



**AMENDED AGENDA
GOVERNANCE & PRIORITIES COMMITTEE
MEETING OF SEPTEMBER 11, 2014, AT 9:00 A.M.
COUNCIL CHAMBERS
CITY HALL, 1 CENTENNIAL SQUARE**

Page

CALL TO ORDER

APPROVAL OF THE AGENDA

CONSENT AGENDA (CA)

ADOPTION OF MINUTES

1. Minutes from the Meeting held August 28, 2014
Late Item - Minutes

PRESENTATION

2. City of Excellence Award
--Cathy Cook, Executive Director of the BC Municipal Safety Association
--Dr. David Baspaly, Executive Director of the BC Common Grounds Alliance
3. Quarterly Update / Victoria Police Department 5 - 11
--Chief Elsner

DECISION REQUEST

4. Johnson Street Bridge Replacement Project Quarterly Update 13 - 87
--D. Kalynchuk, Director of Engineering & Public Works
5. 520 Niagara Street - Building Permit Application # 050924 89 - 127
--D. Day, Director of Sustainable Planning & Community Development
6. ~~North / South Jubilee Neighbourhood Consultation Regarding a Community Facility~~ **WITHDRAWN**
~~--J. Jenkyns, Acting Director of Parks, Recreation & Culture~~
7. 11 Chown Place - Permissive Tax Exemption 129 - 132
--S. Thompson, Director of Finance

8. Victoria Conference Centre Food and Beverage Agreement 133 - 141
--J. Jenkyns, General Manager, VCC
Late Item - Agreement

[Addenda]

9. Tally Ho Motor Inn Liquor Licence Application 143 - 154
--R. Woodland, Director of Legislative & Regulatory Services
10. Fortis BC - Contribution Agreement CNG Vehicle Incentive Offer **CA** 155 - 163
--D. Kalynchuk, Director of Engineering & Public Works

REPORTS FOR INFORMATION

11. Update on Parking Improvements (Verbal) 165 - 201
--D. Kalynchuk, Director of Engineering & Public Works
12. Fire Hall Update 203 - 206
--Chief Bruce
- 12A. **Late Item** - CREST Technology Plan 207 - 216

[Addenda]

NEW BUSINESS

---MOTION

---COUNCILLOR INQUIRY

---COUNCILLOR SHARING

RECESS

MOTION TO CLOSE THE SEPTEMBER 11, 201, GOVERNANCE & PRIORITIES COMMITTEE MEETING TO THE PUBLIC

That Governance & Priorities Committee convene a closed meeting that excludes the public under Section 12(6) of the Council Bylaw for the reason that the following agenda items deal with matters specified in Sections 12(3) and/or (4) of the Council Bylaw, namely:

Section 12 (3) (c) - Labour Relations or employee relations

Section 12 (3) (e) - The acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure might reasonably be expected to harm the interests of the City.

CLOSED MEETING

CONSENT AGENDA - CLOSED MEETING

ADOPTION OF THE CLOSED MINUTES

13. Minutes from the Closed Meeting held August 28, 2014
Late Item - Minutes

DECISION REQUEST

14. Lease Renewal / 703 Douglas Street
--*R. Woodland, Director of Legislative & Regulatory Services*
15. Labour Relations
--*Chief Bruce*

CONSIDERATION TO RISE & REPORT

ADJOURNMENT



VICTORIA POLICE DEPARTMENT

Organizational Progress

VicPD is in the initial stages of a new strategic planning process that will guide the department for the next five years. A tentative completion date for the plan is December 31, 2014. A comprehensive IT evaluation is also well underway to ensure IT resources (both funding and people) are being used effectively and efficiently. A final report is expected by the end of September 2014.

VicPD staff continue to make organizational changes to fully implement the new Victoria/Esquimalt framework agreement and are on track to have full implementation of the agreement as of January 1, 2015. To this end, VicPD Senior Command Staff are working with the city managers of Victoria and Esquimalt to establish performance metrics as per the new framework agreement.

Finally, VicPD will be entering into bargaining with the Victoria Police Union in September 2014.

Operational Improvements

The VicPD community and business survey initiative has seen an excellent response rate and the results will be presented to both Victoria and Esquimalt councils at the Joint Board/Councils meeting in September 2014. The three community outreach events held in June were a resounding success with a significant turnout and participation from citizens.

In an effort to increase VicPD visibility in the downtown core of Victoria, all administrative police officers took part in a summer beat action plan from June to August that amounted to 520 extra hours of police presence in the downtown core. In addition, VicPD instituted a more structured morning wake-up procedure and coordinated approach to campers in Beacon Hill Park.

Finally, VicPD and City of Victoria staff are working in partnership to co-locate IT servers in one location (Police HQ) which will reduce the overall costs for the two IT sections.

Financial Forecast

VicPD's projected expenditures for 2014 are \$44,832,699, which is a small surplus of \$167,426 (0.37%).



**VICTORIA
POLICE**

QUARTERLY UPDATE

August 28, 2014

Chief Constable Frank Elsner

Areas of Focus

- ❑ Organizational Progress
- ❑ Operational Improvements
- ❑ Financial Forecast



Organizational Progress

- ❑ Launched new strategic planning process
- ❑ Initiated organizational changes to implement new framework agreement
- ❑ Establishing new performance metrics
- ❑ Completing IT review
- ❑ Entering into bargaining process with police union

Operational Improvements

- ❑ Community and business surveys – very high response rate
- ❑ Community consultations – excellent turn-outs
- ❑ Summer action plan – downtown beat
- ❑ Coordinated approach to campers in the park
- ❑ VicPD/City partnership to co-locate IT server rooms

Financial Forecast

- ❑ Projected expenditures for 2014:
\$44,832,699
- ❑ Small surplus of \$167,426 (0.37%)





Governance and Priorities Committee Report For the September 11, 2014 Meeting

To: Governance and Priorities Committee **Date:** September 4, 2014
From: Dwayne Kalynchuk, P. Eng.,
 Director of Engineering and Public Works
Subject: Johnson Street Bridge Replacement Project Quarterly Update

Executive Summary

Quarterly reports are prepared on the Johnson Street Bridge Replacement Project throughout the year to keep Council and the community updated on this important Capital Project. This is the third quarterly report for 2014.

The July 2014 review of the Johnson Street Bridge replacement project made eight recommendations for improvements to help deliver the project. These recommendations included: a revision of the risk monitoring process to focus on key project risks, an increase in quality assurance of steel fabrication in China, timely response to issues as they arise, clarification of the role of the City's lead consultant MMM Group, and appointing authority to one individual to manage the project. Other recommendations from the review include formalizing a project schedule the City, MMM, and PCL agree to, develop an assessment of potential costs and develop strategies to contain costs, and put into place a project governance strategy that recognizes roles and responsibilities of key project team members.

Since then, the project management approach has changed with the implementation of an owners quality assurance program; decisions are being expedited to allow work to proceed in a timely manner; greater control of the number and types of changes being made to the detailed design is a priority; and the team is proactively identifying and mitigating project risks.

Work is progressing with the construction of the bridge foundations, forming the bascule pier, and significant road and intersection work on the west side. Later this month, the bascule pier forms will be lowered five metres into the harbour followed by concrete work for the walls and floor of the bascule pier. Paving for the west approach road and re-aligned intersection at Esquimalt and Harbour Roads is scheduled for mid-September with traffic being diverted from the old bridge onto the new west approach road and intersection as of mid-October.

BC Hydro is scheduled to commence the realignment of the power supply for the new bridge in early November with completion by year end. This work includes relocation of an electrical vault, ducts along Wharf Street, and the installation of the permanent power to the new bridge. City staff will work with BC Hydro staff to minimize any disruptions.

As of July, PCL has invoiced \$14.2 million, representing 24% of the total contract amount. This includes \$1.74 million of pre-payment for structural steel that is located at the fabrication plant in China.

Regular quality inspections are routinely underway in China to ensure that the bridge is built to the high standards of the design. A recent inspection found that some aspects of the steel were not fabricated according to the specifics laid out in the design. Upon discovery of the error, work was immediately halted. PCL, MMM, and the City are working together to determine the next steps to resolve the issues and prevent further issues as work proceeds.

Details are provided on the seismic review and water proofing of the electrical and mechanical systems, as requested at the last update (Appendix H).

The latest schedule update from PCL continues to show the new bridge opening to traffic in January 2016 with the old bridge being removed by September 2016. This is approximately five months later than the contract date.

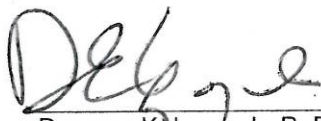
City staff have retained an independent engineer, Turnbull Construction Services Ltd., to evaluate the PCL change order. It is anticipated that they will submit an opinion to Council in the fall; however, the contractor has advised that they continue to suffer losses from the delay and will be updating the change order in the near future. Furthermore, the project consultant MMM Group is requesting consideration for additional costs for cost overruns and additional services for project completion. Staff are presently evaluating MMM's request.

Design is now complete for the retaining wall at 203 Harbour Road. The wall is required in order to maximize usable property at 203 Harbour Road for future expansion of the Point Hope Shipyard. Work for the retaining wall is separate from the bridge construction budget and funded through the Tax Sale Lands Reserve Fund. Initial estimates for this wall placed it at \$1.3 million. While PCL submitted a cash allowance estimate of \$390,000 in their proposal, the budget was initially approved at \$640,000, which included \$255,000 for soil removal and off-site soil disposal. The item was to be undertaken as a design build by PCL; however, it was carried as a cash allowance. With design now completed, an additional \$521,091 will be required to complete the wall.

Recommendation:

That Council amend the 2014-2018 Financial Plan by allocating an additional amount of \$521,100 for the completion of the construction of the 203 Harbour Road retaining wall. Funds for this will be allocated from the Tax Sale Lands Reserve Fund.

Respectfully submitted,




Dwayne Kalynchuk, P. Eng.,
Director of Engineering and Public
Works



Jonathan Huggett, P. Eng.,
Interim Project Director

Report accepted and recommended by the City Manager:

Date:


Sept. 5/14

Purpose

As directed by Council, staff provide quarterly reports on the Johnson Street Bridge Replacement Project throughout the year. This is the third report for 2014 and the eleventh quarterly report to date.

The quarterly report is being submitted early due to the following Council resolution.

7. ADOPTION OF MINUTES

7.1 Adoption of the Minutes from the Regular Meeting held July 24, 2014

Action: It was moved by Councillor Alto, seconded by Councillor Coleman, that the Minutes from the Governance and Priorities Committee meeting held July 24, 2014 be adopted.

Mayor Fortin advised that there is business arising from the July 24, 2014 Governance and Priorities Committee meeting minutes which is to bring forward the next Quarterly Update on the Johnson Street Bridge Project to the September 11, 2014 Governance and Priorities Committee meeting.

At the January 17, 2013 Council Meeting it was moved by Councillor Isitt, seconded by Councillor Helps, that Council rise and report on the decisions contained in the following resolution:

3. Council approved the award of the retaining wall and associated soil removal costs to PCL Constructors Westcoast Inc. in an amount not to exceed \$640,000 (not including taxes and preliminary design costs) to be funded from the tax sale land reserve.

Introduction

The July 2014 review of the Johnson Street Bridge replacement project made eight recommendations for improvements to help deliver the project. These recommendations included: a revision of the risk monitoring process to focus on key project risks, an increase in quality assurance of steel fabrication in China, timely response to issues as they arise, clarification of the role of the City's lead consultant MMM Group, and appointing authority to one individual to manage the project. Other recommendations from the review include formalizing a project schedule the City, MMM, and PCL agree to, develop an assessment of potential costs and develop strategies to contain costs, and put into place a project governance strategy that recognizes roles and responsibilities of key project team members.

Since then, the project management approach has changed with the implementation of an owners quality assurance program; decisions are being expedited to allow work to proceed in a timely manner; greater control of the number and types of changes being made to the detailed design is a priority; and the team is proactively identifying and mitigating project risks more closely with particular attention to the most important risks. The project team are working together to clarify the scope of work for each of the consultants and improve the cooperative working relationship between the City, PCL, and MMM.

Bridge Construction

Work is progressing with the construction of the bridge foundations, forming the bascule pier, and significant road and intersection work on the west side. On the west side, the final underground utility work has been completed on the approach road; this included two days of rock blasting to remove a natural rock outcrop which interfered with the road alignment. Curb and gutter work will take place with final paving scheduled for the week of September 15. Harbour Road will then reopen to vehicle traffic at Esquimalt Road. In mid-October, the traffic from the existing bridge will be aligned onto the new road accessing the realigned Esquimalt Harbour Road intersection.



On the east side of the bridge, major work is currently underway for the construction of the new bascule pier. The concrete floor has been poured and wall forming and structural support work is currently underway. The entire concrete structure will be lowered five metres into the harbour in mid-September. The procedure involves sequentially jacking of the structure and is expected to take one week for it to be slowly lowered into the water. The completion of this stage marks a significant milestone in the project.



With work for the Janion development now underway, PCL and the Janion's contractor are working together to ensure coordination occurs within the adjacent work sites.



Steel Fabrication

The July 2014 review of the project identified the need to increase quality assurance of steel fabrication in China. The review identified steps the City had taken to increase quality assurance by appointing MMM Group and its sub consultant Hardesty & Hanover (H&H) the responsibility to ensure third party checks of steel are undertaken. In addition to this quality assurance, PCL have a subcontractor on site (Atema) that is providing quality control.

Fabrication in China has been underway for several months. Major components of the bascule leaf have been completed including top and bottom cord sections for both trusses and assembly of the rings.

Regular quality inspections are routinely underway to ensure that the bridge is built to the high standards of the design. A recent inspection found that some aspects of the steel, specifically the lifting lugs needed to move the bridge, were not fabricated according to the specifics laid out in the design. Upon discovery of the error, work was immediately halted. Hardesty & Hanover, who have been placed in charge of quality control on behalf of MMM Group and the City, are reviewing the matter with the manufacturer, PCL, and Atema (PCL's quality control subcontractor) to determine the next steps to resolve the issues and prevent further issues as work proceeds.

Update on Risk Management

The July 2014 review of the Johnson Street Bridge identified the need to revise the risk monitoring process to focus on a smaller number of risks specific to the project and develop mitigation strategies to deal with them. Since that report, the following risks have been identified as the most significant to focus mitigation efforts:

| Risk Description | Consequences | Risk Management |
|--|---|--|
| Quality assurance of the steel components being manufactured in China | <ul style="list-style-type: none"> Delays to the project Defects resulting in reduced lifespan of structure Early maintenance issues | ZTSS has a quality control program. PCL has retained ATEMA to monitor the ZTSS quality control program. The City has added \$120,000 to the MMM budget for H&H to provide an owners quality assurance program. |
| Lifting of the steel bascule when it arrives by barge in the harbor. The steel truss is near the lifting capacity of the largest crane on the west coast | Any delay in lifting into place will result in blockage of a navigation channel. Incorrect lifting of the truss could lead to hidden damage to the truss that may not be evident for several years. | While the erection of the steel structure is PCL's responsibility, H&H will play an active role in reviewing the PCL erection procedures, which will be subjected to intense scrutiny. |
| The project costs will exceed the City's budget. Examples of cost increase causes include: | The City has received a request for a Change Order from PCL for \$7.9 million to | The City is evaluating the PCL request for a change order to determine its validity. |

| Risk Description | Consequences | Risk Management |
|---|--|--|
| <ul style="list-style-type: none"> Delays caused by the City and its advisors Unforeseen conditions not identified in the contracts | cover claims for delay. | The City and its advisors have placed a high priority on providing a response to PCL requests under the contract. |
| The bascule opening and closing will not operate correctly during commissioning of the bridge. | Opening and closing of the bridge may result in traffic delays if it does not consistently open and close correctly. | <p>The City has engaged MMM to design and supervise the bridge, and they have retained H&H as their sub-consultant.</p> <p>H&H have retained specialist machinery consultants.</p> <p>The City has asked H&H to ensure that it plans to have adequate staff and resources on site during commissioning to deal with unforeseen problems.</p> |

The project team will continue to monitor and determine the appropriate mitigation strategies on each of these risks as the project progresses.

Safety and Environment

PCL Constructors Westcoast has a robust safety program in place and is responsible for all safety onsite for their crews and subcontractors. Every worker must pass a comprehensive safety exam and all visitors to the site complete a safety orientation prior to entering the construction zone. PCL provides the City and MMM Group with regular reports on all safety and environmental issues as they arise. PCL reported a crane brake failure incident in August, with no damage or injuries. A full investigation was completed and repairs were undertaken on the crane.

In August, the City received dust complaints from residents on the east side of the bridge. In response, PCL has put into place a number of dust control measures, including watering soil during excavation and hydro seeding soil mounds where possible. No further complaints related to dust have been received.

A number of contaminated concrete blocks have been on the bridge site at 203 Harbour Road for the last 35 years. A provincial permit was issued a number of years ago to allow the storage of this material. City staff are now working with provincial staff to secure the necessary permits to have the material removed and disposed as the location is interfering with the project. A more detailed report, including potential costs and funding sources, will be provided to Council once the environmental consultant completes their transportation and disposal options to the satisfaction of the provincial regulations.

Financial Overview

As of July 31, 2014, PCL has invoiced \$14.2 million, representing 24% of the total contract amount (see Appendix B – Budget Update). This includes \$1.74 million of pre-payment for structural steel that is located at the fabrications plant in China.

As of July 12, 2014, MMM Group has invoiced a total of \$7,436,255 from the \$9,362,377 budget for design, permitting, construction administration, and project management.

To date, \$922,880 has been allocated from the construction contingency with \$1,892,120 remaining. This includes an allocation of \$50,000 for resolution of China fabrication quality assurance and quality control issues. Depending on the outcome, these costs may be recovered from the contractor. While not included in the allocated contingency, it is estimated that the additional rock blasting will cost approximately \$15,000. This will be funded from item B, unforeseen geotechnical and subsurface conditions, of the contingency allocation as this is a risk of the City's (see Appendix C – Project Completion Contingency).

BC Hydro costs have escalated from the original estimate provided by the City's consultant MMM Group. The bridge budget included \$550,000 for hydro; however, the BC quotation for this and bridge related relocation projects totals \$735,000, with one outstanding quotation required for the power line removal and replacement once the duct bank and vault are relocated on the east side. Additional funding has been drawn from the contingency.

Construction Schedule

The contractor continues to show the project being approximately five months late, with the new bridge receiving traffic in January 2016 and the old bridge being removed by September 2016.

Contractor Request for a Change Order

The City has retained an independent engineer, Turnbull Construction Services Ltd., to evaluate the change order and to provide a professional opinion to the City. The firm retained has reviewed numerous documents and has interviewed the project consultant and contractor. It is anticipated that a report will be submitted to Council in the fall.

The contractor has placed the City on notice (see Appendix D) that they continue to suffer losses due to delay and will be submitting further details in the next few weeks.

Consultant Request for a Change Order

Three letters have been received from the project consultants MMM Group in which they identify additional costs that they and their sub-consultants, Hardesty & Hanover, have incurred due to cost overruns worth \$840,000 (see Appendix E for letters). They have also identified further costs for project completion which they consider to be outside of their contracted commitments, \$1,550,000. City staff are evaluating the requests and will advise Council of their interpretation.

Interim Project Director

In the July 24, 2014 quarterly update, action steps were identified as per the independent review and assessment of the Johnson Street Bridge Replacement Project. The first recommendation was that the City appoint and delegate authority to one individual as Project Director.

Based on this, the City Manager retained Jonathan Huggett, P.Eng. on an interim basis until September 2014. This contract has been extended for an additional six months until March 2015, at which time it will once again be reviewed.

Mr. Huggett continues to work closely with City staff to provide leadership on behalf of the City in moving the bridge project forward.

Citizen Engagement and Communications

With public engagement for the new city park on the west side of the Johnson Street Bridge scheduled to begin in the new year, staff recommend that consultation on both the new plaza spaces and the new park occur together to facilitate a more holistic discussion on both. A detailed engagement plan will be brought forward to the next Governance and Priorities Committee meeting in October 2014.

