



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

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Attachments:	1. Appendix 1 - Reference Plan of Lot A, 2. Appendix 2 – Land use and Options Analysis - dHK Report				

Date	Ver.	Action By	Action	Result
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TOWNSHIP OF ESQUIMALT STAFF REPORT

MEETING DATE: September 14, 2026

Report No. SI-26-018

TO: Council

FROM: Terése Finegan, Manager of Economic Development

SUBJECT: 500 Park Place North Options Analysis

RECOMMENDATION:

That Council:

1. Receive Staff Report SI-26-018 “500 Park Place North Options Analysis” for information and direct staff to report back before the 2027 budget process with temporary placemaking opportunities for 500 Park Place North, including estimated costs, operational requirements, potential external grant or partnership funding opportunities, and proposed implementation approaches; and
2. Direct staff to include a longer-term North Park Place project in the list of Potential Projects for Council consideration in the development of the next Council Priorities Plan.

EXECUTIVE SUMMARY:

The Township of Esquimalt commissioned a Land Use and Development Options Analysis for 500 Park Place North to evaluate potential future uses for the municipally owned property following construction of the new Fire Hall on the southern portion of the property. The analysis identifies a range of redevelopment opportunities and outlines the benefits, constraints, and considerations associated with each option; however, it does not identify a preferred development concept. Staff

recommend that Council receive the analysis for information and direct staff to report back before the 2027 budget process with temporary placemaking opportunities, associated costs, and implementation considerations for the site. This approach would support interim community use of the property while preserving flexibility for future redevelopment decisions and allowing the site to be considered within the broader context of the Township's forthcoming Real Property Strategy.

BACKGROUND:

500 Park Place North forms part of the Township's former Public Safety Building site. Following demolition of the building in 2023 and construction of the new Fire Hall on the southern portion of the property, Council identified the northern portion of the site for further evaluation to determine its future use. In support of this objective, staff commissioned a Land Use and Development Options Analysis.

This work aligns with the Council Priorities Plan 2023-2026, which identifies an "Options Analysis of 500 Park Place & Esquimalt Road" as a key initiative. To inform the analysis, the consultants reviewed and considered the following:

- Overview of the site plan and current zoning;
- Input and observations from meetings with selected stakeholders;
- High-level legal constraints affecting the property; and
- A range of five development options evaluated based on feasibility, community needs, sustainability, and regulatory considerations.

Site Overview:

500 Park Place is a municipally owned property with frontage on Park Place, Esquimalt Road and Carlisle Avenue. It has historically functioned as a central civic site within the Township of Esquimalt.

Appendix 1 provides a reference plan (Lot A, EPP36750 Suburban Lot 40) illustrating the Township's consolidated ownership of Lots 1, 273, 274, and 275. The property consists of two distinct areas:

- 500 Park Place North: currently undeveloped and the focus of this analysis. A portion of this land (Lot 275) is subject to indenture conditions that place specific constraints on its future use.
- 500 Park Place South: the site of the new Fire Hall, currently under construction (June 2024 to early 2027) and not included in this analysis.

Historically, the site accommodated Esquimalt's former Public Safety Building, which included:

- Esquimalt Fire Rescue Services (EFRS)
- Emergency Operations Centre (EOC)
- Victoria Police Department - Esquimalt Division

The building was demolished in November 2023 to enable redevelopment of the site. While construction of the Fire Hall is underway on the southern portion, 500 Park Place North is currently being used as a construction staging area and is anticipated to be vacant following project completion in early 2027.

ANALYSIS:

The consultant's Land Use and Development Options Analysis is attached as Appendix 2. The report reviews site conditions, zoning considerations, stakeholder feedback, legal constraints associated

with the lot 275 indenture, and a range of conceptual development options for 500 Park Place North.

Five development concepts were evaluated:

1: Boutique Hotel with Co-working and Restaurant

This concept proposes a six-storey mixed-use building that combines a boutique hotel, co-working space, public gathering space, restaurant, and commercial uses. Stakeholder input identified a need for additional visitor accommodation in the region and noted the potential economic benefits associated with increased tourism activity and visitor spending. The option supports economic development objectives and contributes to a more active downtown environment; however, the consultant identified financial feasibility challenges under current assumptions.

Additional commentary is warranted for this option given the recent work of the Greater Victoria Hotel Development Working Group and the April 2026 report released by Destination Greater Victoria. That work identifies a regional hotel supply gap and frames new hotel development as a time-sensitive economic development opportunity for Greater Victoria. In that context, a hotel use at 500 Park Place North could support broader regional objectives related to visitor accommodation, business travel, conference activity, local employment, and visitor spending. However, viability would depend on identifying the right partner and undertaking further analysis to determine whether the scale, operating model, ownership structure, and financial assumptions for a hotel on this site would be compatible with the Township's land use, community, and fiscal objectives.

2: Mixed-Use Residential Development

This option includes approximately 42 market residential units above ground-floor commercial space. The concept would increase housing supply while supporting a pedestrian-oriented commercial environment. The consultant found the option aligns with broader housing and downtown development objectives but offers limited financial return under current market conditions.

3: Affordable Housing with Commercial Space

This concept provides affordable family-oriented housing above commercial uses. The option responds to ongoing housing affordability challenges and could generate significant community benefit. The consultant noted that viability would depend on partnership opportunities, funding programs, incentives, and a more detailed financial assessment.

4: Residential Tower with Commercial Space

This option proposes an 18-storey mixed-use tower with ground-floor commercial space and approximately 178 residential units. The concept would maximize residential density and potentially generate the strongest financial return among the options reviewed. However, it would also require the greatest departure from existing zoning and would likely require significant policy, planning, and community discussion before advancing further.

