know what the structural impacts may be for transfer beams or slabs however, based on our experience those costs can add an additional \$100 per sf to that area. You will also have addition soffit and building envelope costs that wouldn't be there if you were not including this plaza. Based on the preliminary information we believe that you should include a budget of \$1,200,000 for the construction costs associated with the plaza area.

You should also be aware that the additional maintenance and upkeep costs for this space could be \$5000 per year. You could also expect to replace the concrete topping and pavers once in the next 25 years. That would cost \$100 per sf in 2014 dollars. You should also consider the lost revenue of the plaza area.

If you are required to upgrade the lane to the North you could expect to pay \$150 per sf this area. I believe it is approximately 1200 sf so, I would recommend that you carry a budget for this area of \$180,000.

Please let me know if you require anything else from me.

Yours truly,

PCL CONSTRUCTION MANAGEMENT INC.

Owen Nordmark  
Senior Construction Manager  
WRITER'S DIRECT LINE (403-250-4847)

PCL CONSTRUCTION MANAGEMENT INC.

2882 – 11 Street NE, Calgary, Alberta T2E 7S7  
Telephone: 403-250-4800 | Fax: 403-250-2332 | Website: www.pcl.com



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Terrigno Investments Inc.  
201-10<sup>th</sup> ST NW  
Calgary, Alberta T2N-1V5

August 19, 2014

Attn: Mike Terrigno

Reference: Valuation of 3,000 sq. ft. space located on the southwest corner of 201-10<sup>th</sup> ST NW Calgary (Kensington)

The following is a valuation opinion regarding a potential 3,000 sq. ft. retail commercial space on the southeast corner of the above referenced property. It is understood that the purpose of this valuation opinion is to estimate the value of the area being released to allow for the development of a public plaza (hereinafter referred to as the "Plaza Space"). This valuation opinion is based on estimates of market values assuming normal market exposure of six to eight months.

After analyzing all the available information, it is my opinion that the highest and best use for the Plaza Space would be commercial retail. I have identified that the best approach to the valuation of the Plaza Space is the income capitalization approach. This involves the analysis of the Plaza Space if it were developed into a retail space in terms of its ability to provide net annual income. The estimated net annual income is then capitalized at a rate commensurate with the relative certainty of its continuance. The income capitalization approach is widely applied in valuing income producing properties.

Attached behind Appendix "1" are photos and site descriptors of the property and the Plaza Space.

In order to establish a market rental rate for commercial/retail space of comparable type to the one that would have been developed were the Plaza Space not created, I have researched the local area for commercial/retail property leases. The sampling of the properties taken is found behind Appendix "2".

The rental survey ranged from \$30.00 per sq. ft. to \$50.00 per sq. ft. for developed retail/commercial space of varying quality. In determining an appropriate rental rate for the subject space, I have given consideration to the subject property location on busy 10<sup>th</sup> ST NW and Kensington Road NW, which provides excellent exposure to a heavily traveled dual lane traffic artery and within walking of the downtown, various public parking, the LRT, density and average income of the nearby community and the highly sought after Kensington retail/commercial area. The corner location on this site is likely one of the most desirable and

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visible locations in Kensington and should achieve the highest rental rates in the area. The property if developed is understood to be a high quality development with underground parking.

My opinion is that this particular corner could achieve a net rent of \$55.00 per sq. ft. Therefore, the calculation of rent annualized is:

$$3,000 \text{ sq. ft.} \times \$55.00 \text{ per sq. ft. (net)} = \$165,000 \text{ per annum market rent.}$$

Given the strong characteristics of the property, such as its location, I have estimated that it is highly probable that any lease entered into would be a net lease wherein the tenant would be responsible for all expenses associated to the commercial/retail space such as, but not limited to, insurance, property taxes, utilities, management, waste removal et cetera. Therefore, I have estimated that the annual market rent to be \$165,000 (net).

#### **Selection of Capitalization Rate**

The capitalization rate provides for a return on an investment through the relationship of net operating income of a property's sale price. The selection of an appropriate capitalization rate is estimated by analysis of comparable sales in order to extrapolate one property to that of another. My analysis includes the following characteristics of each property:

- Location of property;
- Physical and functional characteristics;
- Reliability of income estimate;
- Likelihood of new competitions; and
- Probability of sudden change in near-term income.