With continued interest in the history of the bridge, staff have added a new photo gallery to www.JohnsonStreetBridge.com that shows construction of the existing bridge 90 years ago compared to work underway for the new bridge.

The project has seen growing interest from industry and trades publications. Two recent trade magazine articles include a feature article in Piling Canada (Appendix F), focusing on the work being done by Construction Drilling Inc (CDI), PCL's Island-based sub-contractor responsible for building the bridge foundation. Another feature article recently appeared in the Journal of Commerce (Appendix G). Staff are in the process of working with PCL to create opportunities for local media to get up close to the project and learn more about the work underway.

203 Harbour Road Retaining Wall

In order to maximize the property available for use at 203 Harbour Road, it was determined that placement of a retaining wall would be prudent, rather than the original design of a side slope from the eastbound approach to the Johnson Street Bridge on the west side. In 2012, MMM Group undertook a preliminary review of the project and came up with a Class C Estimate of \$1.3 million.

As part of the tender for the construction of the Johnson Street Bridge, proponents bidding on the project were requested to submit a price for the retaining wall based on a design build approach. The price submitted by PCL was \$390,000 for design and construction, and \$255,000 for the off-site soil removal, for a total of \$645,000. However, due to the limited geotechnical information available at submission, the proposal

by PCL was added as a cash allowance to be funded by the Tax Sale Lands Reserve Fund: the original funding source for the retaining wall project.

As part of the design build process for the retaining wall, PCL retained Thurber Engineering Ltd. to undertake geotechnical engineering and to prepare a design. The soils work has shown that the material is extremely poor and will require the retaining wall to be constructed on top of compaction piles. Additionally, Hemmera, the environmental consultant, has recommended the use of steel piles near the marine channel, as well as a setback from the high water mark, before utilizing treated timber piles.

Thurber Engineering Ltd. also recommended a further setback from the Telus duct to prevent any additional loading on the communication bank. This additional setback has increased the amount of soil that has to be removed from the site for soil disposal.

With the completion of the design, PCL has now provided the cost figures to complete the project (Appendix A), based on the design provided by Thurber Engineering Ltd. The total cost for wall construction, \$911,091, plus \$255,000 for off-site soil disposal, equals a total cost of \$1,119,707. An approved budget of \$645,000 leaves a need for a budget increase of \$521,091. It is recommended that the additional funds be allocated from the Tax Sale Lands Reserve Fund. This is the fund that was utilized for the initial funding as the wall benefits the owners of 203 Harbour Road.

Recommendation:

That Council approve the allocation of an additional budget increase of \$521,000 for the completion of the construction of the 203 Harbour Road retaining wall. Funds for this will be allocated from the Tax Sale Lands Reserve Fund.

Attachments

- Appendix A – 203 Harbour Road retaining wall estimate
- Appendix B – Budget update
- Appendix C – Project completion contingency update
- Appendix D – August 18, 2014 correspondence from PCL
- Appendix E – August 11 and 20, 2014 correspondence from MMM
- Appendix F – Piling Canada article
- Appendix G – Journal of Commerce article
- Appendix H – Briefing Notes on Seismic Design and Mechanical and Electrical Systems

Appendix A

CRX SUMMARY | HARBOUR ROAD RETAINING WALL

PCL Constructors Westcoast Inc.
Johnson Street Bridge Replacement

| CASH ALLOWANCE 2 i) - DESIGN & CONSTRUCTION | | | | | | | | |
|--|----------------------------------|------------------|-----------------|-----------------|------------------|-------------------|-------------------|---------------------|
| CRX | DESCRIPTION | LABOUR | EQUIP. | STS | MATERIAL | SUB | INDIR./FEE | TOTAL |
| AUTHORIZED SCOPE | | | | | | | | |
| 0003.00 | GEOTECH - JULY | | | | | \$ 1,203 | \$ 120 | \$ 1,323 |
| 0003.01 | GEOTECH - JUL-NOV 2013 | \$ 1,295 | \$ - | \$ 39 | \$ - | \$ 11,372 | \$ 1,417 | \$ 14,123 |
| 0003.02 | GEOTECH - DEC 2013 | \$ 912 | \$ 525 | \$ 27 | \$ - | \$ 14,347 | \$ 1,632 | \$ 17,443 |
| 0003.05 | GEOTECH - JAN 2014 | \$ 484 | \$ - | \$ - | \$ - | \$ 20,690 | \$ 2,069 | \$ 23,243 |
| 0003.07 | GEOTECH - MAR-APR 2014 | \$ 1,236 | \$ - | \$ 37 | \$ - | \$ 34,888 | \$ 3,756 | \$ 39,917 |
| 0003.09 | GEOTECH - MAY 2014 | \$ 880 | \$ - | \$ 26 | \$ - | \$ 11,931 | \$ 1,384 | \$ 14,221 |
| 0003.10 | GEOTECH - JUNE 2014 | \$ 2,062 | \$ - | \$ 62 | \$ - | \$ 28,451 | \$ 3,291 | \$ 33,866 |
| 0003.04 | PILE INSTALL | \$ 10,424 | \$ - | \$ 813 | \$ - | \$ 222,473 | \$ 24,552 | \$ 258,262 |
| PENDING SCOPE | | | | | | | | |
| 0003.11 | HEMMERA - SETBACK REV. | | \$ - | \$ - | \$ - | \$ 5,354 | \$ 535 | \$ 5,889 |
| 0003.11 | CONSTRUCTION INSPECTION | \$ 6,364 | \$ - | \$ - | \$ - | \$ 45,388 | \$ 4,539 | \$ 56,291 |
| 0003.06 | WALL SUPPLY/INSTALL | | \$ - | \$ - | \$ - | \$ 244,754 | \$ 24,475 | \$ 269,229 |
| 0003.11 | DRAINAGE | \$ 5,946 | \$ 605 | \$ 178 | \$ 6,283 | \$ - | \$ 1,914 | \$ 14,927 |
| 0003.11 | COPING/RAILING | \$ 36,269 | \$ - | \$ 1,088 | \$ 27,448 | \$ 2,698 | \$ 10,860 | \$ 78,363 |
| 0003.11 | QUALITY CONTROL TESTING | | \$ - | \$ - | \$ - | \$ 8,650 | \$ 865 | \$ 9,515 |
| 0003.11 | WALL SUPERVISION | \$ 22,654 | \$ - | \$ 680 | \$ - | | \$ 4,900 | \$ 28,234 |
| 0003.11 | CONTINGENCY - FIXED PRICE | | | | | | \$ 46,245 | \$ 46,245 |
| | TOTAL - WALL CONSTRUCTION | \$ 88,526 | \$ 1,130 | \$ 2,950 | \$ 33,731 | \$ 652,199 | \$ 132,555 | \$ 911,091 |
| CASH ALLOWANCE 2 ii) - OFF-SITE SOIL DISPOSAL | | | | | | | | |
| SOIL DISPOSAL | | | | | | | | |
| 0003.03 | SOIL DISPOSAL - W. ABUT | | \$ - | \$ - | \$ - | \$ 14,000 | \$ 1,400 | \$ 15,400 |
| 0003.08 | SOIL DISPOSAL - W. COFFER | | \$ - | \$ - | \$ - | \$ 57,115 | \$ 5,712 | \$ 62,827 |
| 0003.12 | SOIL DISPOSAL - AUG. CLAY | \$ 1,320 | \$ - | \$ 40 | \$ - | \$ 117,040 | \$ 11,990 | \$ 130,389 |
| 0003.13 | STOCKPILE DISPOSAL | | \$ - | \$ - | \$ - | \$ 42,167 | \$ 4,217 | \$ 46,384 |
| | TOTAL - SOIL CASH ALLOW. | \$ 1,320 | \$ - | \$ 40 | \$ - | \$ 230,323 | \$ 23,318 | \$ 255,000 |
| TOTAL - WALL 11 | | | | | | | | \$ 1,166,091 |

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Appendix B – Budget Update

| Budget Update | Budget | Contingency/ Tax allocation | Adjusted Budget | Actuals (July 2014) |
|--|---------------|--------------------------------|-----------------|------------------------|
| Project Component | | | | |
| Professional Services | | | | |
| Design Management, Design & Contract Administration ¹ | 10.675 | 0.209 | 10.884 | 8.770 |
| Design consultant optimization | 0.250 | - | 0.250 | 0.240 |
| Development Costs to end 2010 ¹ | 1.330 | 0.003 | 1.333 | 1.333 |
| Approvals & Permitting ¹ | 1.100 | 0.029 | 1.129 | 1.125 |
| Legal/Procurement ² | 0.730 | 0.029 | 0.759 | 0.759 |
| Subtotal | 14.085 | 0.270 | 14.355 | 12.227 |
| Construction Costs | | | | |
| Main Bridge Contract ⁷ | 62.935 | 0.282 | 63.217 | 12.785 |
| Project Completion Contingency - available ⁷ | 2.815 | (0.923) | 1.892 | - |
| Hydro relocation, design/install, archeological services, demolition | - | 0.646 | 0.646 | 0.623 |
| Subtotal | 65.750 | 0.005 | 65.755 | 13.408 |
| General Construction | | | | |
| Early Marine Works, Rail Bascule Removal ⁵ | 2.400 | 0.023 | 2.423 | 2.428 |
| Insurance ³ | 1.500 | 0.017 | 1.517 | 1.123 |
| Other Works & TELUS Duct Removal ⁴ | 2.265 | 0.271 | 2.536 | 1.627 |
| Subtotal | 6.165 | 0.311 | 6.476 | 5.177 |
| City Costs (over 5 years)⁵ | 1.900 | (0.305) | 1.595 | 0.948 |
| Property | 1.000 | - | 1.000 | 0.997 |
| Finance Fees | 1.000 | - | 1.000 | 0.110 |
| Value Added Tax (HST)⁶ | 2.900 | (0.281) | 2.619 | - |
| Total | 92.800 | - | 92.800 | 32.866 |

Notes:

1. Adjustment for tax allocation from Value Added Tax budget
2. Additional legal work from Denton
3. Rounding of original budget
4. Increase of \$100K for Public Art; \$8K Undefined Scope; \$40K tax allocation and \$10K misc additional expenses
5. Reduction in Project Contingency to offset increases to Legal and General Construction
6. Offset tax allocated to Professional Services and Other Works & Telus Duct Removal
7. Two increases to the Main Bridge Contract paid for out of the Project Completion Contingency: Hazardous waste disposal \$34K; West cofferdam soil disposal \$243K.

| Original Contract | Known to July 2014 | Eliminated costs | If Remaining Unknowns Materialize |
|-------------------|--------------------|-------------------------------|-----------------------------------|
| \$ 2,515,000 | \$ 2,515,000 | | \$1,892,120 |
| Budget | Committed | | Remaining Unknown |
| \$250,000 | \$ 50,000 | | \$ 200,000 |
| \$600,000 | \$ - | | \$ 600,000 |
| \$250,000 | \$ 329,054 | | \$ - |
| \$30,000 | \$ - | | \$ 30,000 |
| \$600,000 | \$ - | \$ (600,000) | \$ - |
| \$80,000 | \$ - | | \$ 80,000 |
| \$150,000 | \$ 357,426 | | \$ - |
| \$200,000 | \$ - | | \$ 200,000 |
| \$25,000 | \$ 1,400 | | \$ 23,600 |
| \$250,000 | \$ - | | \$ 250,000 |
| \$462,500 | \$ - | \$ (462,500) | \$ - |
| \$75,000 | \$ 120,000 | | \$ - |
| \$50,000 | \$ - | | \$ 50,000 |
| \$50,000 | \$ 15,000 | | \$ 35,000 |
| \$50,000 | \$ 50,000 | | \$ 50,000 |
| \$3,122,500 | \$ 922,880 | \$ (1,062,500) | \$ 1,468,600 |
| Budget | Realized | Savings not achievable | Remaining Unknown |
| \$900,000 | \$ 300,000 | \$ (450,000) | \$ 150,000 |
| \$125,000 | | | \$ 125,000 |
| \$350,000 | | | \$ 350,000 |
| \$185,000 | | | \$ 185,000 |
| \$500,000 | | | \$ 500,000 |
| \$1,160,000 | \$ 300,000 | \$ (450,000) | \$ 1,310,000 |
| \$552,500 | \$1,892,120 | | \$1,733,520 |

Appendix C - Project Completion Contingency (as per Schedule C - Schedule of Prices)

Allocated Contingency

| Contract line | |
|--|--|
| A. Archaeological \$250,000 | |
| B. Unforeseen Geotechnical and Subsurface Conditions \$600,000 | |
| C. Hazardous Materials \$250,000 | |
| D. Girder Span Depth \$30,000 | |
| E. Structural Steel Overrun (see Article 4.4 of Agreement) \$600,000 | |
| F. Imported Fill \$80,000 | |
| G. Hydro Relocation and Power Supply \$150,000 | |
| H. City Services \$200,000 | |
| I. Environmental Permitting and Processing \$25,000 | |
| J. MultiUse Trail Overpass Bridge (if changed to steel) \$250,000 | |
| K. Additional structural support for Fendering \$462,500 | |
| L. City Quality Assurance for Structural Steel \$75,000 | |
| M. Requirement for additional seabed land \$50,000 | |
| N. Fabrication Shop Drawing - Third Party Detailer \$50,000 | |
| Add: Resolution of China Fabrication QA/QC NCR's; Change order 3 Rev 2 | |

Value Engineering Savings

| | |
|--|--|
| A. Replace Indicative Design with attached configuration including shortening of East end span (see Attachment 1 to this Appendix C) \$900,000 | |
| B. Replace West Pier with extended pile configuration \$125,000 | |
| C. Replace Indicative Design of West Abutment (see Attachment 2 to this Appendix C) \$350,000 | |
| D. Reduction of piles under Bascule Pier \$185,000 | |
| E. Lighting - optimizing lighting design \$500,000 | |

Remaining Contingency

| | |
|--|---------------------|
| Project Contingency | \$383,510.00 |
| Allocated Contingency | |
| Add: | |
| Undefined scope | \$ 7,109.33 |
| Contribution agreement costs | \$ 32,555.07 |
| Less: | \$423,174.40 |
| Legal/procurement | \$ (6,818.02) |
| General conditions | \$ (5,565.00) |
| Utilities - BC Hydro | \$ (120,283.00) |
| Legal survey | \$ (75,000.00) |
| Interim project director | \$ (38,600.00) |
| Legal review of JSB (Clark Wilson for JR Hugget) | \$ (15,143.73) |
| Project Support | \$ (123,939.00) |
| Unused land purchase funding going back to Tax Sale Land reserve | \$ (3,000.00) |
| Project Management Consultant | \$ (15,200.00) |
| Remaining Project Contingency | \$ 19,625.65 |

Appendix D



CONSTRUCTION LEADERS

SHARING YOUR VISION. BUILDING SUCCESS.

August 18, 2014

VIA EMAIL: dkalynchuk@victoria.ca

Mr. Dwayne Kalynchuk, P. Eng
CITY OF VICTORIA
1 Centennial Square
Victoria, BC, V8W 1P6

RE: JOHNSON STREET BRIDGE REPLACEMENT
Revisions to March 17, 2014 Request for Change Order
Our File No.: 2261300 - 2A.2

Dear Sir:

We have received the City's letter dated July 9, 2014 informing PCL that the City is still reviewing our Change Order Request for compensation due to design delays and material growth of March 17, 2014. We wish to inform you that we continue to suffer damages from issues explained in the Change Order Request and our costs have risen significantly since that submission. We will be revising the Change Order request and will be submitting it to the City by the end of this month.

PCL has also expressed concern over impacts stemming from the incomplete mechanical design. The most recent correspondence to the City was May 12, 2014 – Mechanical Design Issues, and May 30, 2014 – Review of Contractor's Request for Alternate Bearings. The issues described in these letters combined with meetings and calls regarding these and additional mechanical issues are critical. Inaction from the Consultant on providing design for these items has further delayed the project and the delays are ongoing. We encourage the City to take appropriate measures to compel the Consultant to complete the design for these mechanical items. We are available at any time to assist in further discussions.

If you have any issues or concerns please contact the undersigned.

Sincerely,

PCL CONSTRUCTORS WESTCOAST INC.

PCL CONSTRUCTORS WESTCOAST INC.

310 – 13911 Wireless Way, Richmond, BC, V6V 3B9
Telephone: (604) 241-5200 ♦ Fax: (604) 241-5301 ♦ Website: www.pcl.com





JOHNSON STREET BRIDGE REPLACEMENT
Revisions to March 17, 2014 Request for Change Order
Page 2 of 2 , August 18, 2014

A handwritten signature in dark ink, appearing to read "Dan R. Leachman".

Dan Leachman
Construction Manager
DIRECT LINE: 250 410-0637

DL/rj

cc: Jonathan Huggett, CoV (*via email: JHuggett@jrhuggettco.com*)
Sean Brock, PCL (*via email: SPBrock@pcl.com*)
Ankur Talwar, PCL (*via email: ARTalwar@pcl.com*)
Mark Donahue, PCL (*via email: MDonahue@pcl.com*)
Tyler VanderLinden, PCL (*via email: TDVanderlinden@pcl.com*)

Appendix E



MMM Group Limited
 1045 Highway 100, Suite 100
 Vancouver, BC V6C 2A9
 T: (604) 685-0381 F: (604) 685-8655
 www.mmmgrouplimited.com

11-Aug-2014

City of Victoria, Engineering and Public Works
 1 Centennial Square
 Victoria, BC V8W 1P6

Dear Mr. Huggett.

**RE: JOHNSON STREET BRIDGE REPLACEMENT PROJECT
 WORKSHOP AND PCL REQUEST FOR ASSISTANCE**

As requested by the City of Victoria, MMM Group (MMM) is pleased to submit this proposal for supplementary services associated with PCL's request for a Field Erection Workshop and the request for additional support from the design team as per their email dated 08-Jul-2014. Note that this letter was delayed due to a late response from PCL – a response to our request for clarifications was received on 29-Jul-2014.

We have focused this letter on the recent items identified by PCL. A request for additional fees to cover both a) additional services provided prior to mid-July and b) expected additional effort to complete this project, in addition to the efforts provided in this letter, is currently being finalized.

1 FIELD ERECTION WORKSHOP

The scope under this task includes the effort for preparation, coordination and participation in a technical workshop with the City and PCL to review, analyze and prepare for the deflections and loading that the bridge structure will be subjected to during erection. The meeting is expected to last two (2) days via web based meeting format and involves a discussion of the Contractor's plan for field erection and installation of the machinery and structural systems of the movable bridge.

The scope includes coordination, administration and participation of four (4) requested H&H staff members and one (1) MMM resource. The associated cost for the supplementary effort under this task is \$57,500. As this will be a web based meeting, no travel time or expense has been included.

2 ADDITIONAL SUPPORT FOR PCL

2.1 Bascule Pier

a Lowering Procedure

The scope of services of this task includes a review of the Contractor's fully engineered plan (signed and sealed by PCL's engineer). We will perform a quality assurance level of review of the design package. Note, as with all other design packages prepared by the Contractor, the



review of any shop drawings associated with this design are the responsibility of the Contractor's Engineer.

The associated cost for the effort under this task is \$12,200.

b Equalizer / Trunnion Base Contract Alternate

During a technical meeting on 26-Jun-2014, the Contractor requested consideration of a change from the concrete trunnion base support, as shown on the IFD drawing, to an alternative that utilizes steel embedded weldments. A number of concepts were discussed and the Contractor presented their initial concept for further discussion.

The concept was further deliberated during a technical meeting on 15-Jul-2014, during which the project team defined the objectives of the Contractor with respect to the change and discussed the potential benefits of the alternate. The group developed a sketch concept and collectively agreed that it could potentially yield value to the project. In order to determine the viability and value of this concept, additional development is required.

The scope of this task includes the advancement of the sketch concept to a more formal design concept, an assessment of the geometric constraints at the base locations and the requirements for the embedded weldment to carry the imposed loads. The concept development scope also includes the preliminary sizing of the embedment and the modifications required to both the trunnion base and the pier to accept the change in design. It also includes the development of a sketch drawing defining the features and scope of the concept for review and discussion of the group.