5: Community Amenity and Commercial Hub

This option focuses on community-serving uses, including fitness, recreation, restaurant, entertainment, office, and commercial space. The concept aligns with stakeholder feedback emphasizing amenities that serve current and future residents while supporting the development of a more vibrant town centre. The consultant concluded that the concept warrants additional analysis

regarding tenant demand, operating models, and long-term financial performance.

Interim Option: Temporary Placemaking

In addition to the options evaluated by the consultant, a temporary placemaking initiative could be considered as interim use for the site while longer-term decisions are being explored. Temporary activation could support community gathering, test public-space concepts, enhance visibility of the property, and maintain public use of the site without precluding future redevelopment opportunities. Any such initiative would require further review of costs, operational requirements, compatibility with the Fire Hall and potential external grant or partnership funding opportunities.

Analysis Summary:

The consultant's analysis demonstrates that 500 Park Place North presents a range of redevelopment opportunities, each with distinct benefits, trade-offs, and implementation requirements. While the study provides useful information regarding potential future uses, it does not identify a preferred option and highlights the need to balance multiple objectives, including community benefit, housing, economic development, financial return, and long-term stewardship of municipal assets.

The analysis identifies several potential paths that Council may wish to consider as part of future decision-making for the site.

Temporary Placemaking: Recognizing that the site is anticipated to become available following completion of the new Fire Hall in early 2027, Council may also wish to consider temporary placemaking as an interim use while longer-term decisions are explored. Temporary activation could include community gathering space, public art, pop-up events, markets, recreational uses, or other flexible programming that supports Town Centre activity and community engagement. Temporary placemaking would allow the Township to maintain public use of a prominent municipal property and contribute to vibrancy within the Town Centre. Importantly, such initiatives could be implemented without precluding future redevelopment opportunities and may provide valuable insight to inform future land use decisions.

Further Development Analysis: Council may choose to direct staff to undertake further analysis of one or more development concepts identified in the report. The mixed-use residential, affordable housing, hotel, and community amenity concepts each have the potential to advance Township objectives related to housing, economic development, and Town Centre vitality. However, additional work would be required to assess feasibility, financial implications, partnership opportunities, market demand, servicing requirements, and alignment with Council priorities before a preferred direction could be identified.

Real Property Function Report: Council may also wish to consider the future of 500 Park Place North in the context of the Real Property Function report being presented for Council's consideration at the September 21, 2026, meeting. The Real Property Function report will outline a proposed formal Real Property Management function and a Township Real Property Strategy, including a framework for evaluating municipal properties and facilities based on operational needs, strategic value, community benefit, redevelopment potential, and financial considerations.

OPTIONS:

Option 1: Staff recommend that Council receive the report for information and direct staff to report back before the 2027 budget process with options for temporary placemaking at 500 Park Place North. This approach allows Council to consider the costs and implementation requirements of interim site activation while preserving flexibility for future redevelopment decisions.

Staff further recommend that consideration of permanent redevelopment options occur as part of Council's new Priorities Plan consideration of the forthcoming Real Property Function report and proposed Real Property Strategy framework

Should Council wish to select this option, the following motion would be appropriate:

"That Council receive Staff Report SI-26-018 "500 Park Place North Options Analysis" for information and direct staff to report back before the 2027 budget process with temporary placemaking opportunities for 500 Park Place North, including estimated costs, operational requirements, potential external grant or partnership funding opportunities, and proposed implementation approaches.

And that Council direct staff to include a longer-term North Park Place project in the list of Potential Projects for Council consideration in the development of the next Council Priorities Plan."

Option 2:

Council could decide not to proceed with any temporary placemaking options for the site while progressing with potential permanent development options. Should Council wish to select this option, the following motion would be appropriate:

"That Council receive Staff Report SI-26-018 "500 Park Place North Options Analysis" and direct staff to report back with further evaluation of one or more future development options for 500 Park Place North."

Option 3:

Finally, Council could accept the staff report for information and take no action at this time. Should Council wish to selection this option, the following motion would be appropriate:

"That Council receive Staff Report SI-26-018 "500 Park Place North Options Analysis" for information."

COUNCIL PRIORITY:

Good Governance and Organizational Excellence

FINANCIAL IMPACT:

There are no immediate financial implications associated with receiving this report for information. Should Council direct staff to explore temporary placemaking opportunities for 500 Park Place North, staff would report back before the 2027 budget process with potential concepts, estimated costs, potential external grant or partnership funding opportunities, implementation requirements, and any associated operating impacts for Council consideration. Future financial implications associated with permanent redevelopment options would be dependent on Council direction and would require additional analysis.

COMMUNICATIONS/ENGAGEMENT:

No immediate communications or engagement activities are required.

TIMELINES & NEXT STEPS:

If Council approves the staff recommendation, staff will review potential external grant or partnership funding opportunities and report back before the 2027 budget process with temporary placemaking options for 500 Park Place North. That report would include potential concepts, estimated costs, operational requirements, external funding opportunities, implementation considerations, and any associated operating impacts for Council consideration. The site is anticipated to remain unavailable for public use until completion of the new Fire Hall in early 2027. Council will also have an opportunity to consider the long-term future of 500 Park Place North within the broader context of the forthcoming Real Property Function report and subsequent development of a Township Real Property Strategy.

REPORT REVIEWED BY:

1. Judy Kitts, Director of Strategic Initiatives
2. Ian Irvine, Director of Finance, Reviewed
3. Deb Hopkins, Director of Corporate Services, Reviewed
4. Dan Horan, Chief Administrative Officer, Concurrence

LIST OF ATTACHMENTS:

Appendix 1: Reference Plan of Lot A, Suburban Lot 40, Esquimalt District, Plan 31764

Appendix 2: Land Use and Options Analysis - dHK Report