To establish a capitalization rate that directly reflects a buyer's intention in the market, I conducted a review of recent commercial sales. While the physical details of the properties that have sold are available, financial details can be more difficult to obtain. To extrapolate an appropriate market capitalization rate, I have analyzed the net income from the sales found behind Appendix "3". The comparable data show typical investment return expectation on commercial retail properties in the core of Calgary range from 5.2% to 6.5%. Given the overall high qualities of the subject property and specifically its location and the current trends indicative of real estate investments, I have estimated that a capitalization rate of 5.25% for the Plaza Space would be appropriate and reflects current market conditions.

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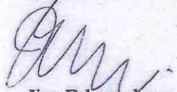
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Valuation

Based on the foregoing analysis my opinion as to the fair market value of the Plaza Space is:

\$165,000 Annual Market Rent @ 5.25% cap = Three Million One Hundred and Forty Thousand Dollars (\$3,140,000)

**Manchester Properties Inc.**



Jim Edwardson  
President/Broker



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March 6, 2015

**City of Calgary**  
Calgary Planning Commission  
Development and Building Approvals  
Box 2100, Station M #8073  
Calgary, Alberta T2P 2M5

VIA EMAIL

Attention: Calgary Planning Commission Members

Dear Calgary Planning Commission Members:

**Re: DC for LOC2013-0097**

On behalf of the Hillhurst Sunnyside Planning Committee ("HSPC"), we are writing in further response to the Application to re-designate the parcel of land located at 201 - 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) currently occupied by the Osteria de Medici restaurant to a revised DC Direct Control District (the "Application"). We request that this letter be added to the agenda of the March 12, 2015 Calgary Planning Commission "CPC" hearing.

On behalf of the HSPC and the Hillhurst Sunnyside Community Association ("HSCA"), we wish to thank the CPC and its members for the opportunity to speak at the February 26, 2015 meeting, and further thank the CPC for allowing the HSPC to make further written comments on the Application. The matters addressed below are important issues which must be addressed by the CPC in its consideration of the Application.

In summary, these matters are:

- Serious concerns with the validity of the community survey;
- Dramatic deviation from the Hillhurst Sunnyside Area Development Plan;
- Insufficient information provided to assess the plaza;
- Significant density bonusing shortfall; and,
- Unresolved transportation and use issues.

**1. Serious Concerns with the Validity of the Community Survey**

The HSPC worked closely with the Applicant's representatives in 2014 to create a method to engage the residents of Hillhurst Sunnyside and obtain input on the project. Together, the HSPC and the Applicant created an online and mail-based public survey that allowed residents to answer questions jointly tailored by the parties, as well as comment about the project. This was the first time the HSPC had used a survey to measure public opinion on an Application, as well as the first time the HSPC had been able to work jointly with an Applicant to create such a system. The

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HSPC is very appreciative of the time and effort put forward by all parties to pilot this innovative approach.

The survey produced approximately 600 responses, 10 times higher than any other survey undertaken by the HSCA in the past. The survey results unambiguously identified a plaza as a potentially attractive amenity to the community. Ultimately, however, the HSPC had significant issues with the validity of the survey results.

The primary concern was that the survey process had been compromised as approximately 1/3 of the responses were submitted in "blocks" of about 25 entries. These block entries:

- Were all submitted within a very short time-frame;
- Had email addresses (where provided) that appeared nonsensical (created at random or related to spam/trolling);
- Had identical answers to all ten "pick a number" questions;
- Did not contain any text-based comments; and
- Strongly favored the development.

It is the opinion of the HSPC that it is statistically unlikely that: 25 separate individuals would have submitted identical responses to a 10-question survey almost immediately one after another; that this pattern of response would occur multiple times during the course of the survey; and that these individuals would all have nonsensical email addresses.

Excluding the questionable or compromised results, we concluded that 70% of the survey respondents **did not favour** a proposal for increased height and FAR in return for a potential plaza. This result was also consistent with the majority of the letters from residents received by the HSPC. As such, the HSPC feels its negative conclusion drawn from the survey was accurate and supported.