The intent of the review is to gain concurrence on the viability of the concept and agreement to move forward with this design change from the project team.

The associated cost for the review effort described above is \$20,900.

The advancement of the formal design concept to final completion and development of the Issued for Construction (IFC) drawings for this element would cost an additional \$34,400. This cost is contingent upon successful completion and agreement on the design concept and resolution of any comments received from the Contractor.

c Bump-Out Design

During the technical meeting of 15 July 2014, the Contractor requested consideration of a change from the current cast in place concrete design to an alternative that utilizes precast concrete for the bascule pier bump-out for the motor access. At this meeting, the project team defined the objectives of the Contractor with respect to the change, and the potential benefits of the alternate were discussed. In order to determine the viability and value of this concept, additional development is required.

The scope of this task includes the advancement of the sketch concept to a more formal design concept. The scope includes an assessment of the current pier reinforcement layout and the modifications required to accommodate the change to precast construction for the noted portion. The scope includes the development of a sketch drawing defining the features and scope of the concept for review and discussion of the group. The intent of the review is to gain concurrence on the viability of the concept and agreement to move forward with this design change from the project team.



Upon concurrence on the concept, the scope includes the advancement of the formal design concept to final completion and development of the Issued for Construction (IFC) drawings for this element. This task is contingent upon successful completion and agreement on the design concept and resolution of any comments received from the Contractor.

The associated cost for the supplementary effort under this task is \$15,200.

2.2 Machinery

This item is comprised of four (4) elements, namely:

a Bearings

The scope of services of this task includes a review of the bearing manufacturer's submittal for compliance with industry practice.

The associated cost for the supplementary effort under this task is \$3,000.

b Equalizers

During the technical meeting of 16-Jul-2014, the Contractor requested consideration of the roller support assembly as a post IFD change.

Through discussions, it was agreed that these changes could be accomplished through a workshop with the project team members.

The scope under this task includes the effort for preparation, administration and participation in one technical workshop of two (2) days in a web based meeting format with the project team to discuss the Contractor's alternates. As part of the preparation, we will evaluate the IFD design to determine the critical areas of high load and stress.

The scope includes participation of three (3) key resources from H&H in the workshop for the two (2) day duration plus one (1) resource from MMM. The scope excludes travel time and expenses due to the web based meeting format.

The associated cost for the supplementary effort under the workshop portion of this task is \$21,800.

If PCL's alternate is found to be appropriate, the IFD documents will be modified and re-issued at an additional cost of \$21,800. The scope includes the development of the revised IFD documents and the supporting design computations. This task is contingent upon acceptance of PCL's alternate.

c Installation and Alignment Planning

The scope under this task includes the effort for preparation, administration and participation in one (1) technical workshop to analyze and review how the bridge will be assembled. The meeting is expected to last two (2) days in a web based meeting format with the project team to discuss the Contractor's plan for field erection and installation of the machinery and structural systems of the movable bridge.

The scope excludes travel time and expenses. The four (4) requested staff members from H&H and one (1) resource from MMM will participate in their home offices via a web based meeting.

The associated cost for the supplementary effort under this task is \$25,600.



d China Installation

Through discussions, it was agreed that discussion of the span support segment and rail fabrication and machining requirements and span support segment including grout and rail could be accomplished through a workshop with the project team members.

The scope under this task includes the effort for preparation, administration and participation in one technical workshop of three (3) days in a web based meeting format with the project team to discuss the Contractor's proposed approach.

The scope includes two (2) key resources from H&H and one (1) resource from MMM to participate in the workshop for the three (3) day duration. The scope excludes travel time and expenses due to the web based meeting format.

The associated cost for the supplementary effort under the workshop portion of this task is \$24,200.

2.3 Steel

a Fabrication

The Quality Assurance of fabrication is the responsibility of the Contractor. We are providing Owner Quality Oversight as supplementary services under a separate change order.

Resolution of China fabrication QA/ QC NCR's will be charged on a time and expense basis as agreed with the City.

b Erection

This scope of services includes a review of the Contractor's fully engineered (signed and sealed by PCL's engineer) erection plan and temporary loading computations. We will perform a quality assurance level of review of this work. Our experience to date indicates it will be necessary to expend additional effort to finally obtain an acceptable plan from the Contractor.

The associated cost for the additional effort under this task is \$28,000.

3 ZTSS SHOP DRAWING WORKSHOP (IN NYC)

In recent project meetings, the Contractor has also requested a workshop at the New York offices of H&H to discuss the structural steel Shop Drawings. The scope under this task includes the effort for preparation, administration and participation in one (1) technical workshop of two (2) days with the project team to discuss the Shop Drawings and the further development of details for final submittal and review.

The scope includes participation of three (3) key resources from H&H in the workshop for the two (2) day duration plus one (1) MMM resource. The scope excludes travel time and expenses.

The workshop will follow the format utilized previously in which the Fabricator submits working Shop Drawings for review in advance of the meeting. With these drawings, the Fabricator will submit questions and recommendations for resolution.

The associated cost for the supplementary effort under the workshop portion of this task is \$21,500.



In summary MMM requires a contract change order in the amount of \$286,100 to account for the above noted supplementary services to the design phase. In addition, authorization to proceed on a time and expense basis for the resolution of NCR's has been separately issued. We are suggesting an additional cash allowance of \$15,000 (over and above the \$286,100) to accommodate possible scope evolution as the revised concepts are finalized.

We would be pleased to discuss these items at your convenience and look forward to finalizing the arrangements for the MMM Team to execute these additional services.

Yours very truly,

MMM Group Limited

A handwritten signature in blue ink, appearing to read "D. Samouilhan".

Didier Samouilhan, ASCT
Senior Project Manager

Cc: Dwayne Kalynchuk, P.Eng.
Tim Stanley, P.Eng.
Joost Meyboom, P.Eng.
Thomas Diszhazy, P.Eng.



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Project: 50-12802

20-Aug-2014

Jonathan Huggett, P.Eng.
City of Victoria
Engineering and Public Works
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mr. Huggett.

**RE: JOHNSON STREET BRIDGE REPLACEMENT PROJECT
ESTIMATED SUPPLEMENTARY SERVICES TO COMPLETION**

As requested by the City of Victoria, MMM Group (MMM) has estimated the level of effort that will be required, of MMM and our sub-consultants to complete this project. This proposal outlines the estimated supplementary services associated with the coordination and administration required to deliver this project to completion and includes anticipated costs above and beyond the original Agreement for efforts by all parties including MMM and Hardesty and Hanover (H&H). The supplementary services included in part 1 below articulates the position of H&H with their review and approval.

Services outlined in our letter of 11-Aug-2014, "Workshop and PCL Request for Assistance" and our letter of 18-Aug-2014, "Supplementary Services Ending 11-Jul-2014" have been specifically excluded from this proposal.

1. H+H SUPPLEMENTARY SERVICES

1.1 ANTICIPATED SUPPLEMENTARY CONSTRUCTION SUPPORT PHASE SERVICES

The scope of services for H&H included specific tasks and activities, to be performed by H&H, for both the design phase and the construction support phase of the project. These tasks and

activities were quantified with metrics based on their experience to establish a basis for cost estimation and a definition of the magnitude of effort of H&H's participation in the project.

Throughout the execution of the project, a number of the tasks and activities have been inconsistent with these metrics and the basis of cost estimation. As a result, H&H was required to provide services outside and beyond those specified in the original scope of services. These services were provided for both the design and the construction support service phases.

The following provides the anticipated supplementary scope from 11-Jul-2014 through to Project Completion. The summary provided herein represents an estimate of the supplementary services necessary to complete the project. This estimate is based on the services performed to date (both inclusive and exclusive of the original scope), the original scope of future tasks as well as an assessment of the services necessary to support the project for the remainder of the construction phase based on the performance of the contractor team to date.

The detailed scope of services for each task is included below.

1.1.1 PROJECT COORDINATION AND MEETINGS

H&H will prepare for and attend project coordination meetings as required to execute the scope of services of this agreement.

The scope includes participation in the meetings by the assignment Project Manager supported by key resources as required by the nature of the meeting. Key resources will include the Technical Leads for each of the main elements of work. The scope includes the time necessary to prepare documents or other materials for the meeting, travel time to and from the meeting and participation in the meeting. The minutes of meetings, if any, will be developed and distributed by the other parties.

Travel costs for the meeting attendance, including airfare, accommodations, meals and other miscellaneous travel costs, are included as noted for each meeting type.

The following anticipated meetings are included:

- | | |
|---|-------------|
| • Project Progress Meetings (Monthly) | 23 Meetings |
| • Project Coordination Meetings (2/ month until Field Erection) | 24 Meetings |
| • Technical Meetings-Fabrication (Weekly for duration of Fabrication) | 32 Meetings |

The associated cost for the supplementary effort under this task is \$47,200.

1.1.2 FIELD SUPPORT AND CONSTRUCTION OBSERVATION

Under a separate supplementary agreement, shop observation and additional quality observation services were added to H&H's scope of services. This was documented in a change order entitled "Overseas Quality Assurance" dated 20-Jun-2014 in the amount of \$120,000. The final scope development for this supplement includes an offset of services from this task to account for effort under the (ZTSS) shop observation task.

Based on the agreement established, as captured with Change Order 2 (Owners Overseas Quality Assurance) the scope of this task in the original agreement was reduced to twelve (12) site visits for one staff member of H&H for the duration of the construction period. This task also included one visit, by one H&H staff member, to the fabrication facility for the purposes of observing the Forward Truss Laydown and Assembly. This includes travel time and expenses for one (1) individual for a duration of five (5) working days.

The details above now form the revised scope of this task. Whereas there is no increase in cost for this task under this proposal, it is important to define the scope modification to all parties.

1.1.3 SHOP DRAWING AND SUBMITTAL REVIEW

The scope of services of this task includes the review of shop drawings and other Contractor submittals, including the submittals of vendors and subcontractors, for conformance with the contract documents. The level of effort will continue to suffer from the decision to reject the need to retain a 3rd Party Detailer.

The services of this task include the effort required for the review of the technical merit of the submission as well as administration of the shop drawing process. The administrative aspects include the documentation of the shop drawing submissions and status with respect to the time limitations for review. The administrative aspects require one (1) hour of effort per originally submitted item.

The scope includes review of an additional 120 shop drawings for the bascule span structure. The basis of this estimate included the original scope and an estimate of the remaining drawings identified by the Contractor.

The scope includes review and response to the aforementioned submittals at an average effort of four (4) hours per shop drawing. The scope includes review of the total number of drawings as resubmittals (1st Resubmit) as well as 50% of the drawings as second resubmittals.

Resubmittals are included at an average effort of two (2) hours per shop drawing for the first Resubmit and one-and-a-half (1.5) hours per shop drawing for a second Resubmit. The associated cost for the supplementary effort under this task for shop drawing review is \$159,600.

The scope of this task also includes the effort required to provide a quality assurance level review and provide comments on calculations, reports and other Contractor submittals. The following submittals are included:

- Major Contractor Submittal Packages 30 Packages
- Minor Contractor Submittal Packages 40 Packages
- Quality Oversight Weekly Reports 32 Reports

The scope includes review and response to the aforementioned submittals at an average effort of 15 hours per Major Submittal. Resubmittals of Major Submittal Packages are included at a rate of 50% and an average effort of six (6) hours per submittal. Minor Submittal Packages are included with one cycle of review at an average effort of five (5) hours per submittal. The Quality Oversight Weekly Reports are included at an average effort of one-and-a-half (1.5) hours per report for one cycle.

The associated cost for the supplementary effort for submittal review under this task is \$123,475.

1.1.4 RESPOND TO REQUESTS FOR INFORMATION AND CHANGE (RFI/RFC)

(a) Requests for Information (RFI)

The scope of services under this task includes the review and response to Requests for Information (RFI) submitted by the contractor for elements designed by H&H. The scope includes development of information for the clarification of the Contractor's interpretation of the contract documents. RFI will focus on items requiring clarification or verification to the Contractor in order to execute his scope of work. RFI or other questions requiring supplementary design services are excluded from the scope of services.

The scope includes review and response to seventy-five (75) RFI as described above at an average effort of 2.5 hours per RFI.

(b) Requests for Change or Substitution (RFC)

It is anticipated that the contractor may submit Requests for Change or Substitution (RFC) for elements designed by H&H. The submitted information must be reviewed in order to validate that the change or substitution meets or exceeds the requirements of the Contract.

The scope for this phase includes thirty (30) RFC as described above which will be reviewed and responded to by H&H at an average effort of ten (10) hours per RFC.

The associated cost for the supplementary effort under the tasks noted above ((a) and (b)) is \$86 500.

1.1.5 COMMISSIONING AND TESTING SUPPORT

The scope of services for Commissioning and Testing Support includes field observation of the functional testing of the completed movable span. The scope includes field observation of the Contractor's testing and performance verification procedures.

For estimating purposes, the scope of supplementary services anticipated to support PCL includes the following additional effort to attend pre-testing of the moveable span based on the current performance of the Contractor:

- | | |
|-----------------------------|--|
| • Controls Specialist | One Week of Five (5) Days of Support with Travel |
| • Machinery Specialist | Three (3) Days of Support with Travel |
| • Movable Bridge Specialist | Three (3) Days of Support with Travel |

Travel costs for this task, including airfare, accommodations, meals and other miscellaneous travel costs, are compensated at cost.

The associated cost for the supplementary effort under this task is \$35,800.

2. MMM SUPPLEMENTARY SERVICES

2.1 FENDERING AND DOLPHIN SYSTEM

MMM is currently 25% over budget and the design of the dolphin system north of the bridge remains incomplete. We have significantly exceeded our anticipated level of effort predominantly due to evaluating and producing multiple options to meet the City's budgetary restrictions whilst attempting to meet the needs of the marine users and accommodating PCL's construction requirements. Our additional efforts also included the addition of a marine expert to our team, all of which has been well communicated to the City.

Moving forward the required efforts associated with this task includes additional reviews (options by others) and evaluations, confirmation of the design scope, coordination with our sub consultants, production of the design and reconciliation of the costs for the entire fendering/dolphin system. We estimate the cost to complete this task at \$50,000

2.2 EFFORT TO PROCESS SUBMITTALS

The PCL Team (specifically their subcontractors) continues to struggle to meet North American standards for shop drawing and associated submittals. The MMM Team has provided, and will continue to provide, additional effort to annotate submittals in an attempt to reduce the number of re-submittal cycles currently necessitated by the quality of these documents. Additional review cycles are still expected and this additional effort for MMM to manage and execute the review and mark-up of Shop Drawings and other submittals is estimated to require an additional \$51,000.

2.3 ADDITIONAL SITE PRESENCE

MMM has added staff to the site review team to provide additional MMM resources to address the ongoing lack of performance of The PCL team (specifically their Sub-Trades). This lack of performance leads us to believe that these resources will continue to be needed until project completion. Furthermore, according to our interpretation of PCL's 01-May-2014 Construction Schedule (the most recent available), project completion will be delayed by approximately six (6) months to 30-Sep-2015. We anticipate that one additional site resource will be required for half of the remaining project schedule. Additional staff and site presence for the remaining project schedule including the additional six-month period is expected to cost \$372,000.

2.4 RESPONSE TO ADDITIONAL RFI AND RFC

We continue to experience an excessive number of RFI and RFC due to the inexperience demonstrated by the PCL Team (specifically the PCL subcontractors). MMM anticipates that the current rate of such submissions will continue to project completion. This additional level of effort is considered to be Supplementary Services over and above what is included in the Agreement. We estimated the required additional fees to address this additional level of effort to be \$37,600 excluding additional design effort for PCL or Owner requested changes to completed designs. This estimate does not consider any future alternate product/design proposals (beyond those currently noted by PCL) as these will be considered as Value Engineering and compensated in accordance with the agreements.

2.5 LEVEL OF EFFORT REQUIRED DURING COMMISSIONING

Based on the demonstrated performance of the PCL Team to date, it is anticipated that additional effort from MMM will be required during Commissioning. This additional level of effort over and above what was included in the Agreement is estimated to require \$5,500 in additional fees.

2.6 ADDITIONAL PROJECT MANAGEMENT SERVICES DUE TO SCHEDULE EXTENSION

Based on our interpretation of PCL's 01-May-2014 Construction Schedule (the most recent available), project completion will be delayed by approximately six (6) months to 30-Sep-2015. This will require MMM maintaining management personal assigned to the project for 6 months longer than anticipated in the Agreement. The additional fees associated with this additional effort are estimated to be \$298,300.

2.7 CONTRACTOR CLAIMS

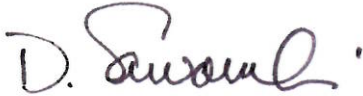
The Construction Contract for this project has created a highly claims-driven environment. Experience to date indicates that extensive advisory services will be required from MMM to assist the City in determining a path to resolution of the claims submitted by PCL. This will require additional effort over and above that which is anticipated in the Agreement. We have estimated that \$50,000 of additional fees will be required to provide these supplementary services to the City. We would recommend that this amount be placed in a cash allowance to provide the required support services to the City.

2.8 URGENT ITEMS

We believe that some items that cannot be foreseen at this time will require urgent action on behalf of the MMM Team (e.g. China QC issues). We suggest a Time and Expense Allowance be established to deal with resolution of crisis situations that need to be dealt with on an urgent basis (e.g. QA/QC issues at steel fabricator). We would recommend that this allowance be in the order of \$250,000.

In summary MMM estimate that additional fees in the amount of \$1,229,375 to account for the supplementary services described in this letter will be required with the exception of Item 2.7 and 2.8 above. Items 2.7 and 2.8 will be Cash Allowances and expended at the request of the City.

Yours very truly,
MMM Group Limited

A handwritten signature in dark ink, appearing to read 'D. Samouilhan', with a stylized flourish at the end.

Didier Samouilhan, ASCT.
Senior Project Manager

Cc: Dwayne Kalynchuk, P.Eng.
Tim Stanley, P.Eng.
Joost Meyboom, P.Eng.
Thomas Diszhazy, P.Eng.



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www.mmgrouplimited.com

Project: 50-12802

20-Aug-2014

Jonathan Huggett, P.Eng.
City of Victoria
Engineering and Public Works
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mr. Huggett

**RE: JOHNSON STREET BRIDGE REPLACEMENT PROJECT
SUPPLEMENTARY SERVICES ending JULY 11, 2014**

As requested by the City of Victoria, MMM Group (MMM) has reviewed our efforts and the efforts of our Subconsultants and submits this claim for costs associated with supplementary services expended up to and including July 11, 2014. This proposal includes services above and beyond the original Agreement for efforts by all parties including MMM and Hardesty & Hanover (H&H). The supplementary services included in part 1 below articulate the position of H&H with their review and approval.

1.0 H+H SUPPLEMENTARY SERVICES

The scope of services for Hardesty & Hanover has included specific tasks and activities to be performed by Hardesty & Hanover for both the design phase as well as the construction support phase of the project. These tasks and activities were quantified with metrics based on their experience to establish a basis for cost estimation and definition of the magnitude of effort for Hardesty & Hanover's participation in the project.

A number of the tasks and activities have not been consistent with these metrics and the basis of cost estimation throughout the execution of the project. As a result, Hardesty & Hanover was required to provide services outside the original scope of services. These services have been provided for both the design and the construction support service phases.



The detailed description and summary of costs for these supplementary services is included below.

1.1 SUPPLEMENTARY MEETINGS – DESIGN AND CONSTRUCTION PHASE

1.1.1 DESIGN COORDINATION AND MEETINGS

The scope for Hardesty & Hanover included preparation for and attendance of project coordination meetings and client meetings. The total number and types of meetings were estimated based on experience for both the design phase and the construction support phase. However, through the design development and construction support process, substantially more coordination meetings via teleconference were required. In general, Hardesty & Hanover participated in weekly progress and coordination between Hardesty & Hanover and other members of the project team and this far exceeded the assumptions of the scope and required supplementary effort on the part of Hardesty & Hanover.

