

Three Point goes for green

BY NORMAN GIDNEY

Two of the biggest development projects in the Victoria area are changing hands, at the Songhees and in Colwood's almost-closed waterfront gravel pit.

Dockside Green, the biggest housing project in the city of Victoria, has a new lead partner that may not be well known but is actually one of Vancouver Island's major development companies.

Three Point Properties, a name long familiar from the city's Mercedes dealership, is relatively new as a local developer and has bought Ottawa-based Windmill Developments' stake in Dockside. They certainly know Three Point in Phoenix, where owner Jack Julseth of Victoria has developed a number of office and residential projects.

Julseth has repatriated considerable investments in his Arizona projects, and the company has been buying mostly undeveloped rural land and commercial properties in the city, building a sizeable portfolio of Vancouver Island real estate acquired in just a few years. With the deal for Dockside — a 15-acre development on the Songhees for 2,500 residents — it is shifting into high gear and assuming a higher profile.

Buying most of Windmill gives Three Point a strong urban focus and a big green reputation and brings into the company a key person with expertise in sustainable development — Joe Van Belleghem. He's a consultant who worked on the successful Vancouver Island Technology Park in Saanich. Windmill was the original partner with Van City Savings credit union of Vancouver on Dockside. Now Van Belleghem joins Three Point as a director, partner, and co-chair with Julseth.

Neither Julseth nor Van Belleghem would talk numbers — they just smiled when asked



One of Vancouver Island's major development companies, Three Point Properties, has bought Ottawa-based Windmill Development's stake in Dockside Green.

about the amounts involved in the deal — but the transaction is a big one. For Ottawa-based Windmill, it provides capital for new projects elsewhere. It has residential communities under way in Calgary and Ottawa and recently signed a deal to develop one in South Carolina.

Van Belleghem, a chartered accountant by training, gets to spend more time here in Victoria with his family and less time travelling around North America talking about green building. He'll be helpful as Three Point develops its 1,600 acres of land at Bamberton, another old "brownfield" site like Dockside.

"We needed some expertise in sustainability," said Julseth.

The cleanup at Bamberton's old limestone quarry and cement factory is complete, after Three Point spent \$10 million to move about 100,000 dump-truck loads of material. Rezoning is pending at the Cowichan Valley Regional District.

Julseth said Three Point is "looking very much at a Sausalito-style community." That's a pricey hillside of homes in the hills of Marin County, just across the Golden Gate from San Francisco. Bamberton will be more mixed-income and clustered in tighter communities. About 1,000 acres of the site will be park.

"Our goal is to build some really wonderful social housing. We can't just build million-dollar condos on the waterfront."

He also talked of building social housing right in Victoria on the Canadian Freightways warehouse property, just off Douglas at Queens Street.

Julseth, longtime owner of the Three Point Motors Mercedes dealership and the Smart Car franchise — almost the last dealership in Canada that is still independent and not owned by Daimler Chrysler — has been steadily adding to its list of properties.

Three Point has 450 acres on the water at Port Renfrew, 6,100 acres on the Sunshine



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Coast opposite Skookumchuck Narrows, several development properties on Salt Spring Island, and an industrial park at Sooke under way. It's an impressive land bank that should support two or three more development booms like the current one.

Out west in Colwood, the new year also will bring a new owner to Royal Bay. Lehigh Cement, part of the Heidelberg organization of Germany, has listed the 413-acre gravel-pit property for sale. With all the heavy lifting of creating an official community plan and getting rezoning through council tied up neatly in a package, a sale price in the tens of millions of dollars wouldn't be a surprise.

A single building lot at Royal Bay starts at \$405,000 these days for the more scenic

sites on the bench and hills above the pit, but there's lots of room left.

The sale will be good news for Colwood, which has patiently watched Royal Bay build up at a slow pace. Planning started in 1995, and two years later, Colwood council approved a master plan and zoned the square mile of gravel pit lands.

"They've been piece-mealing the upper slopes for some time now," said Andrew Turner of Colliers, which has the listing. "They need a developer who does that full time."

Today, most of the new neighbourhood is still on paper. Just 400 homes have gone up, with the region in the midst of the biggest housing boom ever. The plan envisioned 2,800 housing units of all types over a 20-year buildout — about half of them single-family — and zoning permits 800,000 square feet of commercial space. That's equal in floor area to almost two shopping malls the size of Hillside Centre. No retail or office space has been built yet. There's a 15-acre school reserve for the West Shore's new high school and 100 acres of parkland in various pieces.

This year will be a milestone at Royal Bay, as the gravel operation closes down at the end of the year, after a century of mining at the property. What used to be a range of hills now has a soup-bowl profile.

"It's a big piece of land, it's a fantastic opportunity for someone," said Gwyn Symmons of City Spaces Consulting, brought in by Vancouver development consultant Jim Moodie as Royal Bay planners in the beginning.

Turner agrees. "It's a big play. There's a limited number of people who can deal with something like that."

While the for-sale sign is up, site preparation and detailed planning are still moving ahead. Royal Bay started out as high-end single-family homes and townhouses. Next up is a subdivision plan for 350 homes, known on the master plan as 2A and half of

2B, right in the middle of the gravel pit where Latoria Road meets Metchosin Road.

Compact single-family houses and townhouses will be on smaller lots in a "traditional urban development" without the prominent two-car garage out front, the unsightly streetscape feature that dominates so many new subdivisions. Cars will be accommodated in garages on back alleys, the way neighbourhoods in many Canadian cities were built, although a strange novelty in most of the Victoria region.

These units will also be more affordable than the bigger homes on the bluff off Wishart Road and the hillside Pelican Drive subdivision at the south corner, which have the sea views out over Juan de Fuca Strait.

This latest phase also means the beginning of traffic calming for Metchosin Road, where country-dwelling drivers often hit Trans-Canada Highway speeds in their rush home past the pit to quiet country retreats. Symmons says the thoroughfare will feature lots of intersections, stop signs, and a lower speed limit.

But it could all look entirely different after the new Royal Bay owner moves onto the property next year. Perhaps the developer will shelve the master plan and go for rezoning. Guess what he'll ask for? No prizes for the answer: more density. That's one quick way of adding value to an expensive acquisition. Royal Bay is almost low-density by comparison with all the other big projects on the West Shore. There's nothing over six storeys in the original plan, puny by current West Shore development fashions.

Just down the coastline at Esquimalt Lagoon, Aquattro will double that height, and Langford is permitting 45 storeys at Bear Mountain. Elsewhere in Colwood, ground was broken this fall for a 23-storey tower behind Thrifty Foods. Nearby Olympic View golf course, zoned years ago for some 900-plus homes and condos, wants higher density. ■