Due to the size of the survey response document, we have not included it as an appendix to this letter. However, the document will be available at the March 12, 2015 CPC hearing.

**2. Dramatic Deviation from the Hillhurst Sunnyside Area Development Plan**

The Hillhurst-Sunnyside Area Redevelopment Plan ("ARP") is a policy document which reflects three years of extensive consultation and negotiation between the Community and the City of Calgary. Particular attention was paid to sites such as this one that abut low-density residential environment and, in the case of the subject property, that neighbour a well-established and historically significant district of single-family residences. The nearest home to the subject property is located within 10m of the subject parcel.

During the development of the ARP, the subject property was given generous and fair "distinctiveness" in the ARP because of its location. The subject property was assigned the greatest height and FAR granted in the ARP and a higher height and FAR than adjacent parcels to the west on Kensington Road and to the north on 10th Street.

The Applicant's original approved land use amendment (LOC2012-0010) allows for a maximum height of 26 metres and 5 FAR, which fits within the framework of Part II of the ARP, Transit Oriented Development Area. Neither the community nor the HSPC had any objections to this

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land use, as the consultation process in formulating the ARP determined that this was an appropriate height and FAR for a building in this location.

The Applicant now seeks to exceed this unique position granted by the ARP by requesting a maximum height and maximum FAR that is far in excess of that allowed by the ARP at this site and far in excess of any other area in the ARP. It is the opinion of the HSPC that a deviation from the ARP on a scale of this proportion is not warranted, not supported by the community, disregards the compromises made with the Community during the ARP consultation and (as per page 57 of the ARP) does not "respect the low-density residential environment particularly where it is immediately adjacent to the commercial areas."

**3. Insufficient Information Provided to Assess the Plaza**

While the Community is somewhat receptive to a public plaza, it is the general opinion that the proposed plaza is not an acceptable tradeoff for an additional 2 FAR and 10m in height, resulting in a height and FAR far above those levels agreed in the ARP.

No information is currently provided on the proposed location of the plaza. Location is a significant issue in being able to assess the value of the public plaza given significant impacts from traffic and shading. Additionally, as noted in our previous letter to the CPC, the definition of *public open space* is not sufficient nor is there anything presently contained in the Application which requires the space to be continuously open to the public. Without such information it is impossible to assess whether a plaza will provide benefit to the public or only to the landholder. Also unknown is how the proposed *public open space* will be managed, especially as we heard the City of Calgary Parks Department does not wish to be responsible for such management. A plaza that is not appropriately managed has the potential to result in significant nuisance and public safety concerns for the community.

The HSPC therefore objects to approving this Application when significant matters about the *public open space* remain unknown.

**4. Significant Density Bonusing Shortfall**

The City of Calgary Planning Department retained an independent consultant to compare the value of an additional 4.2 FAR and the value of a 278 square metre public open space. The Coriolis Report (26 Feb CPC agenda: LOC 2013-0097, Appendix V) states that value of the open space is worth approximately \$936,872, while the total amenity contribution for a density of 4.2 FAR should be \$1,920,752. This result leaves a difference of approximately \$980,000 that should be provided by the Applicant in addition to the proposed open space. Also, as pointed out by Coriolis, it is impossible to determine the opportunity cost to the Applicant without knowing the location of the plaza. For example, any area located within the setback does not have an opportunity cost to the Applicant. While it may be possible to determine a cost for the plaza without knowing its use and management, it is impossible to determine its value.

The HSPC does wish to note that the Community is not interested in an increased building height and FAR above those set in the ARP even if there was a higher value paid by the applicant for the increased density. We simply make reference to this point to draw attention to the dramatic shortfall in compensation proposed by the Applicant. Further, there is no basis for suggesting the Community will accept or has agreed to a bonusing scheme for increasing FAR above that agreed to in the ARP.