In addition to the excess coordination meetings, Hardesty & Hanover also participated in other supplementary meetings activities, including a partnering session, technical workshops, technical meetings, fabrication/detailing sessions and change/substitution management meetings. These supplementary activities were primarily due to the lack of experience on the PCL team (specifically, PCL's lack of a detailer with suitable experience), changes requested by the Contractor to the design following substantial completion of the design package, and changes caused by PCL's Construction approach revisions.

As summary of the supplementary scope is as follows:

| Meeting Classification | Quantity of Scope | Quantity Executed | Supplemental Amount |
|---------------------------------------|-------------------|-------------------|---------------------|
| Project Coordination Meetings (total) | 23 | 70 | 47 |
| Fabrication and Detailing | 0 | 26 | 26 |
| Partnering Meeting | 0 | 1 | 1 |
| Technical Workshops | 0 | 6 | 6 |
| Miscellaneous Project Meetings | 0 | 5 | 5 |
| Project Site Meetings | 0 | 2 | 2 |
| Technical Meetings | 0 | 8 | 8 |
| Change/Substitution Management | 0 | 1 | 1 |
| Total-Meetings | 23 | 119 | 96 |

A listing of the meetings dates, classifications and brief description of the purpose can be provided upon request.



The associated cost for the supplementary effort under this task is \$186,850.

1.2 CHANGES TO DESIGN

1.2.1 STRUCTURE DESIGN

The scope of services of this task included the layout, analysis and design of the movable bridge structure and submission of drawings to a level of detail consistent with the agreed "Issued for Detailing" (IFD) construction contract approach. As with the other tasks for this phase, the scope included assumptions with regard to the level of detail included in the design drawings as well as the design development process. Subsequent to the initiation of the design, it was determined that PCL desired a higher level of collaboration and design review than assumed in the scope of the services. PCL requested frequent progress submittals and provided design development review comments that Hardesty & Hanover was directed to respond to and address as part of the design phase. The effort to review and respond to the excessive design development review comments resulted in additional effort that was not included in the original scope of services. As part of the collaborative approach, in many instances Hardesty & Hanover amended the design to address late design development review comments provided by PCL. This changed the design direction and resulted in additional effort due to rework and inefficiency created from the change in design direction.

In addition, while the Contractor's proposal included specific optimizations that were accepted by the Owner, the Owner provided a level of design review greater than anticipated for a number of features of the design. One specific example is the toe area of the truss. This area was conceptually represented in the Optimization and the concept of the simplified shapes for the truss members was utilized to develop an initial layout. Based on this layout, the Owner requested changes to the layout to present a visual character deemed more similar to the Indicative Design. In order to achieve this, Hardesty & Hanover developed over ten preliminary layouts for these members and investigated the constructability of these layouts to address the concerns of the Owner as well as PCL. This level of effort in the design development was beyond the assumptions of the scope of services.

Both of the reviews noted above severely impacted the design development process and resulted in rework and supplementary effort on the part of Hardesty & Hanover for the structural design.

In addition to the supplementary scope resultant from external party review, Hardesty & Hanover also provided supplementary services for the design changes of specific elements of the structure.



The following elements required effort beyond that assumed in the scope due to requested changes by others subsequent to substantial completion of the design:

(a) Bascule Pier

- PCL's requested changes to the bascule pier were discussed for implementation in September 2013. As of July 2013, the bascule pier had been significantly designed and detailed by H&H (refer to Bascule Pier Progress Submission dated 5-July-2013). PCL's request for pier changes resulted in rework for H&H of already completed design. Numerous changes were required to the design drawings and design calculations as a result of these PCL requested changes. PCL requested changes include, but were not limited to:
 - Incorporate a precast base element as the pier base (although PCL may have designed the precast element, this resulted in H&H fully re-detailing the substructure pile cap (continuous footing), walls, and columns, including all reinforcing details. Evaluation and design development of the previous base option (bathtub) had already been completed and detailed by H&H at the point of the request for change)
 - Change of mask wall concrete slabs to supported slabs on formwork
 - Change of HPU/electrical room from concrete walls to steel frame, CMU block and panel walls (use of Control House Panels on Electric Room Walls)
 - Change of support of pedestrian viewing platform from concrete framed to formed deck on steel frame
 - Change of concrete bumper block detail to a steel weldment end element
 - Evaluation and development of integrated wall columns (pilasters) vs. independent columns
- The Owners requested change for extension of the pier access walkway under the deck over counterweight for a future connection to the North Side resulted in additional design and detailing effort, including but not limited to, revision to the design drawings.

(b) Bascule Span

- The introduction of a bolted splice was required to facilitate PCL's means and methods for installation. This resulted in rework to the developed design, and additional design and detailing effort to H&H.
- PCL requested the introduction of a bolted connection for the orthotropic deck to the truss structure. H&H was instructed to provide this alternative design detail. Additional effort evaluating the requirements for the connection, performing design calculations and analyzing the effects of this alternate connection on the truss and deck superstructure were performed by H&H. An alternative detail was developed and provided by H&H.



The associated cost for the supplementary effort under this task is \$185,000.

1.2.2 MACHINERY DESIGN

The scope of services of this task included the layout, analysis and design of the movable bridge machinery systems and submission of drawings to a level of detail consistent with the agreed IFD construction contract approach.

Under the heightened collaborative process, PCL offered substantial input on the machinery system design. This input resulted in changes in the design or the design approach that resulted in benefit to PCL. The main areas of change were the span support system and the rack and track support. The span support system was modified from the Optimized Concept to an Alternative System that resulted in fewer components for final field alignment. PCL was issued a Change Order for this system change. Following issuance of this Change Order, PCL indicated a desired change to the approach to the mechanical fabrication and installation. As a result, Hardesty & Hanover performed supplementary effort in the initial design and justification of this alternative.

The rack and track support was later modified as part of the Span Support System change order. PCL has proposed an alternative support connection. Hardesty & Hanover was directed to proceed with this supplementary design as part of a design Change Order and this supplementary scope is excluded from this request.

The associated cost for the supplementary effort under this task is \$9,000.

1.3 SUPPLEMENTARY CONSTRUCTION SUPPORT THROUGH 11 JULY 2014

1.3.1 SHOP DRAWING AND SUBMITTAL REVIEW

To date, due to the lack of expertise on the PCL team (specifically PCL Subcontractors), the number of reviews as well as the level of effort for each of the reviews was not consistent with the assumptions of the scope of services. Hardesty & Hanover has expended substantially more effort in the review and discussion of the shop drawings than what was assumed in the scope of services based on experience. The poor quality of submitted shop drawings, the submittal of shop drawings inconsistent with project requirements, and lack of experience, particularly to the detailing required for this structure, have directly resulted in the supplementary effort required of Hardesty & Hanover.

It is important to note a 3rd Party detailer was strongly recommended to assist PCL but this was rejected. The effect of this decision reaches well beyond this task.



The shop drawing review effort of Hardesty & Hanover was primarily focused on the initial submittals of the truss, camber and the ring shop drawings. These drawings were not consistent with the project requirements and this deficiency in the submittal resulted in substantially more effort in the review as well as additional review cycles. The scope included effort for an initial submittal and a reduced effort for the review of a second cycle of the same drawing package (i.e. resubmittal review). For the truss, Hardesty & Hanover performed a more effort intensive review than anticipated in the scope for two full cycles as well as a third cycle at the anticipated reduced effort. Thus, these drawings were reviewed 2.5 cycles compared to the 1.5 included in the scope. Similarly for the ring shop drawings, the effort for each review cycle was much higher than anticipated in the scope due to the shop drawings not meeting the project requirements. In addition, the ring drawings received two full effort reviews (2.0 cycles) compared to the 1.5 cycles anticipated in the scope of services.

Hardesty & Hanover has also reviewed a substantial number of Contractor/Fabricator submittals (exclusive of shop drawings) than what was assumed in the scope of services. The scope of services included a list of specific Contractor construction engineering packages that were to be reviewed by Hardesty & Hanover. To date, Hardesty & Hanover has reviewed significantly more submittals and documents ranging from field or shop testing reports to quality assurance and oversight plans. This additional effort has been driven directly by the performance of the PCL team. A listing of the submittals reviewed through July 11, 2014 can be provided upon request. As a basis for cost development and based on the content of these submittals, Hardesty & Hanover has defined two levels (Major and Minor) of effort associated with these submittals. For Major submittals, such as the Fabricator's Inspection and Testing Plan review, Hardesty & Hanover has typically performed two major cycles of review with a high level of effort. For minor submittals, the review is less intensive and typically only performed for one cycle.

In addition to these Contractor submittals, Hardesty & Hanover has expended effort in the review of reports from PCL's Quality Oversight consultant. These documents and this role were not explicitly anticipated by the scope of services and Hardesty & Hanover has expended supplementary effort in the review of these documents. To be clear H&H assumed to review a sample of the Quality documents to obtain confidence in the PCL QA/QC program. Due to the performance to date of the PCL team there has been significantly more effort expended in the review of the submittals from the PCL team.



The following is a summary of the supplementary submittals reviewed:

| Submittal Classification | Quantity Executed |
|---------------------------------|-------------------|
| Major Submittal-Initial Review | 42 |
| Major Submittal-Resubmit Review | 19 |
| Minor Submittal-One Review | 19 |
| QO Weekly Reports | 17 |
| Total-Reviews | 97 |

The associated cost for the supplementary effort under this task is \$205,100.

1.3.2 RESPOND TO REQUESTS FOR INFORMATION AND CHANGE (RFIs/RFCs)

For this task, Respond to Requests for Information and Change (RFIs/RFCs), the scope included fifty (50) Requests for Information (RFIs) and zero (0) Requests for Change (RFC). As discussed previously, PCL is submitting all requests through the RFI process. In order to more closely classify these requests Hardesty & Hanover is tracking the submitted RFIs in the following categories:

- Request for Information-Request for additional information, clarification on interpretation of the contract documents, changes for convenience of the Contractor without material change of the scope or a Contractor preference of detail prior to submitting shop drawings.
- Request for Change-A request from the Contractor to change or substitute the materials specified on the available contract documents for the convenience or benefit of the Contractor. Substitutions need to be evaluated for equivalency to the design requirements OR a request from the Contractor to change, substitute or deviate from elements or features of the design for the convenience or benefit of the Contractor. A Design Change or Variance is typically submitted at a conceptual level and needs to be evaluated for equivalency to the design requirements.

As of the date of this letter, Hardesty & Hanover has received and reviewed the following:

| Category | Quantity per Scope | Quantity Executed | Supplemental Amount |
|-------------------------|--------------------|-------------------|---------------------|
| Request for Information | 50 | 92 | 42 |
| Request for Change | 0 | 38 | 38 |
| Total | 50 | 130 | 80 |



The average estimated effort for Typical RFI's was defined in the original scope and agreement. The effort for RFCs is typically more effort intensive than RFIs due to the nature of the review and need to assess the change for consistency with the design requirements.

The associated cost for the supplementary effort under this task is \$87,750.

2.0 MMM SUPPLEMENTARY SERVICES

2.1 HARBOUR ROAD REDESIGN

MMM coordinated with the City during the development of the Civil Design IFC by means of providing progress design submissions (60%, 90% & 95%), email correspondence and meetings to address comments provided by the City of Victoria (the City).

MMM advised the City, by means of email to Brad Dellebuur on 07-May-2012 specifically drawing the City's attention to the proposed grade changes on Harbour Road. Comments from the City suggesting otherwise were never received. MMM issued the IFC civil design in February 2014.

A few weeks later the City provided information, associated with a capital works program, showing that they recently installed a watermain on Harbour Road that would require a redesign of the MMM profiles on Harbour Road. At this time PCL was preparing to commence the work and MMM was instructed by the City to redesign Harbour Road to avoid impact to the newly installed watermain.

MMM notified the City that this was considered additional services to our Agreement. MMM issued the revised design at the end of May 2014 requiring fifteen (15) days of effort at an additional cost of \$23,500.

2.2 EAST ABUTMENT VALUE ENGINEERING (VE)

MMM design scope was to implement, where possible, the optimizations noted in the PCL proposal and captured in Appendix G. During the design development process PCL and the City requested that MMM revisit the east approaches with intent to create VE options. In consultation with our Geotechnical Engineer, MMM produced four VE options that underwent various stages of constructability and commercial reviews with the stakeholders. The City and PCL then decided to proceed with the addition of an aerial span - a Change Order to the construction contract was approved.

MMM notified the City that this effort was considered additional to our Agreement. The cost to evaluate and produce options, including consultation with our Geotechnical Engineer, produce the IFC design less the credit for completion of the indicative design is \$84,250.



2.3 JANION PLAZA REDESIGN

The MMM design services Agreement specifically excludes design associated with adjacent developments and this was communicated to the City. Subsequently MMM was instructed by the City in September 2013 to redesign the Janion plaza grades to achieve a constant elevation of 10m at the Property line with the plaza. MMM produced two options to meet this requirement to the City on 08-Oct-2013. MMM followed up with City for direction several times as we were finally instructed to capture this information as part of our IFC design. MMM received response from the City on 04-Feb-2014 and issued our civil IFC's a few days later.

The cost to review and produce two options for City consideration and then revise current design to capture the favored option is \$15,000.

We have since received a request from PCL to revise our design again to capture the Janion construction timelines. The work at the property interface will require staging. The additional costs for this ongoing effort will be addressed in a subsequent request for additional fees to complete the project.

2.4 THIRD-PARTY UTILITY DESIGN

Design for third-party utility relocations are excluded from the MMM design services agreement. MMM communicated this to the City and subsequently the City instructed MMM to produce profiles and alignments to BC Hydro for the relocation of their mainline power supply in order to remove BCH encumbrances to the adjacent Northern Junk development. This task included attending meetings with BCH, review of existing utilities to ascertain preferred routing options and production of multiple profiles and sections for use by BCH. The additional effort by MMM for this activity equated to \$8,500 in additional fees.

2.5 SELECTIVE DEMOLITION ON EXISTING BRIDGE

Demolition is excluded from the MMM services Agreement and the City was made aware of this fact. Subsequently the City instructed MMM to retain Stantec to review and provide approval to conduct selective demolition to certain elements of the existing bridge as required to construct the new bridge. MMM performed this service under duress. Subsequently the City elected to pay Stantec directly for this service. MMM was forced to expend significant effort during this process representing \$11,500 in additional fees.



2.6 ARCHITECT

MMM highlighted to the City during the procurement process that we no longer had an Architect on our team and all party's agreed to establish contingency monies for this service. When it came to retaining an Architect for the control room and review of various code elements, the City stated that this would be at MMM cost. Months of discussion ensued on this matter and the City finally agreed to pay 50% of the fees. MMM agreed to this under duress. In our opinion the remaining 50% of the architectural fees (totaling an additional \$25,000) are explicitly excluded from our Agreement and MMM requests that our fee be adjusted accordingly.

2.7 EXTRA MANAGEMENT EFFORT OF SUPPLEMENTARY SERVICES

H&H has clearly defined the supplementary services that they have provided to date and MMM has expended significant effort in support of the activities of H&H and in managing their services. It is difficult to accurately quantify the additional MMM effort and thus we have chosen not to pursue this additional effort at this time.

In summary MMM requires an Agreement Change Order in the amount of \$841,450.00 to account for the above noted supplementary services.

Yours very truly,
MMM Group Limited

A handwritten signature in black ink, appearing to read "D. Samouilhan".

Didier Samouilhan, ASCT
 Senior Project Manager

Cc: Dwayne Kalynchuk, P.Eng.
 Tim Stanley, P.Eng.
 Joost Meyboom, P.Eng.
 Thomas Diszhazy, P.Eng.

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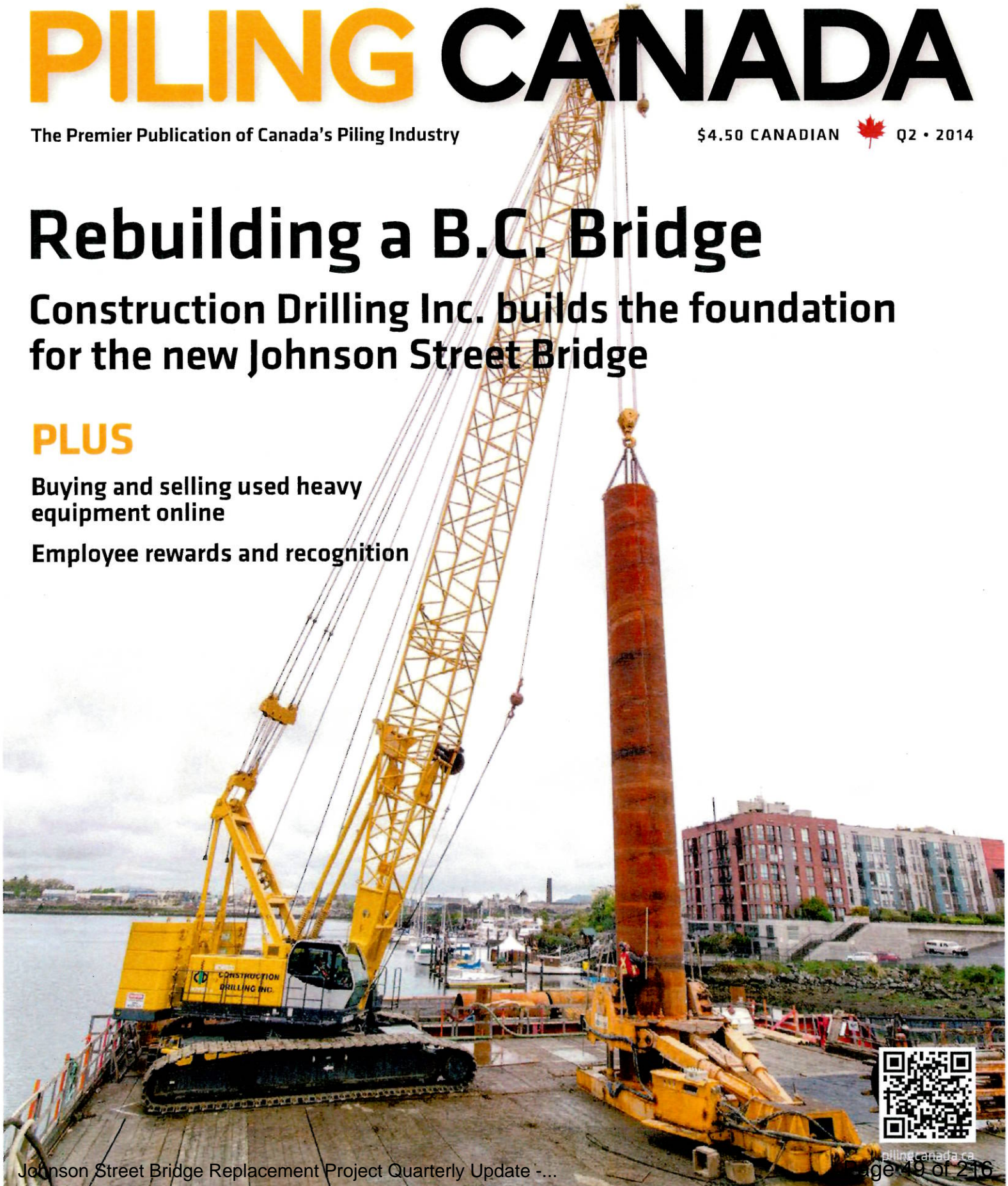
Rebuilding a B.C. Bridge

Construction Drilling Inc. builds the foundation for the new Johnson Street Bridge

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Strachan Avenue Underpass, Toronto
- two kilometres of excavation shoring consisting of a permanent secant wall, soldier piles and lagging
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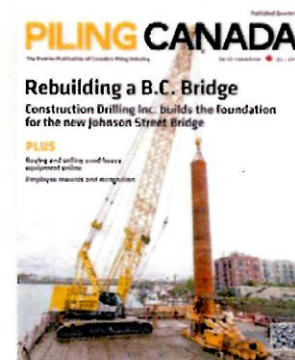
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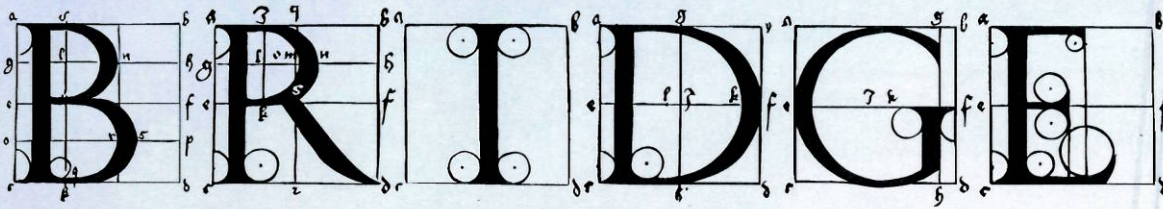
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Rebuilding a B.C. Bridge
Construction Drilling Inc. builds the foundation for the new Johnson Street Bridge in Victoria, B.C.



ON THE COVER

The Johnson Street Bridge in Victoria, B.C. has been an iconic structure in the city, but it's time to replace the bridge with a sleeker, more seismic-ready and streamlined bascule bridge. Construction of the replacement bridge began in May 2013, with Construction Drilling Inc. responsible for the foundation work of the new structure. Read the project spotlight, starting on page 36.

REBUILDING A B.C.



Construction Drilling Inc. builds the foundation for the new Johnson Street Bridge in Victoria, B.C.

By Jim Chliboyko



COVER FEATURE

If you've been to Victoria, you probably know whether or not you've been over the Johnson Street Bridge.

The name itself may not stand out, and it's not as impressive as Vancouver's soaring Lions Gate Bridge. But the Johnson Street Bridge has its own unique charm and a rather steampunk silhouette (as well as a moderately well-used hashtag on Instagram). It is a 90-year-old, light blue, steel, road and rail and pedestrian bascule bridge that connects downtown Victoria with the area towards Victoria West (Esquimalt, View Royal, Saanich and points west). The current bridge is being replaced by a sleeker, more seismic-ready and streamlined bascule bridge, but online commenters have already taken to express how much they'll miss the old span when it's gone.

After several years of talking about the replacement bridge, the project itself actually got underway in May 2013. The project's website says the replacement is "the largest infrastructure project undertaken by the City of Victoria."

Elsewhere, the site states, "The new bridge will be the largest single-leaf bascule bridge in Canada – and one of the largest in the world – creating a new iconic structure and destination within Victoria's Inner Harbour."

The city estimates there are 30,000 crossings on the bridge every day, with 4,000 pedestrians and 3,000 cyclists also using the span. The main reason for the replacement is to meet the needs of a growing population by improving accessibility for pedestrians and cyclists. Also factoring in? Corrosion and obsolescence. Being a West Coast city, there are also

Lifting the pipe onto the rail trestle



COVER FEATURE



Gary Henshaw, Co-Founder, Construction Drilling Inc.

aforementioned seismic adjustments needed. The value of the project is estimated to be just under \$93 million, some of which is being provided by the Building Canada Fund and some from the Gas Tax Fund, amongst other sources.

The local B.C. firm of Construction Drilling Inc. (CDI), from the town of Duncan, further up the island, was chosen to do the foundation work for the new bridge, which includes the piling for the work trestle from which they were working and then the bridge itself – the drilling of 16 six-foot diameter shafts and the construction of the bridge's piers. CDI is amongst one of the many island subcontractors working on the job, the main contractor being PCL Constructors Westcoast. CDI has been onsite since mid-summer 2013, and will be there until the job is almost complete.

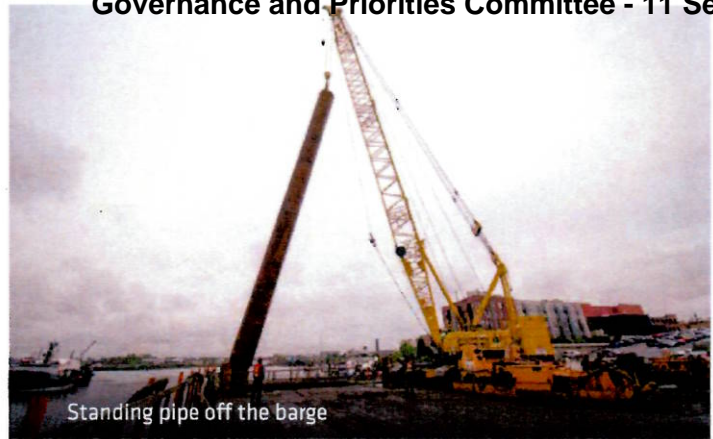
CDI itself was started in 2005 by Gary Henshaw (formerly of Pacific Pile Driving) and Robin Pedersen, and currently has about 50 employees. The company isn't just confined to projects that take place on the island; they do work all over the west and down into California.

As with every job, there have been challenges with the Johnson Street Bridge project. If you check out the site on Google Maps, you get a sense of the crowded conditions of the project; the site is an active harbour channel and a federal waterway. Then there's the deep and immediate slope of the drilling site and the combination of soft overburden and hard rock underneath.

CONTINUED ON PAGE 40



Disconnecting standing hinge



Standing pile off the barge



The crew working on the Johnson Street Bridge project

"One of the things with this project in particular [is that] Victoria has some of the hardest granite," said CDI's Kelly Smith. "It's anywhere from 45,000 to 50,000 psi. We've run into similar conditions in Ontario and Nova Scotia. That's [also] what makes this project unique. In particular, with the rock profile, it's very undulating. There's very steep slopes, vertical cliffs, (angles) from 30 to 45 degrees." Not to put too fine a point on it, those slopes can occur within a single six-foot drilling site.

Smith said that "the other challenges would be working off a work trestle ... Access is a challenge, one of the biggest. The existing bridge is still operational. They had enough room to build the bridge just to the north."

Because of the site's lack of elbowroom and other particulars of the job (dealing with the size of the casings, for instance), the team couldn't just "wing it." They came up with solutions, like setting up an automatic welding station onsite and using the old, decommissioned E&N rail lines for carrying the materials.

"The main span of the rail was removed prior to us beginning construction. PCL decked the approach trestle with 12 by 12 crane mats for use as a work platform," said Smith. "The work trestle is so confined. Every shaft location had to have an intricately drawn-out work plan. When there wasn't enough room, we brought along a barge."

One thing to come out of this project for CDI was the solution to one particular problem.

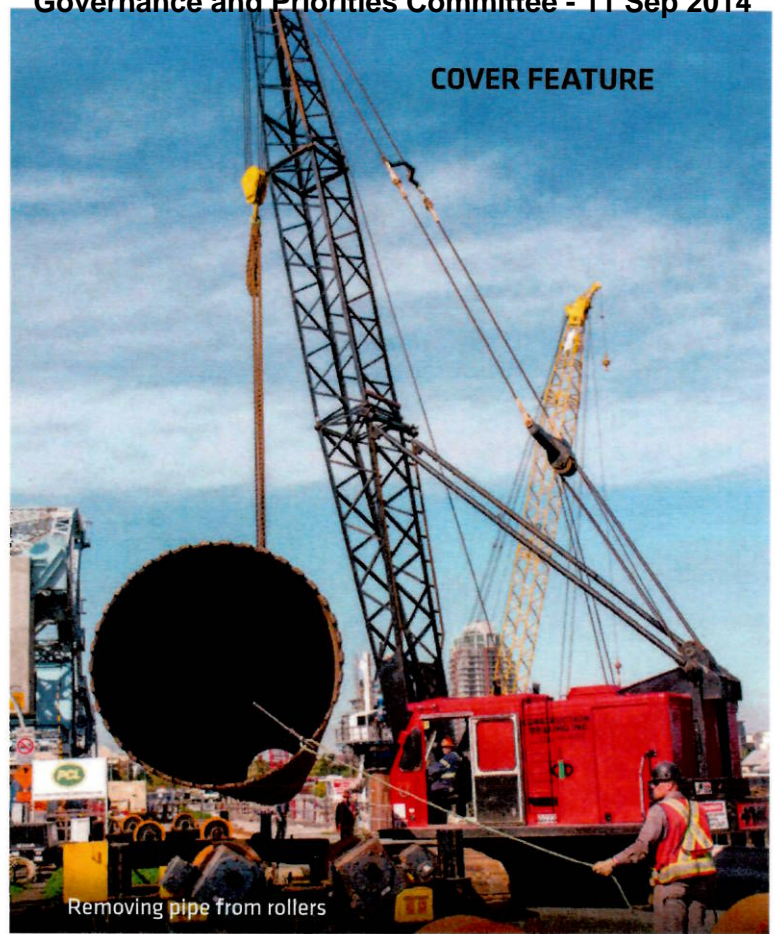
"We developed a system for making that transition from overburden to rock – for making that work using



Launching the pile onto the rail trestle



Rigging the pipe to stand



COVER FEATURE

Removing pipe from rollers



**“We had to meet
a schedule; it’s a
working channel.”**

– Kelly Smith, Construction Drilling Inc.

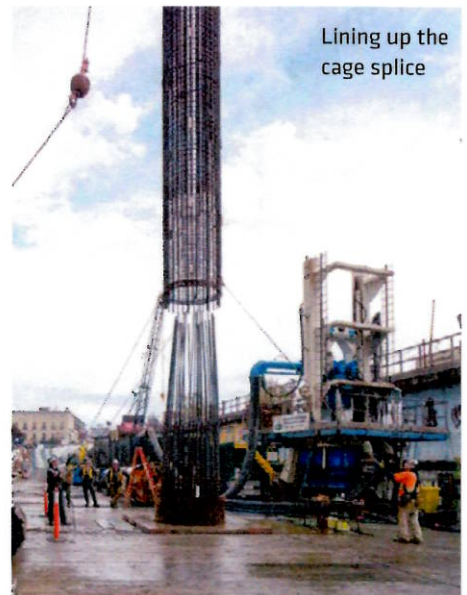
COVER FEATURE



Unloading the top cage



Lining up the cage splice



both hardware and technique, purpose-built tooling for this project," said Pedersen.

Smith says what they came up with allowed them to install casing within tight vertical tolerances into extremely hard sloped bedrock.

"It solves the problem of not being able to install the casings within specification, eliminating risk and allows us to do it within a fraction of the time it would take using conventional methods," he said.

Like that old washing detergent commercial, though, the proprietary method CDI has developed is similar to "an

ancient Chinese secret"; the team is unwilling to say exactly what they've come up with.

By way of explanation, Smith later wrote, "CDI had to develop a technique to consistently seat 33m x 1.8m x 25mm caissons within the tolerance of 15mm per metre into sloped (up to 45 degrees), hard bedrock (50,000 psi). We successfully installed all of the shafts on the project within the specified tolerance. An added challenge to seating the casings on this project was, due to the sloping nature of the bedrock, the casings had to be embedded two metres into rock to achieve a seal and make it possible to advance a rock socket through the bottom of the casing."

CONTINUED ON PAGE 44

COVER FEATURE



Prepping the spherical grab



Starting to dig the overburden

Another one of the challenges was the size of the casings, because of their length (110 feet), weight (84,000 pounds) and the setting of the project itself.

“Once the casing was vertical, as per the lift plans, everything was so large and heavy, it had to be approved,” said Smith. “We would then advance the casing, which was so heavy that it would sink nine metres down on their own weight. We would launch the pipes out, pick them up, swing them around to the work trestle, then stand the casings up. When we swing them around, we would swing them into the harbour, watching out for boats, kayaks and small ships.

“We had to meet a schedule; it’s a working channel. The area that we have to work in is quite confined. There’s limited

windows when we can actually block the harbour and go in... an hour at a time.”

According to Smith, the job went like this: The casing would be erected on the material barge with the crane and was placed into the oscillator. With the oscillator, the casing was advanced until it hit the bedrock and then installed up to two metres into the bedrock, as mentioned. The BHA and cutter head (with the Wirth unit attached), using a reverse circulation drill system, drilled the rock socket.

The water for the reverse circulation drill system was delivered at 3,000 lph, and flushed the inside of the shaft; water was left in the shaft for stability and to maintain positive head pressure. The shaft is then cleaned and flushed at

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COVER FEATURE



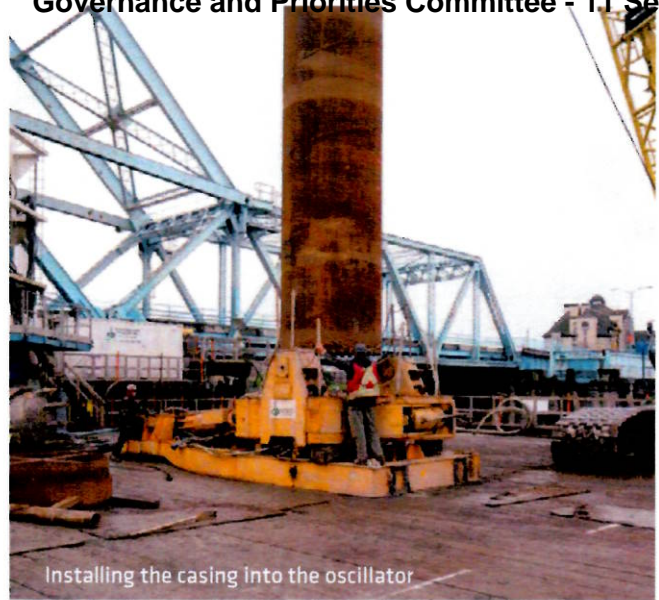
Installing bottom hole assembly (BHA)

least four times. Video inspection is then done, making sure the standards are upheld, and then CDI is presented with a 48-hour window to install the rebar and pour the concrete.

For the next step, said Smith, “The rebar cage arrives in two pieces and is spliced over the hole. The first section hung into the hole while the second is stood hung and placed over the first section. Once the cage is spliced, it is lowered seven metres below the working elevation of the work trestle. It is aligned and hung in place in preparation for the concrete pour. CDI designed a special hanging bracket for the rebar cage to ensure all of the project specifications were met – elevation alignment and uplift.”

According to Smith, the shafts were filled via the Tremie method, with the water being displaced by the poured concrete gathered for treatment and disposal later.

“Because the concrete pour elevation is below sea level, it was imperative to keep a positive head pressure throughout the entire pour,” added Smith.



Installing the casing into the oscillator



Installing the casing

There were other considerations on the project. Being on the site of an active federal waterway and a historical area of heavy industry meant that there were specific ways to handle the overburden. According to the project website, “Contaminated soil does exist around the bridge. The city has been working with an environmental monitor to ensure the environment and marine life remain protected throughout construction. Any contaminated soil will be dealt with in accordance with regulations.”

The projected date of completion is March 2016. The city estimates that by the end of 2015, the new bridge will be open to the public, while the final touches around the site are finished.

And CDI can say that they contributed to the new Johnson Street Bridge, one that will hopefully become as iconic as the old one.

For more information on the bridge replacement project, please visit www.johnsonstreetbridge.com. 📄

Article

New bridge takes shape over Victoria harbour

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BY SHANNON MONEO - A downtown Victoria construction project looms large in a couple of ways.



Photo: Shannon Moneo

The new Johnson Street Bridge, to replace the existing 1924 bridge, will be one of Canada's largest single-leaf bascule bridges.

The three-year project, which started in spring 2013, is the City of Victoria's largest infrastructure project to date with a total price tag of \$92.8 million.

Of that, \$63.2 million goes to PCL Constructors Westcoast, which bested two other competitors to build the bridge that will span Victoria's Inner Harbour.

"It's a very unique project, building a lifting bridge," said Dwayne Kalynchuk, the City of Victoria's director of engineering and public works.

While the new three-lane bridge with bike lanes and pedestrian walkways is being built, the existing bridge, immediately to the south, will remain open.

PCL's construction manager for the project said fine-tuned logistics are crucial.

Building around an active waterway, near a bridge, which lifts three to four times a day and has 30,000 vehicle, pedestrian and cyclist crossings daily, takes a lot of organizing said Dan Leachman.

"Working over water is challenging and working near a moving bridge is even more challenging," said Leachman, who came from PCL's Seattle office to work on the project, the first time PCL has had its Canada-U.S. staff work jointly on a project.

"It's like two different jobsites," said the veteran of 15 major bridge projects.

From May to October 2013, crews began site-clearing, soil-grading and built work areas.

A further complication, Leachman said, has been moving excavated soil, including contaminated material.

A stockpile sits at the site.

But, work has been progressing well, Kalynchuk said.

All 16 steel-cased drilled shafts for the bascule pier – the housing to support the mechanical and electrical system which supports and allows movement of the bascule leaf – have been installed.

Instead of using the typical cofferdam, PCL is building part of the shell above the water line.

The box will be lowered about five metres, concrete will be poured to seal it and water will be pumped out before the base mat and walls are poured, Leachman said.

In July, there were questions whether the existing bridge should be closed to speed construction, but closing the Blue Bridge would have a negligible effect on the pace of construction, Leachman said.

Work has taken place on a Monday to Friday, 7 a.m. to 4:30 p.m. schedule and Leachman didn't see the need to extend those hours.

To reduce capital and maintenance costs and accelerate construction, PCL suggested engineering modifications, which were adopted.

They included reducing the size of the bascule pier, simplified geometry for the rest pier, simplified truss sections, concrete approach spans rather than steel and the use of a hydraulic mechanical system.

Progress has been timed to coincide with the arrival of the bascule components being built by ZTSS Bridge near Shanghai, China, at a cost of roughly \$11 million.

The two large wheels and large truss – the bascule leaf – are due to arrive in July 2015, Kalynchuk said.

Following that, traffic will grind to a halt on the old bridge for two, five-day periods, Leachman said.

The first five-day closure will be to install the large wheel assemblies.

To do that, the massive Arctic Tuk crane barge, which fills the whole channel near the bridge, will put its Manitowoc 4600 Ringer crane to work.

As Leachman explained, two big rings and the counterweight box sit inside the bascule pier supported by four equalizer wheel assemblies.

The truss and roadway deck that span the waterway are connected to the large rings and are counterbalanced by lead weight on the shore-side of the rings.

The balanced condition of the bridge makes the mechanical effort to lift the bridge small, as the rings rotate on the equalizer supports.

The second five-day closure will happen not long after to install the truss span.

Following that, an intense testing of the bridge's components will occur.

It's not known how long the piece-by-piece commissioning plan could take.

"There are cycles we have to run through. It could take months. It depends how much trouble-shooting we have to do," Leachman said.

The city forecast the bridge opening in fall 2015.

PCL is also responsible for realigning road approaches at both ends of the bridge, building a retaining wall, creating new public areas and walkways and decommissioning the old bridge, which will involve removal of the superstructure for recycling.

That should be finished by early 2016.

Earlier this year, PCL asked the city for an additional \$7.9 million in funding above the fixed contract figure of \$63.2 million, as well as an extra 5.5 months to complete the project.

The need for more money and time were reportedly due to a delay in receiving design plans.

While Victoria Mayor Dean Fortin has said he expects the project to be on-time and on-budget, Leachman said that "sensitive negotiations" are taking place.

He also said that PCL is, "dedicated to delivering the job irregardless of what happens."

Once all the bridge bugs are eliminated, the new light grey structure will be drenched in blue LED lights come nightfall, a nod to its Blue Bridge predecessor.

A sizeable contingent of southern Vancouver Island sub-contractors and suppliers are working on the project.

Photo



The Blue Bridge, built in 1924 and spanning Victoria, B.C.'s Inner Harbour, is being replaced. PCL Westcoast Constructors Inc. is the prime contractor on the project.

Photo: Shannon Moneo



The new bridge over Victoria's Inner Harbour could be open by fall 2015.