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**5. Unresolved Transportation and Use Issues**

The substantial development occurring on 10<sup>th</sup> Street NW between Kensington Road and 3<sup>rd</sup> Avenue NW will seriously impact the laneway between 10<sup>th</sup> Street and 10A Street NW and has the potential to create parking issues throughout the community. The laneway issue in particular has been repeatedly identified by the Community as a significant public safety issue. In the absence of a transportation and parking study, it would be reckless to allow an increase in FAR for this site above that allowed under the ARP as laneway congestion would further exacerbate these problems.

Similarly, the Applicant's proposed significant parking relaxation is also opposed given the potential impact. A restaurant (or any other use) should have sufficient parking space for its users or else the community residents and other local businesses suffer because of the shortfall and the community already has parking issues.

Finally, the Applicant has provided no rationale for increasing the permitted or discretionary uses beyond those specified in C-COR 1. Many of these uses are not in compliance with the ARP and some have specific nuisance and/or traffic issues. For instance, there has been widespread public opposition to the large tent erected by the landowner each year during the Calgary Stampede. Amending the permitted uses to include "Special Function – Class 1" would eliminate community's ability to respond to application for new permits.

It is not the intention of the HSPC or the HSCA to work against the Applicant. It is our opinion that the Community has clearly shown support for new development, Transit Oriented Development, intensification, density, and multi-family residences in historic Kensington, provided that such developments comply with the ARP. The role of the HSPC is to act as a conduit for community opinion. It is our opinion that the HSPC has acted in good faith with a balanced approach to working with the community members as well as the Applicant and its representatives. It is our intention in writing letters to the Calgary Planning Commission that the CPC take into consideration the opinions of all stakeholders in the community and take a balanced approach to making a decision on this Application.

Should you wish the HSPC to comment on any of the content in this letter or any other letter on the file, one of our members would be pleased to speak at the next CPC meeting. Thank-you again for allowing the HSPC to address this Application and proposed DC.

Sincerely,

**Hillhurst Sunnyside Planning Committee**

Robert McKercher, Dan Murray, Decker Butzner and Kimberly Setrakov

cc: Ward 7 Councillor Druh Farrell ([druh.farrell@calgary.ca](mailto:druh.farrell@calgary.ca))  
Members, Hillhurst Sunnyside Planning Committee ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Tim Kitchen, HSCA Board President ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))  
Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Kimberly Holberton, Administrative Assistant, CPC ([kimberly.holberton@calgary.ca](mailto:kimberly.holberton@calgary.ca))  
Steve Jones, Senior Planner City of Calgary ([steve.jones2@calgary.ca](mailto:steve.jones2@calgary.ca))

Attachments: Osteria Survey letter to city Sept 2014  
HSPC comment letter on LOC 2013-0097 Oct 2014  
HSPC comment letter on DC for LOC2013-0097 Feb 2015

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Giyan Brenkman  
Senior Planner, North Planning Area  
Local Area Planning & Implementation  
The City of Calgary  
P.O. Box 2100, Stn M. #8117  
Calgary, AB Canada T2P 2M5  
T (403) 268-2678 I F (403) 268-3542

September 5, 2014

**Osteria Project Survey Results**

Mr. Brenkman,

As you know, the Hillhurst Sunnyside Community Association Planning Committee ("HSPC") has been engaged with representatives of an applicant investigating a land use application for the property at the NW corner of 10<sup>th</sup> Street NW and Kensington Road, commonly known as Osteria.

We understand the applicant is seeking a relaxation of the local ARP and passing of a land use bylaw, so that a taller building with a higher FAR than would normally be permitted could be constructed at that site. Further, we understand that the applicant is considering offering an onsite plaza as a benefit to the community in return for community acceptance of greater height and FAR in the land use bylaw.

The HSPC has reviewed preliminary information on the proposed project with the applicant's representatives. The HSPC also worked with the applicant's representatives on the development of a survey (online and mail-based) meant to gauge community receptiveness to the applicant's proposed project and to provide further information to the HSPC and the applicant. We're appreciative of the time and effort put forward by all parties to pilot this new and innovative approach.

The results of the survey have been shared with both parties. The HSPC has met to discuss these results, and we have prepared this letter to express our findings to you. As discussed further in the attached appendix, we ended up having significant issues with the survey and the survey results. In summary, we feel greater confidence relying on the comments than on a weighting of numeric responses. Letters received by the HSPC from community residents were also aligned with the comments and with our conclusions below. We would be happy to discuss with you and/or the applicant both this approach and our concerns with the survey.