Photo: Shannon Moneo

by label: Shannon Moneo Aug 19, 2014

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Appendix H

Briefing Notes on Seismic Design and Mechanical and Electrical Systems

Seismic Design

The American Association of State Highway and Transportation Officials (AASHTO) is a standards setting body which publishes specifications, test protocols, and guidelines which are used in highway design and construction throughout the United States and Canada. The Johnson Street Bridge is a lifeline structure. As such, the Johnson Street Bridge seismic design is considered a Critical Bridge in accordance with the latest AASHTO design standards. In accordance with the AASHTO LRFD Movable Highway Bridge Design Specifications, critical bridges need to be designed and detailed to reduce or minimize inelastic deformations during the design earthquake. The design has been based on this approach.

The bridge has two span support systems, which are rollers with bogies. The roller system confines the bridge in the longitudinal direction; it's like a ball rolling up and out of a nest, so during an earthquake the bridge is very stable in the longitudinal direction. The bridge is also designed to transfer all loads down into the pier and then into the piles.

The main issue is laterally – sliding off – in a transverse direction. To prevent that in an earthquake the designers have incorporated a lateral guide at the opening end, which is a male/female socket latch on the rest pier. At the other end at the back of the counterweight is a similar device. Each socket allows for up to 6mm transverse movement during an earthquake. In addition, the wheels are all flanged to the rails (just like a normal rail car), so as the bridge moves sideways the flange catches it. That could occur both because of wind and also an earthquake.

Helping the whole stability is the friction caused by the weight of bridge, so in an earthquake it first tries to move sideways but friction resists the movement. Once friction is overcome, then it slides and it can only move a maximum of 6mm on guides. Once that is complete, the wheel flanges come into contact and spread more load.

The designer has also calculated the forces at base to ensure that all these horizontal forces do not translate to uplift, and the calculations show it will not lift up and overturn. In an extreme event there will be some damage to wheels, but while it may not be advisable to open the bridge until repairs are done, it will be available for emergency services to cross in the closed position.

Given the time that the bridge is open, and the likelihood of an earthquake, it is extremely unlikely that there will be an earthquake with the bridge fully open. Fully open loads are half for the up position. In some ways this is easier to deal with because the counterweight is lower in the open position. There will still be some damage to the rollers in the extreme event, but not sufficient to stop the City closing it. The bridge will also not fall from the raised position.

To summarize, the City should have confidence that the new Johnson Street Bridge has been designed to the highest seismic standards. The City is also not aware of any delays caused to the project specifically related to incorporating adequate seismic design considerations.

Mechanical and Electrical Systems

The mechanical and electrical systems responsible for the opening and closing of the new Johnson Street Bridge are located primarily below Highest High Water Level (HHWL). Highest High Water Levels are determined based on historical data and an assessment of probability.

The design of the mechanical and electrical systems utilized AASHTO Specifications for the Design of Movable Bridges. In the engineering world it is not uncommon for machinery and electrical systems to be installed below the HHWL. Examples include other movable bridges, hydroelectric and lock and dam systems, where this is common place.

A specific example related to a movable bridge is the recently completed Pont Bacalan-Bastide, which is a new vertical lift bridge over the Garonne River in Bordeaux, France. The bridge operating machinery is housed within the concrete plinths that join each pair of pylons (Rive Gauche and Rive Droite). This location was beneficial in a number of ways. First, the plinth provided ample room for the machinery and access for maintenance. Second, the location permitted the majority of machinery maintenance to be performed at the base of the bridge rather than the tops of the pylons. Due to the potential for water infiltration into the plinth (the machinery level is located below high water) a sump pump system was included in the design. The controlling case used for the sizing of the sumps was a combination of extreme events and thus ensured the pump would protect the machinery under the most demanding conditions.

The equipment and manufacturers used for the Johnson Street Bridge are the leaders not only in the movable bridge industry but also hydroelectric and lock and dam systems. The JSB movable bridge mechanical and electrical equipment is designed to be highly water resistant, but cannot be submerged. For example, the NEMA 4X rating of the cabinets specified can resist fire hose pressure water. Movable bridges often have machinery that is exposed to harsh marine environments in hurricane prone areas of the world (i.e. little or no protection from the open elements), and this equipment is designed and rated the same. It should also be noted that the most common application of the hydraulic motors which drive the bridge is the ship industry; they are made to work in harsh marine environments.

The bridge foundation has been designed to minimize the potential of water intrusion. The concrete has water proofing admixtures, there is a sump pump for any water accumulation, and there is approximately 1.5m freeboard above the HHWL (which only happens two times per year).

Johnson Street Bridge Replacement Project

Governance & Priorities Committee Meeting
September 11, 2014

Progress Update

In July 2014 eight recommendations for improvements to deliver the project were made:

- 1) That the City appoints and delegates authority to one individual as Project Director
- 2) Issues arising on the project are to be dealt with in a timely manner through constructive dialogue and teamwork.

Review Recommendations

- 3) The roles and responsibilities of MMM Group and their performance needs to be reviewed
- 4) Revise the risk monitoring process to focus on a smaller number of risks specific to the project
- 5) The City work with MMM Group and PCL on an appropriate owner's quality assurance plan

Review Recommendations

- 6) Formalize a project schedule in an agreement involving PCL, MMM, and the City, and include the schedule in both contracts
- 7) Undertake a thorough and realistic assessment of potential costs and work with partners to develop strategies to contain costs
- 8) Put in place the recommended Project Governance Strategy outlined in the review

Progress Update

- Since then, the project management approach has changed with the appointment of an interim project director
- a quality assurance program has been implemented
- decisions are being expedited to allow work to proceed in a timely manner
- risks are proactively identified and mitigated

Schedule

- The latest schedule update from PCL continues to show the bridge opening to traffic in January 2016
- The City continues to work with PCL and MMM to define the present contract schedule

Financial Update

- PCL has invoiced \$14.2 million representing 24% of the total contract amount. This includes \$1.74 million for pre-payment of structural steel
- MMM has invoiced \$7.4 million of the \$9.4 million budget for design, administration, and project management
- To date, \$922,880 has been allocated from the construction contingency with \$1.9 million remaining.

Steel Fabrication

- Quality inspections are underway in China to ensure bridge is built to high standards of design
- A recent inspection found some aspects were not fabricated in accordance with design
- Upon discovery of the error work was immediately halted
- PCL, MMM, and the City are working together to resolve the issue

Change Order Request

- City staff have retained an independent engineer to evaluate PCL's change order request
- An opinion to Council is expected in the fall
- PCL has advised they expect to submit an updated change order in the near future related to losses from the delay

Change Order Request

- MMM Group is requesting addition funds for cost overruns and additional services for project completion
- Staff are evaluating the request and will advise Council of their interpretation

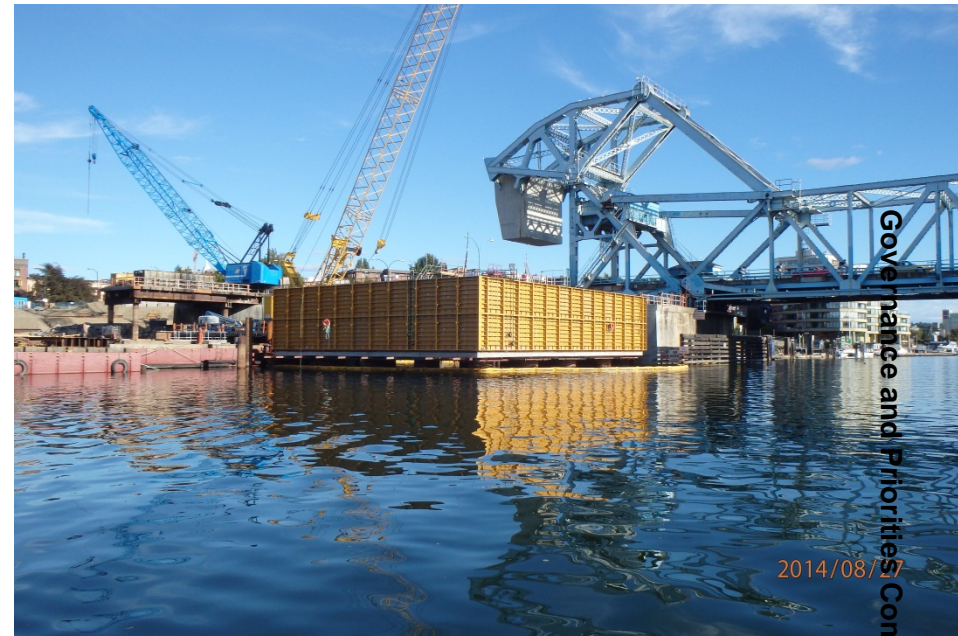
Construction Update



Construction Update

- Work is progressing with the construction of the bridge foundations
- Forming the bascule pier
- Significant road and intersection work

Bascule Pier



Intermediate Pier



Harbour and Esquimalt Roads





Upcoming Construction Activity

- Bascule pier will be lowered 5 metres into the harbour in mid-September
- Intersection upgrades will continue at Esquimalt and Harbour Road with traffic switching to the new alignment to the existing bridge in October
- BC Hydro will realign hydro duct on the east side of the bridge in November and December

Upcoming Construction Activity



Retaining Wall on West Side

- A retaining wall is required on the west side to maximize usable property at 203 Harbour Road for future expansion of Point Hope Shipyard
- Work for the retaining wall is separate from the bridge construction budget and funded through the Tax Sale Lands Reserve Fund

Retaining Wall on West Side

- Preliminary “Class C” estimate by MMM was \$1.3 million
- PCL’s bid, based on a design build approach was \$390,000 for design and construction and \$255,000 for off-site soil removal
- The budget was initially approved at \$645,000

Retaining Wall on West Side

- Geotechnical work has shown soil to be poor and require additional pile work and soil removal
- With design now complete an additional \$521,091 will be required to complete the wall
- It is recommended that additional funds be allocated from the Tax Sale Lands Reserve Fund

Recommendation

- That Council approve the allocation of an additional budget increase of \$521,091 for the completion of the construction of the 203 Harbour Road retaining wall. Funds for this will be allocated from the Tax Sale Lands Reserve Fund

Thank You



Governance and Priorities Committee Report For the Meeting of September 11, 2014

To: Governance and Priorities Committee **Date:** August 28, 2014
From: Murray Miller, Senior Heritage Planner, Community Planning Division
Subject: **Building Permit Application #050924 for 520 Niagara Street**
Proposal to demolish a building listed on the City's Heritage Register

Executive Summary

The purpose of this report is to present Council with information regarding the heritage value of the St. James Mission of Christ Church Cathedral School (the "Cathedral School") located at 520 Niagara Street and to present analysis and recommendations regarding options for next steps.

On July 24, 2014, Council passed a resolution pursuant to the *Local Government Act* (the "Act"), ordering the temporary protection of the Cathedral School for the purpose of assessing the heritage value of the property and directing staff to report back to Council with the assessment and options for next steps.

The Cathedral School has considerable heritage value and it appears to be in sound condition, with recent long-term maintenance investments in the roof and heating system. The heritage building is positioned on the site in a way that presents potential strategic development opportunities. Given such opportunities, staff recommend that the next step is to seek the owner's agreement to extend the Temporary Protection Order for the purpose of developing a solution for the future use of the property in a manner that takes into account both private and public interest objectives.

Recommendations

If the owner is amenable to exploring development alternatives:

1. That Council consider Option 2 - Request an Agreement to Extend the Temporary Protection Order (TPO) for 520 Niagara Street for a specified period from the date that the TPO expires, to explore development options.
2. That Council direct staff to report back to Council with a progress report regarding any assessment of development options for 520 Niagara Street with recommendations.

3. That the Draft Statement of Significance for St. James Mission of Christ Church Cathedral School located at 520 Niagara Street be reviewed by the Heritage Advisory Panel prior to being considered by Council for adoption.

Respectfully submitted,



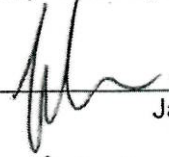
Murray G. Miller
Senior Heritage Planner
Community Planning Division

Att.



Deb Day, Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager: _____



Jason Johnson

Date: September 5, 2014

MGM/ljm

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1.0 Purpose

The purpose of this report is to present Council with information regarding the heritage value of the St. James Mission of Christ Church Cathedral School (the "Cathedral School") located at 520 Niagara Street and to present analysis and recommendations regarding options for next steps.

2.0 Background

Since the 1970s the City of Victoria has identified and monitored properties deemed to have architectural, historical or cultural value. The list was referred to as the "Heritage Inventory List." In 1980, Council passed a resolution to establish a Heritage Registry, which gave property owners and developers an indication that the heritage status of these buildings might affect future development options for these properties.

In 1994, when the *Heritage Conservation Statutes Amendment Act* came into effect, it provided local governments with the legislative authority to adopt a Heritage Register. By this time, the City had already identified over 630 properties as having heritage value, including 520 Niagara Street (refer to the minutes of the Committee of the Whole, dated January 5, 1995 and the minutes of the Special Council meeting of January 19, 1995 - Establishment of Community Heritage Register, attached to this report), where Council adopted the following motion:

That a Community Heritage Register be established for the properties identified on the list attached to the report dated December 28, 1994 from the Heritage Planner and identified as the 'Heritage Inventory'.

On July 9, 2012, the Asset Manager for the Anglican Diocese noted that 120 properties on Vancouver Island were up for sale; nine churches would be dissolved and five were for sale. An enquiry was made through City staff about grants that were available for seismic strengthening.

On December 30, 2013, an application for the demolition of the Cathedral School was received for the Heritage-Registered property located at 520 Niagara Street. On April 30, 2014, the application for a Building Permit for the demolition of the building was withheld pursuant to Section 5 of the City of Victoria's Heritage Property Protection Bylaw No. 95-62, as amended by Bylaw 13-015. On May 30, 2014, an application for the construction of a single family dwelling was received for Lot 29, representing one half of the existing R-2 zoned lands. On July 24, 2014, Council passed the following resolution at its regular meeting:

A. *That Council, pursuant to the Local Government Act (the "Act"), orders:*

1. *In accordance with Section 962 (1)(a) of the Act, that the property located at 520 Niagara Street be subject to temporary protection for a period of 60 days commencing on the date of the Council resolution that orders the temporary protection;*
2. *In accordance with Section 956 (1) and (2) of the Act, a heritage inspection of 520 Niagara Street for the purpose of assessing the heritage value of the property, which order shall remain in effect for a period not to exceed 60 days from the date of the Council's resolution that orders the heritage inspection; and*

3. *That the heritage inspection of 520 Niagara Street be carried out in an expeditious manner.*
- B. *That Council direct staff to:*
1. *Report back to Council with an assessment of the heritage value of 520 Niagara Street with options for next steps; and*
 2. *Notify the owner of their obligations under Section 965 of the Local Government Act.*
- C. *That Council authorize the City Solicitor to obtain a warrant authorizing City staff to enter the land and building at 520 Niagara Street pursuant to s.957 of the Local Government Act if staff are unable to carry out the heritage inspection of the property in accordance with Council's order.*

3.0 Issues

The key issues associated with this application are:

- Heritage value of the property
- Options for next steps.

4.0 Analysis

4.1 Heritage Value of the Property

A Statement of Significance (SOS) is a declaration of value that briefly explains what a historic place is and why it is important. The SOS identifies key aspects of the place that must be protected in order for the historic place to continue to be important. The SOS is composed of three sections:

- i. *Description of Historic Place* explains what the place consists of in physical terms, where it is located, and what are its physical limits.
- ii. *Heritage Value* explains why the place is of value to the community, province, territory or nation.
- iii. *Character-Defining Elements* set out the key features that must be conserved in order for the place to continue to have value.

A Draft Statement of Significance has been developed in accordance with the Canadian Register of Historic Places, *Writing Statements of Significance*, published by Parks Canada in November 2006, and is attached to this report.

4.1.1 Methodology for Heritage Value Assessment

The heritage value of the property has been considered in accordance with the Victoria Heritage Thematic Framework, as established in the Official Community Plan (OCP), which provides guidance for heritage value assessments and Statements of Significance. The relevant themes and assessment (attached to this staff report) were prepared in accordance with the OCP guidance.

4.2 Options for Next Steps

The options for next steps have varying degrees of collaboration associated with all but Options 1, 3 and 4. Council could elect Options 1, 3 or 4 without collaborating with the owner.

The City's Heritage Program has generally sought to achieve the protection of heritage resources through voluntary actions by property owners. The circumstances associated with this application suggest that a solution that takes into account both the private and public interests is an achievable objective that ought to be pursued. If the private interest is to realize the greatest value of the property, there are a number of ways to achieve that goal. If an opportunity can be created for working with the property owner to achieve a mutually beneficial development, then the next steps should consider that direction.

4.2.1 Option 1 - No Further Action

Council could take no further action and allow the Temporary Protection Order to expire on September 22, 2014.

The July 17, 2014 staff recommendation to the Planning and Land Use Committee acknowledged that Heritage-Registered properties outside of a Heritage Conservation Area do not require a Heritage Alteration Permit and that withholding a Building Permit Application for the demolition of such a property could represent the path leading to designation as a means of protecting the building. Due to the potential for such action to attract compensation, staff were unable to recommend that Council designate the building. Staff, however, indicated that Council could consider placing a 60-day Temporary Protection Order on the property to allow a determination of heritage value and further discussions to take place with the applicant.

Given Council's resolution for a 60-day Temporary Protection Order on July 24, 2014, additional information has been obtained about the property since the July 17, 2014 staff report. The development of options that have been vetted through an independent realtor confirmed the potential for feasible alternatives to demolition of the Heritage-Registered property. As a result, staff consider that Option 1 may not achieve the "win-win" outcomes that would be proactively sought in Option 2.

4.2.2 Option 2 - Request an Agreement to Introduce a New Temporary Protection Order to Explore Options

Pursuant to Section 962 (2)(b) of the *Local Government Act*, Council may, with the consent of the owner, introduce a new Temporary Protection Order for a period of time agreed to. The extension would be for the purpose of allowing staff the opportunity to work with the applicant in order to explore options.

This option is dependent upon the applicant's willingness to allow a new Temporary Protection Order to be introduced.

4.2.3 Option 3 – Prepare a Heritage Designation Bylaw

Pursuant to Section 967 of the *Local Government Act*, Council could give first and second reading to a heritage designation bylaw.

The objective would be to advance Council's consideration of designation. The first reading of a heritage designation bylaw would provide another 60 days of temporary protection, allowing staff time to explore other options with the owner.

4.2.4 Option 4 - Designate the Existing Heritage Building

Pursuant to Section 967 of the *Local Government Act*, Council could designate the Cathedral School as a Municipal Heritage Site and protected heritage property.

The objective would be to secure the legal protection of the Cathedral School. This option could lead to a potential claim for compensation if the designation causes a reduction in the market value of the designated property. It also does not ensure that any compensation or any other financial commitment would have to be made to the building's rehabilitation.

5.0 Discussion

5.1 Heritage Value of the Property

In relation to the heritage value of the place, the Cathedral School is significant for reasons outlined in the attached Draft Statement of Significance. The heritage value of the place has been acknowledged since the 1970s/80s, when it was identified at that time for having architectural, historical or cultural interest. The heritage value of the place was recognized in 1995, when the City adopted the former Heritage Inventory List as the Community Heritage Register, authorized under the *Heritage Conservation Statutes Amendment Act, 1994*. The Cathedral School has been included in *This Old House* publications and on the Victoria Heritage Foundation's web page under James Bay Heritage Register Properties.

At this time, the Draft Statement of Significance is attached to this report for information. Should the applicant be amenable to exploring Option 2, the Draft Statement of Significance will be important in guiding future development discussions anticipated by Option 2. Staff recommend that the Draft Statement of Significance be reviewed by the Heritage Advisory Panel prior to being considered by Council for adoption.

5.2 Options for Next Steps

In relation to next steps, Option 1 might be appropriate if the applicant were persuaded that it is not necessary to demolish the Heritage-Registered building when alternatives to enhance the development potential of the site presently exist. In this regard, if the applicant were to withdraw the current Building Permit Applications¹, while staff would still work with the applicant on any reconsidered approach, it is possible that no specific further action in relation to requesting an extension to the Temporary Protection Order would be required. Option 1 may also be appropriate if the applicant is not willing to pursue Option 2 and Council elects not to pursue Options 3 or 4. Given additional information and analysis since July 17, 2014, staff consider that Options 1, 3 and 4 may not achieve the "win-win" approach that is emphasized in Option 2.