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The HSCA's opinion is that:

- While the comments were by no means unanimous, the general tone of the comments received indicates opposition to significant relaxation of the ARP with regard to building height. A majority of comments received indicate that the community feels it would be negatively impacted by such a significant relaxation. *The HSPC also believes a significant relaxation in height and FAR would not be appropriate.*
- Community comments also indicate that a "small" increase in FAR in exchange for installation/funding of a local amenity may be of benefit to the community. *The HSPC also feels that a creating a local amenity would be of benefit to the community, particularly on this important site.*
- Responses indicated that the "plaza option" was a more popular option than the other options presented on the survey. *The HSPC also believes the plaza option is the most attractive option of those options presented.*
- Responses indicated concern that the proposed plaza space might not be maintained as a true public space (concern that there is a possibility of substantially excluding the public from the site for reasons of commerce, e.g. by closing it off as restaurant or private venue space). *The HSPC feels that further information is required from the applicant and the City to better understand the proposed use and maintenance of the plaza and thus its value to the community.*

Our conclusion therefore is that the HSCA does not support the project as currently proposed and that there is unlikely to be community support for the project. We, nonetheless, look forward to continuing our dialogue both with the City and the applicant's representatives to consider alternatives.

We would like to thank both the City and the applicant for the time and effort they have spent to date on consultation. We believe that with some modifications this process can serve as a model for how significant community consultations should be undertaken in the future.

Yours,

Dan Murray and Bob McKercher on behalf of the HSCA Community Planning Committee

cc:

City Councillor Druh Farrell, Ward 7 ([druh.farrell@calgary.ca](mailto:druh.farrell@calgary.ca))

Tim Kitchen, Chair, Board of Directors, HSCA ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))

Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))

Lesley Beale, Partner, Sturgess Architecture ([lesley@sturgessarchitecture.com](mailto:lesley@sturgessarchitecture.com))

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**Appendix A: Survey Comments**

In the absence of a professionally designed, disseminated, analyzed and audited survey, we believe that responses where contact details and/or detailed comments were provided are more credible than those where none were given, especially given that almost all of the “blank responses” supported that the ARP should be relaxed for the height increase.

The large majority of these blank responses (in the view of the HSPC) are not credibly submissions from different residents – large swathes of “pro” answers provided identical responses to all questions, no commentary, and came from what appeared to be randomly generated email addresses (or no had no email addresses), all of which the HSPC views as very unlikely to be the result of independent submissions. These questionable submissions were exclusively in favour of the relaxation. When these responses were removed from the survey, the survey indicated that approximately 70% of the responses were “con”.

In addition, the effectiveness of survey mail out was low as many residences have “no junk mail” stickers and thus did not receive the survey. It is also not clear whether the surveys were delivered to apartment buildings.

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15 October 2014

Giyan Brenkman  
Senior Planner - Land Use Amendment Services  
Land Use Planning and Policy  
The City of Calgary  
PO Box 2100, Stn M, #8117  
Calgary, AB T2P 2M5

Delivered via email to giyan.brenkman@calgary.ca

**RE: Proposed Land Use Amendment: LOC2013-0097 at 201, 10 Street NW**

Dear Mr. Brenkman,

The Hillhurst Sunnyside Community Association's Planning Committee ("HSPC") appreciates the opportunity to provide comment on LOC2013-0097. There is great opportunity to vitalize this prominent and underutilized parcel at the juncture of the 10<sup>th</sup> Street and Kensington Road shopping districts.

The Hillhurst Sunnyside Area Redevelopment Plan ("ARP") is a carefully crafted policy document that is a reflection of extensive consultation and negotiation between the community and the City. The applicant's current proposal goes far beyond the tenets allowable by the ARP and thus in cooperation with the HSPC the applicant recently undertook a community engagement process to better understand community response to this deviation. The potential community benefit of the proposed public plaza seems to be eclipsed by the impact of greatly increased height and density on the parcel. We have provided comment on the results of the engagement process in our September 5<sup>th</sup> letter.

We would like to further point out that:

- The applicant's original approved land use amendment (LOC2012-0010) allows for a maximum height of 26 metres and 5 FAR, which fits within the framework of Part II of the ARP, Transit Oriented Development Area.
- The applicant's current submission erroneously states that the majority of the east side of 10<sup>th</sup> Street allows for a maximum height of 26 metres and 5 FAR. On the contrary:
  - The parcels on east side of 10<sup>th</sup> Street north of Kensington Road allow up to 20 metres and 4 FAR; and
  - The parcels west of the subject property on Kensington Road allow a maximum building height of 15 metres and 2.8 FAR.
- The subject site has been given fair "distinctiveness" in the ARP with an allowable building height of 26 metres and 5 FAR.



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The scale and character of the Kensington shopping district has created an area that residents and visitors alike cherish. The subject site has already been granted a unique position within the ARP. The HSPC believes that a deviation from the ARP in the scale described in the submission would be a disservice to the compromises agreed upon by the community during the ARP consultation process. We agree with the original land use amendment that there is great potential for the site under its current zoning and within the guidelines of the ARP.

Should you wish to discuss this letter further, please do not hesitate to contact the undersigned.

Sincerely,

Decker Butzner & Bob McKercher on behalf of the HSCA Planning Committee

cc: City Councillor Druh Farrell, Ward 7 ([ward07@calgary.ca](mailto:ward07@calgary.ca))  
Tim Kitchen, Chair, Board of Directors, HSCA ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))  
Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))

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February 17, 2015

Steve Jones, M.Pl., MCIP, RPP  
Senior Planner | Local Area Planning & Implementation | North Team  
The City of Calgary  
Calgary, Alberta T2P 2M5

Via email: [Steve.Jones2@calgary.ca](mailto:Steve.Jones2@calgary.ca)

Dear Steve:

**Re: DC for LOC2013-0097**

On behalf of the Hillhurst Sunnyside Planning Committee ("HSPC"), we are writing in response to the Application to re-designate the parcel of land located at 201 – 10 Street NW (Plan 5609J, Block E, Lots 7 to 10) currently occupied by the Osteria de Medici restaurant to a revised DC Direct Control District. We have reviewed the proposal for a revised DC and wish to note our strong opposition to the proposal, as well as make the following comments:

**1. Definition of "public open space"**

The definition of *public open space* is not sufficiently defined in the proposed DC. There is nothing contained in the DC which requires the landowner to allow the space to be continuously open to the public, nor does it provide whether the landowner will be prevented from using the space or closing access to the *open public space* for private uses. Furthermore, there is no meaning given the words *accessible to the public* or *public access agreement* used within the definition. It is imperative to know whether the proposed *public open space* will be continuously open to the public, or whether it can be restricted by the landowner, as well as how a *public access agreement* will protect the public interest in respect of the space.

**2. Permitted and Discretionary Uses**

In our view, the Applicant has provided no rationale for increasing the permitted or discretionary uses beyond those specified in C-COR 1. Many of these uses are not in compliance with the local area redevelopment plan ("ARP") and some have specific nuisance and/or traffic issues. For instance, there has been widespread public opposition to the large tent erected by the landowner each year during the Calgary Stampede. Amending the permitted uses to include "Special Function – Class 1" would eliminate the landowner's obligation to apply for the tent each year and the community's ability to respond to such application.

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S. Jones

**POLICY AMENDMENT AND LAND USE AMENDMENT  
HILLHURST (WARD 7)  
NORTH OF KENSINGTON ROAD NW AND WEST OF 10  
STREET NW  
BYLAWS 12P2015 AND 50D2015**

**MAP 21C**

**3. Floor Area Ratio (FAR)**

As outlined in the attached letters which were previously submitted to the planning department, the Community Association is adamantly opposed to an increase in FAR to 7.0. Such an increase is absolutely not in compliance with the ARP (purpose 1(a) of the proposed DC). Such an increase also appears to provide a loophole for the Applicant to avoid the density bonus system (purpose 1(b) of the proposed DC). While there is Community Association and resident interest in exploring a *public open space*, the Community Association and residents are opposed to allowing a significant increase in FAR for a *public open space*, particularly where the *public open space* lacks definition and certainty.