Option 2 would appear to represent the most efficient and best practice option that could achieve multiple objectives; however, staff acknowledge that representatives of the owner have previously expressed no intent to develop the property, preferring to sell the property to others for development.

¹ There are currently two Building Permit Applications; one is for the demolition of the Cathedral School, the other is for the construction of a single-family dwelling on lot 29.

Option 3 would allow Council to consider advancing the steps necessary to give first and second reading to a designation bylaw, and to allow further opportunity for staff to explore options.

Option 4 would bring certainty to the matter of protection; however, it would also require that compensation be paid if there is a reduction in the market value of the property as a result of adopting a heritage designation bylaw. This would likely apply even if it could be demonstrated that other options that retained the building could be financially comparable to the maximum development potential under the existing zoning. Staff consider that achieving protection through the use of appropriate incentives is generally productive and would therefore not recommend this option when other “win-win” options warrant further exploration.

In addition to the above options, staff have also considered an option that explored whether sufficient justification could be made for the establishment of a Heritage Conservation Area (HCA) involving a larger area as well as developing an approach that would permit a change or transfer in density to other Diocese-owned properties within Victoria. However, these options would require considerable additional resources and would require a major rethink of existing City policies and work plan commitments. As a result, staff were unable to recommend these options at this time.

6.0 Assessment of Property Values

The March 2014 Assessment & Tax Summary Information (attached to this staff report) records the total value of the property as \$689,500. Staff understand that a comparative assessment of similar properties could indicate that the market value of two serviced parcels at this location (without the heritage building) may be higher.

6.1 Methodology for Property Value Assessment

The assessed value of the property has been derived from the City of Victoria Internal Property Report (attached to this staff report) and from the Tempest Land Inquiry. Similar data relating to nearby properties was also noted and placed on a map (attached to this staff report) depicting respective properties.

7.0 Conclusions

The Cathedral School has considerable heritage value and it appears to be in sound condition with recent investments in the roof and heating system. While the building has undergone previous changes such as the removal of the north chimney, replacement of cedar roof shingles with asphalt shingles, replacement of fir gutters, removal of galvanized iron copings/downspouts and replacement of original paneled doors, it retains a considerable amount of early form and fabric, thus its integrity remains substantially consistent with the original design. The building is positioned on the site in a manner which affords development opportunities while safeguarding key heritage values of the place. Given such opportunities, the next step should be to seek the owner's agreement to introduce a new Temporary Protection Order for the purpose of developing a mutually agreeable approach to the future of the Cathedral School, taking into account both private and public interests. The emphasis of the options recommended is based on staff's willingness to work not only with the present owner, but any potential purchaser/developer of the property in order to facilitate and encourage a “win-win” solution.

8.0 Staff Recommendations

If the owner is amenable to exploring development alternatives:

1. That Council consider Option 2 - Request an Agreement to Introduce a New Temporary Protection Order (TPO) for 520 Niagara Street for a period beginning on the date that the current TPO expires, for a period which the owner and staff agree, in order to explore options.
2. That Council direct staff to report back to Council with a progress report regarding any assessment of options for 520 Niagara Street with recommendations.
3. That the Draft Statement of Significance for St. James Mission of Christ Church Cathedral School located at 520 Niagara Street be reviewed by the Heritage Advisory Panel prior to being considered by Council for adoption.

9.0 Alternate Recommendation

If the owner is not amenable to exploring alternatives:

1. That Council consider convening a Special Meeting on September 18, 2014, to consider Option 3 and directing staff to prepare a Heritage Designation Bylaw for the purpose of designating the Cathedral School located at 520 Niagara Street, a Municipal Heritage property.
2. That the Draft Statement of Significance for St. James Mission of Christ Church Cathedral School located at 520 Niagara Street be reviewed by the Heritage Advisory Panel prior to being considered by Council for adoption.
3. That Council consider giving first and second reading to the heritage designation bylaw on September 18, 2014.
4. That Council direct staff to report back to Council before the November 13, 2014 Council Meeting, with a progress report regarding any assessment of options for 520 Niagara Street with recommendations.

10.0 List of Attachments

- Heritage Value Assessment - Victoria Heritage Thematic Framework Considerations
- This Old House, Victoria's Heritage Neighbourhoods, Volume 2: James Bay (page 93)
- Draft Statement of Significance
- Committee of the Whole Minutes, January 5, 1995
- Special Council Minutes, January 19, 1995
- Assessed Property Values in the Immediate Vicinity Map, March 2014
- City of Victoria Internal Property Report, May 2014
- Title Search, August 18, 2014
- Heritage Inspection of 520 Niagara Street
- Photographs, August 19, 2014.

Heritage Value Assessment – Victoria Heritage Thematic Framework Considerations

St. James Mission of Christ Church Cathedral School (the “Cathedral School”)
520 Niagara Street, Victoria

The heritage value of the Cathedral School is summarized below in accordance with the Victoria Heritage Thematic Framework established in the Official Community Plan, as the conceptual framework for heritage value assessments and Statements of Significance. See also the Draft Statement of Significance.

Theme 4 – Community of Neighbourhoods

Thematic Framework Subtheme 4.1: Spiritual Life

Established in 1892, the Anglican Diocese of British Columbia originally covered the entire province of British Columbia. Over time, as the population of the province grew, new Dioceses were formed. The Diocese of BC is one of five Dioceses of the Ecclesiastical Province of BC and Yukon, and covers Vancouver Island and the Gulf Islands of the Salish Sea (Strait of Georgia). Religious organizations were therefore quickly established along with neighbourhood churches and historic cemeteries, reflecting the diverse origins of early settlers.

The Cathedral School has heritage value because it reflects the imprint of religious life on society and it plays an important role in the social or spiritual life of Victoria.

Thematic Framework Subtheme 4.3: Schools

The Cathedral School is the elementary and middle school ministry of Christ Church Cathedral. The Cathedral School was founded in 1989 and is fully accredited by the Ministry of Education as an independent school. Christ Church Cathedral School emphasizes the spiritual, intellectual, physical and social development of the whole child, excellence in education and the growth of personal responsibility and self-discipline. The School welcomes girls and boys from Kindergarten through Grade 8. It operates a full-day kindergarten and before and after school care (Lux Mundi), and the Lux Mundi all-day care program during school holidays. The Christ Church Cathedral Educational Society also operates the Christ Church Cathedral Junior Kindergarten in their facility at 520 Niagara Street in James Bay.

The Cathedral School has heritage value because it reflects the organization and delivery of educational services through both public and private organizations, including religious schools.

Theme Five: Cultural Exchange

Thematic Framework Subtheme – 5.1 Architectural Expression

Includes architectural designs that characterize Victoria.

Percy Leonard James, of the well-known Victoria architectural firm, James and James, was born in London in 1878. His father, Samuel James, was a well-known London

artist. Mr. James was educated at the International College at Hampstead in London and in 1893 articulated with his uncle, John Elford M.S.A., borough architect and engineer to the city of Poole, England. In 1896 James returned to London and worked in a number of offices; most notable is that of Saxon & Snell F.R.I.B.A. In 1906, James immigrated to Canada, settling first in Edmonton and opening a partnership with M. A. Magoon and E. C. Hopkins. In 1908, James moved to Victoria and was joined there in 1910 by his brother, Douglas James, also a London trained architect. P. L. James is notable for his close associations with F. M. Rattenbury in a number of projects, in particular the C.P.R. Steamship Terminal and Crystal Gardens. James's early domestic commissions show a very marked influence from Rattenbury and for many years the firm of James & James were second only to Sam Maclure for the quality and prestige of their residential work. He took on both large and small commissions.

The Cathedral School has heritage value for its association with P.L. James Architect, who became one of Victoria's preeminent architects through the early decades of the twentieth century, making a major and lasting contribution to the extensive and diverse range of architecture in the City.

This Old House

VICTORIA'S HERITAGE NEIGHBOURHOODS



VOLUME TWO JAMES BAY

BY THE VICTORIA HERITAGE FOUNDATION
FOR THE CITY OF VICTORIA

1914-c.1917, Charles and Annie (Rainey) Hearnden rented. Charles, a carpenter, came to Canada from England in 1904. Annie was born in Ireland and came to Victoria c.1910. They married in 1919. Charles died in 1939 at 68. Annie moved to Vancouver and died there in 1966 at 76.

Through the 1920s and 1930s, Isabella Margaret (Smith) Cameron, widow of Malcolm Cameron, and her sons George and Neil lived here. The Camerons came to Victoria from Ontario in the mid-1890s. Malcolm, a teamster and night watchman, died suddenly in 1920 at 55. Isabella died in 1942 at 73. George was a sheet metal worker for 30 years. He never married and died in 1956 at 65. Like his brother, Neil never married. He served with the 15th Brigade, Canadian Field Artillery and in France with the 31st Battalion during WWI. He was a shoe store proprietor in Prince Rupert from the mid-1920s for 30 years. He returned to Victoria and died in 1959 at 65.

From 1940 to c.1960, this was the home of J.T. Mann, Plumbing, Heating & Burners. Proprietor James Thomas Mann was born in Victoria in 1887. His father, James Goodfellow Mann was a Victoria pioneer and co-owner of the lumber firm, Muirhead & Mann (223 Robert, Vic West). James Thomas married Pearl, Victoria-born daughter of Anton and Emily Vigelius, in 1910. James was a member of the Native Sons of Canada, Vancouver-Quadra Lodge No. 2, AF&AM, Royal Arch Masons and Western Gate Preceptory. He died in 1957 at 69. Pearl lived here several years after James died. She was a member of Victoria Chapter 17 OES, Silver Threads, and James Bay and Victoria West Golden Age Clubs. Pearl received a Centennial Medallion in 1967 and died in 1968 at 81.

520 Niagara St

1939

**St James Mission of Christ Church Cathedral School
Anglican Synod**

Architect: Percy Leonard James

This utilitarian institutional building is the same basic shape as an industrial building of an earlier age in the City Works Yard at Garbally Rd. The school is a handsome 1-storey brick structure with a concrete foundation and 4-over-12 wooden windows with brick sills. The bricks are laid in English bond, very rare for the Victoria area. It has a ridged roof with parapeted gable ends covered in metal, and a castellated parapet roof on the external front porch. Each gable end has a narrow slit with louvres for venting the attic. Two tiers of concrete steps, the upper tier with a brick balustrade, ascend in ceremonial fashion to the porch. A square side addition away from the street has two tall square brick chimneys banded in brick. The windows on the back are 4-over-8 on both the main level and basement, and they have heavy concrete headers. There is a quarter-round garden on the SE corner with seven palm trees. A cornerstone on the SW corner states that the school was



520 Niagara St, 2003

VHF / Derek Trachsel

erected in 1939 by a grateful parishioner, "for the advancement of Christ's Kingdom amongst young people."

James Bay Sunday School or *Cathedral School* as it was commonly called, was designed by P.L. James and built by contractors Williams Trerise & Williams in 1939 for \$6,000. It operated as an Anglican Sunday School until 1974. In 1975, the building was leased to the Provincial Government for use by the Department of Human Resources. By 1982, it was known as the *Renaissance School*, and is currently used as a day care centre.

This Sunday school likely replaced that of St James Anglican Church on the corner of Quebec and Pendray Sts. The church, designed by William H.L. de la Penotière & George Wake, was consecrated in 1885, but suffered financial difficulties over a number of years and was demolished in 1922.



St James Church, 225 Quebec St on right, pre1922. Archives AngDiocBC

Draft Statement of Significance

St. James Mission of Christ Church Cathedral School (the "Cathedral School")
520 Niagara Street, Victoria

Description of the Historic Place

The Cathedral School is a one-storey brick structure with a concrete foundation and heavy concrete headers above 4-over-12 wood windows. Located at 520 Niagara Street at Medana Street, in James Bay, the structure straddles two equal parcels of land along a north-south boundary with a lot area of approximately 536.48 m² each. The interior of the building consists of classrooms, a kitchen and washrooms on the main floor level occupying a floor area of approximately 203.15 m². The lower level consists of classrooms with a combined area of approximately 92.56 m², plus a basement crawl space. Two upper floor level classrooms located directly above the kitchen occupy a combined area of approximately 15.24 m².

The exterior of the Cathedral School is characterized by the use of bricks that were laid in English bond¹, which is considered to be very rare in the Victoria area. Its parapeted gable ends and castellated parapet over the front porch are character-defining. A cornerstone on the southwest corner indicates that the building was built in 1939 by Williams Trerise & Williams, "for the advancement of Christ's Kingdom amongst young people."

The building was operated as an Anglican Sunday School until 1974. In 1975, the building was leased to the Provincial Government for use by the Department of Human Resources. By 1982, it was known as the Renaissance School, and it is currently used as a day care centre. The building is also known as the James Bay Sunday School or Cathedral School.

Heritage Value of the Historic Place

The Cathedral School has heritage value because it reflects the imprint of religious life on society and it plays an important role in the social or spiritual life of Victoria. The School is significant because it reflects the organization and delivery of educational services through both public and private institutions, including religious schools. It also has heritage value for its association with P.L. James Architect, who became one of Victoria's preeminent architects through the early decades of the twentieth century, making a major and lasting contribution to the extensive and diverse range of architecture in the City. Additionally, the Cathedral School has heritage value for its physical integrity as expressed through its character-defining elements.

Source: The heritage value of the place is officially recognized by its inclusion on the City of Victoria Heritage Register by resolution of the City Council at its Special Meeting of January 19, 1995.

¹ In bricklaying, an arrangement of bricks such that one course has the short sides of the bricks (headers) facing outwards, and the next course has the long sides of the bricks (stretchers) facing outwards

Character-Defining Elements

Key elements that express the heritage value of the Cathedral School and that continue to define the history and character of James Bay include:

- original location of the building on an elevated berm
- relationship to surrounding residential buildings dating from the early 20th century

Key elements that define the heritage character of the building's exterior include:

- one-storey brick structure
- concrete plinth foundation
- rectangular massing and a steeply-pitched gable roof
- exterior masonry laid in English bond
- detailing such as heavy concrete headers, parapeted gable ends and castellated parapet over the front porch
- symmetrical gable ends
- concrete main door surround
- coal chute on east elevation
- gable vents
- symmetrical fenestration featuring two-part windows with upper multi-light transom above 8 and 12-pane wood sashes
- granite cornerstone on the southwest corner
- Niagara and Medana Street elevations

Key internal elements that define the building's basic functional character include:

- plan form and organization
- interior folding partition

ESTABLISHMENT OF COMMUNITY HERITAGE REGISTER

95/3

A memorandum dated December 28, 1994 was received from the Heritage Planner advising that new Province of B.C. Heritage Conservation Statutes Amendment Act, 1994 provided new legislative authority for the adoption of a Heritage Register as a tool for identifying and monitoring property of potential heritage significance. The City had utilized this tool effectively since the 1970's despite the lack of legislative authority. If the Heritage Register was adopted within two years of the new provisions of the Municipal Act coming into force, no notice was required to be given to owners of property listed on the register. It was recommended that Council adopt the Heritage Registry by resolution in order to give it full legal effect.

ACTION: It was moved by Councillor Madoff, that it be recommended to Council that, pursuant to Part 30, section 1009 of the Municipal Act (Community Heritage Register) and pursuant to Section 106(1) of the Heritage Conservation Statutes Amendment Act, the following resolution be adopted:

"That a Community Heritage Register be established for the properties identified on the list attached to the report dated December 28, 1994 from the Heritage Planner and identified as the 'Heritage Inventory'."

19. ESTABLISHMENT OF COMMUNITY HERITAGE REGISTER: It was moved by Councillor McLean, seconded by Councillor Acton, that, pursuant to Part 30, section 1009 of the Municipal Act (Community Heritage Register) and pursuant to Section 106(1) of the Heritage Conservation Statutes Amendment Act, the following resolution be adopted:

"That a Community Heritage Register be established for the properties identified on the list attached to the report dated December 28, 1994 from the Heritage Planner and identified as the 'Heritage Inventory'."

Carried

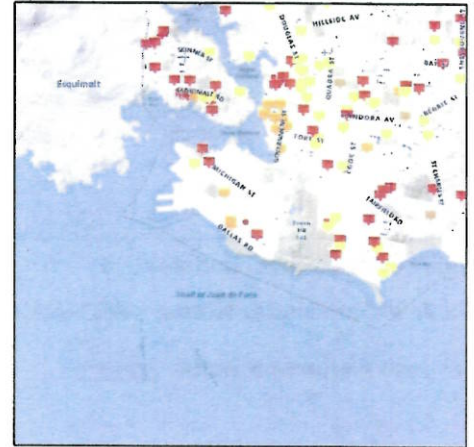
ASSESSED PROPERTY VALUES (entered March 31, 2014)





City of Victoria
City Hall: 1 Centennial Square
Victoria, BC, V8W 1P6
www.victoria.ca

Internal Property Report
Produced by the City of Victoria
Geographic Information System
May 30, 2014



Property Information

Address: 520 NIAGARA ST **Unit:** N/A
PID: 008-674-485 (008-674-493)
Folio: 02150015
Legal Information: PLAN 753 SECTION BF VICTORIA LOTS 29/30 .

Planning

| | |
|--|---|
| Zoning: R-2 | Development Permit Area: DPA 16 (CHECK EXEMPTIONS) |
| Land Use Contract: N/A | Councillor Liaison: CHRIS COLEMAN (250) 361-0223 |
| Heritage Status: REGISTRY INSTITUTIONAL | Area Planner: JIM HANDY (250) 361-0523 |
| Special Restrictions: N/A | Sign Zone Planning: Refer to map. |
| Neighbourhood: JAMES BAY | |

Current Applications

Development Applications: N/A

Assessment & Tax Summary Information

| Year | Assessment Type | Land Value | Improvement Value | Total Value | Exempt Amount | Tax Amount |
|------|-----------------|------------|-------------------|-------------|---------------|------------|
| 2014 | GENERAL | \$632,000 | \$57,500 | \$689,500 | \$0 | \$5,061 |
| 2014 | SCHOOL | \$632,000 | \$57,500 | \$689,500 | \$0 | \$5,061 |
| 2013 | GENERAL | \$632,000 | \$57,500 | \$689,500 | \$0 | \$4,844 |
| 2013 | SCHOOL | \$632,000 | \$57,500 | \$689,500 | \$0 | \$4,844 |
| 2012 | GENERAL | \$632,000 | \$55,600 | \$687,600 | \$0 | \$4,568 |
| 2012 | SCHOOL | \$632,000 | \$55,600 | \$687,600 | \$0 | \$4,568 |
| 2011 | GENERAL | \$602,000 | \$57,100 | \$659,100 | \$0 | \$4,241 |
| 2011 | SCHOOL | \$602,000 | \$57,100 | \$659,100 | \$0 | \$4,241 |
| 2010 | GENERAL | \$590,000 | \$57,100 | \$647,100 | \$0 | \$4,166 |
| 2010 | SCHOOL | \$590,000 | \$57,100 | \$647,100 | \$0 | \$4,166 |

Services

Water Service Size (inches): 1

Water Meter Reader Notes: MEDANA 4'L OF DOR

Garbage Collection Zone: [Zone 1](#)

These data are derived from a variety of sources, historic and current. Accuracy, completeness, correctness, and currency are not guaranteed. Distribution of these data is for information purposes and should not be considered authoritative for construction, geotechnical, engineering, navigational, legal or other site-specific uses. Consulting the map service should not be considered a replacement for on-site inspections and appropriate investigations. Please see the full disclaimer for more details, at http://www.victoria.ca/map_disclaimer.