**4. Public Open Space Requirements**

As stated above, the proposed DC does not provide enough information to sufficiently assess the proposed *public open space*.

**5. Building Height**

In our view, the maximum building height of 36.0 metres is excessive and not in compliance with the ARP. Furthermore, as stated in the attached letters, such a height is not supported by the Community Association or the residents of the community.

**6. Location of Uses**

Following the ARP, the following additional uses should not be allowed on the ground floor or the proposed development: Addiction Treatment; Assisted Living; Childcare Service; Cinema; Custodial Care; Place of Worship – Small; Residential Care; and Social Organization.

**7. Minimum Required Motor Vehicle Parking Stalls**

The HSPC is opposed to allowing "Restaurant: Licenses – Large" and "Special Function – Class 1" as permitted or discretionary uses. We are further opposed to a parking relaxation for these or other uses.

**8. Development Authority – Powers and Duties**

In our view, there is no basis or rationale for granting the development authority wide-ranging ability to provide relaxations. Rather, should the Applicant or development authority want relaxations, the normal processes should be followed.

The HSPC has made great efforts to engage with and seek the opinion of the residents of Hillhurst and Sunnyside in respect of this project, and has endeavored to collaborate with the Applicant in seeking community input. In order for the CPC to be "responsive and accountable," inclusive and transparent stakeholder engagement is critical. The attached letters show the opinions of the stakeholders within our community as well as the indications of support or opposition for this proposed project. Overall, it is our view that the community does not support this project as proposed, nor does it agree that the benefits offered are a

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sufficient trade-off for the amendments and relaxations being sought by the Applicant. Further, we are opposed to amendments to the ARP being made without community consultation.

As a summary, the results of the community survey, as well as letters of opposition to the project show the following:

1. The relaxations requested by the applicant for increased FAR (7.0) and building height (36.0m), represent unreasonable excesses. The community agreed to relax the ARP standards for this site to FAR 5.0 and height 26m in the 2009 ARP. The ARP increases already granted for this unique parcel are the highest granted for this city block which includes Kensington Road NW (FAR, 2.8 and height 15m) and 10<sup>th</sup> Street NW (FAR, 4.0 and height 20m). Well maintained single-family homes are located within 15 metres of the site.
2. The proposed *public open space* did not include a clearly articulated plan and there was little community confidence that this would demonstrate a true public benefit. Furthermore, no such plan has ever been communicated to the HSPC despite repeated requests to the Applicant and the City Planning Department. The undefined public plaza is too small a concession to the community compared to the financial gain the Applicant will receive for the increased density requested. The community has also not been assured that the *public open space* will not be misused, neglected or “annexed” by the Applicant or a future landowner for a patio or Special Event tent.

The community of Hillhurst-Sunnyside is undergoing unprecedented developmental pressure as a result of increases in density and height. However, the ARP provides a framework for this development. It is our position that the proposed DC for LOC 2013-0097 must be rejected given the severe deviations from the ARP and the absence of any tangible, well-defined and well-supported community benefit.

Thank you for allowing the HSPC to address this Application and proposed DC. We would be pleased to address any follow-up questions you may have.

Sincerely,

**Hillhurst Sunnyside Planning Committee**

Robert McKercher, Dan Murray, Decker Butzner and Kimberly Setrakov

cc: Ward 7 Councillor Druh Farrell ([druh.farrell@calgary.ca](mailto:druh.farrell@calgary.ca))  
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Tim Kitchen, HSCA Board President ([tim.kitchen@me.com](mailto:tim.kitchen@me.com))  
Lisa Chong, Community Planning Coordinator, HSCA ([hscaplanning@gmail.com](mailto:hscaplanning@gmail.com))  
Kimberly Holberton, Administrative Assistant, CPC ([kimberly.holberton@calgary.ca](mailto:kimberly.holberton@calgary.ca))

Attachments: Osteria Survey letter to city Sept 2014  
HSPC comment letter on LOC 2013-0097 Oct 2014

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