TITLE SEARCH PRINT

Requestor: Anita Walper

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

| | |
|--|---|
| Title Issued Under | SECTION 172 LAND TITLE ACT SECTION 188 LAND TITLE ACT |
| Land Title District Land Title Office | VICTORIA VICTORIA |
| Title Number From Title Number | S111750 112543I |
| Application Received | 1987-10-21 |
| Application Entered | 1987-10-23 |
| Registered Owner in Fee Simple Registered Owner/Mailing Address: | THE ANGLICAN SYNOD OF THE DIOCESE OF BRITISH COLUMBIA 912 VANCOUVER STREET VICTORIA, BC |
| Taxation Authority | CITY OF VICTORIA |
| Description of Land Parcel Identifier: Legal Description: | 008-674-485 LOT 29, SECTION 11, BECKLEY FARM, VICTORIA CITY, PLAN 753 |
| Legal Notations | NONE |
| Charges, Liens and Interests | NONE |
| Duplicate Indefeasible Title | NONE OUTSTANDING |
| Transfers | NONE |
| Pending Applications | NONE |

TITLE SEARCH PRINT

Requestor: Anita Walper

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

| | |
|--|---|
| Title Issued Under | SECTION 172 LAND TITLE ACT SECTION 188 LAND TITLE ACT |
| Land Title District Land Title Office | VICTORIA VICTORIA |
| Title Number From Title Number | S111751 112543I |
| Application Received | 1987-10-21 |
| Application Entered | 1987-10-23 |
| Registered Owner in Fee Simple Registered Owner/Mailing Address: | THE ANGLICAN SYNOD OF THE DIOCESE OF BRITISH COLUMBIA 912 VANCOUVER STREET VICTORIA, BC |
| Taxation Authority | CITY OF VICTORIA |
| Description of Land Parcel Identifier: Legal Description: | 008-674-493 LOT 30, SECTION 11, BECKLEY FARM, VICTORIA CITY, PLAN 753 |
| Legal Notations | NONE |
| Charges, Liens and Interests | NONE |
| Duplicate Indefeasible Title | NONE OUTSTANDING |
| Transfers | NONE |
| Pending Applications | NONE |

Heritage Inspection of 520 Niagara Street

St. James Mission of Christ Church Cathedral School (the "Cathedral School")
520 Niagara Street, Victoria



The purpose of this assessment is to provide a general description of the existing condition of the Cathedral School that accompanies the outline of the building's heritage value. This type of cursory review is not intended to be an exhaustive condition assessment and it was undertaken on the basis of limited access to all areas and a narrow window of time to conduct the review. The observations are therefore to assist in evaluating feasible protection and development options.

In accordance with Section 956 (1) and (2) of the *Local Government Act*, a heritage inspection of 520 Niagara Street was carried out by staff on August 19, 2014. Based on a general visual review of the property, the condition of the building appeared sound with the following observations:

a. Grounds

Storm Drains are apparently inadequately designed to drain roof and surface water and have previously resulted in flooding.

b. Foundations

The concrete foundation is partially exposed above grade in some locations. The condition of the foundation below grade that abuts the soil was inaccessible.

c. Basement and Crawl Space

Foundation walls, where viewed from the interior, showed no evidence of cracking, leaking, and dampness, although it is understood that previous flooding as a result of ineffective perimeter drains has contributed to prior water-related incidents. There did not appear to be evidence of mould or moisture staining at the base of the timber posts or on joists, at the point where the first floor meets the foundation wall.

d. Exterior Walls

Bricks were laid in English bond, which is rare in Victoria, thus the bond is uncharacteristic with the local or regional buildings of the same period. There was no evidence of loose mortar joints or cracks on the wall that would be considered more than minor. Signs of water staining were evident where flashing and managing the flow of water has resulted in deterioration.



e. Exterior Finishes

Exterior painted finishes show no signs of peeling or cracking that would be considered more than minor.

f. Structure

The timber frame structure, where accessible for visual observation, appeared free of water staining and generally in sound condition.

g. Roofs

The asphalt shingles are relatively new and are in sound condition. In addition, it is understood that the entire roof sheathing was replaced when the shingles were replaced, thus the entire roof (except for the most critical part – flashings) appears in sound condition. The flat roof was not accessible; however, there are signs that the interface and finishing between the flat roof portion and the roof edge has resulted in some deterioration.

h. Roofing Elements

There is evidence that the flashing does not completely protect all protrusions through the roof and there are signs that the base and counter-flashings may not have been rehabilitated at the time when the roof was replaced. There is evidence of an ineffective rain-water collection system as a result of loose, tilted, or missing gutters, downspouts and rain-water leaders.

i. Fenestration

The front doors are relatively new and in good condition; however, frames were inaccessible for viewing and weather-stripping may require rehabilitation. Windows appear materially sound at the sills, joints between the sill and jamb, and at the corners of the bottom rails. There are no significant signs of flaking paint, condensation or loose components associated with the doors and windows. It is understood that not all of the sashes are operational and some have been painted shut.

j. Heating

A new dual-furnace heating system was installed recently.

k. Plumbing

It is understood that when the program expanded to include regular use of the basement for classrooms, a new pump was installed to address any potential water-related issues.













520 Niagara Street Building Permit (Demolition)

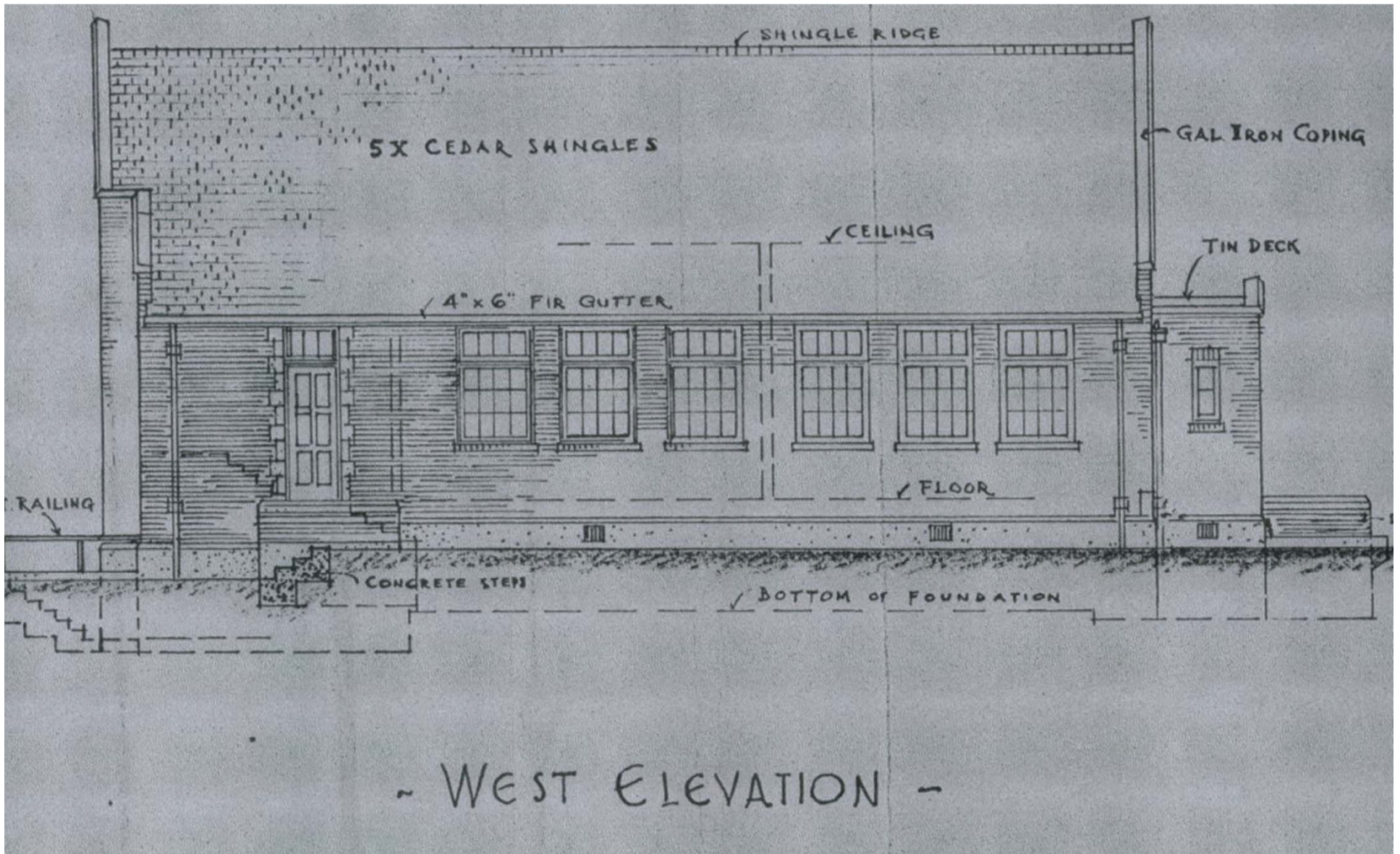




520 Niagara Street



520 Niagara Street



520 Niagara Street

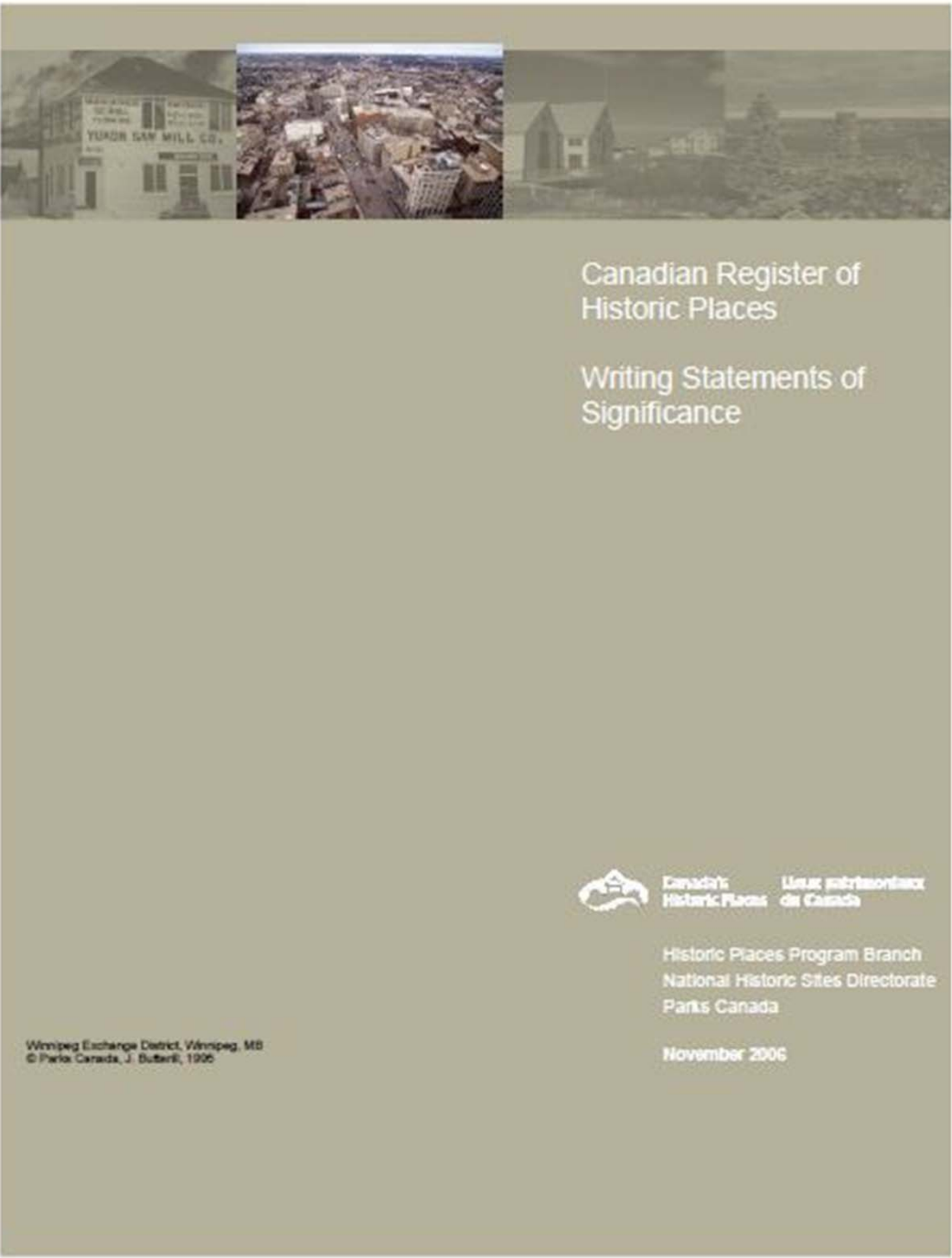
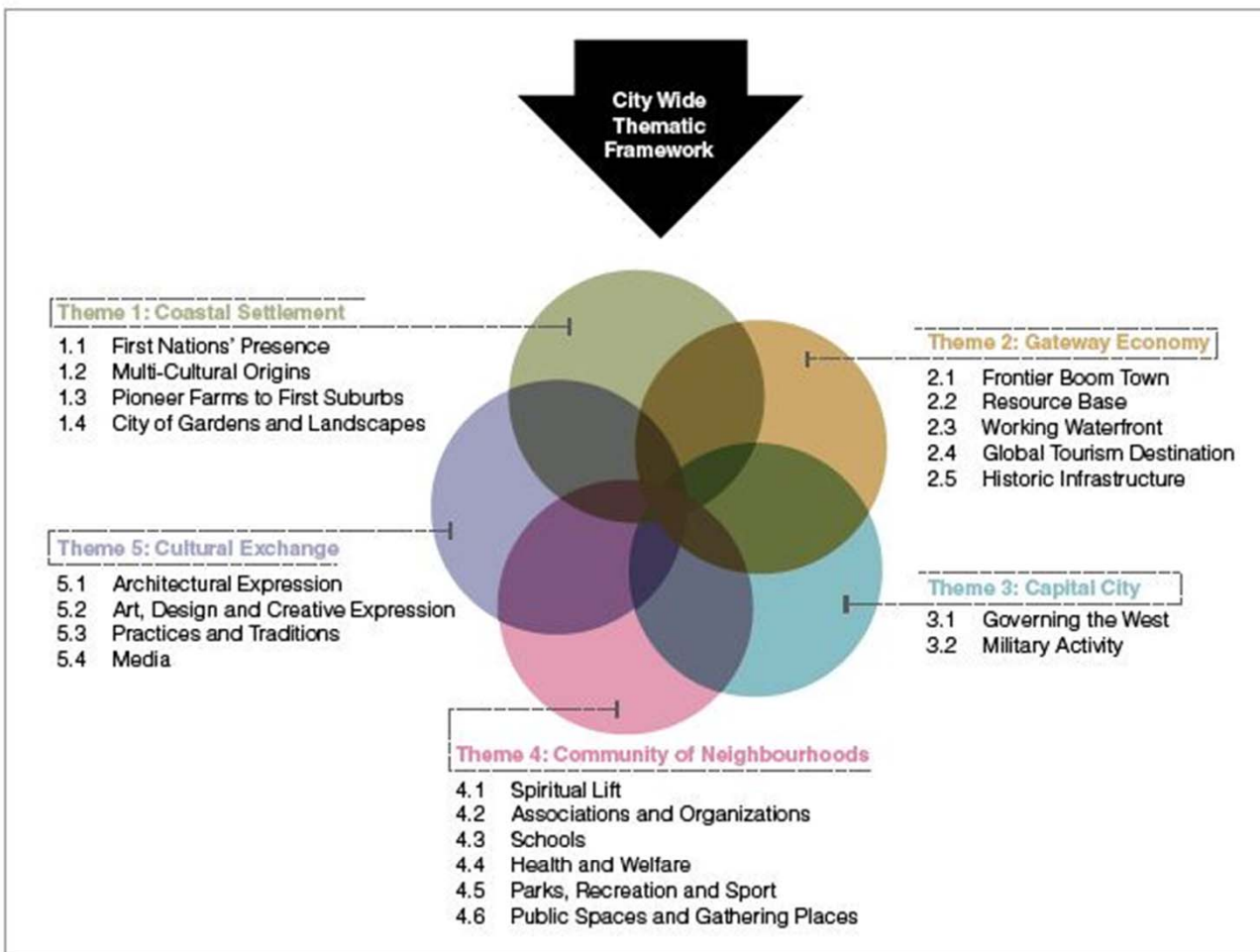
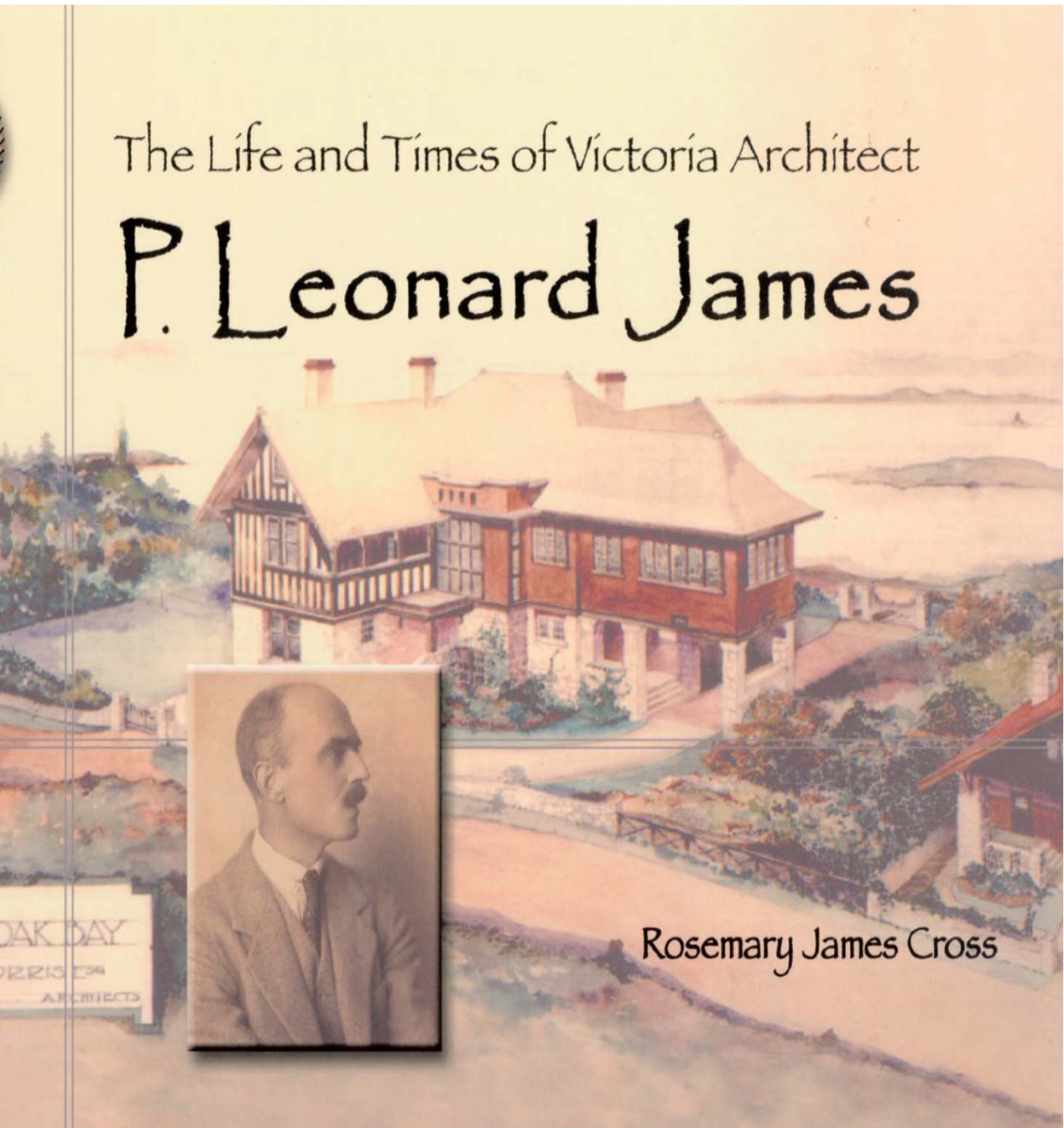


Figure 12: Victoria Heritage Thematic Framework







520 Niagara Street



Governance and Priorities Committee Report

For the Meeting of September 11, 2014

To: Governance and Priorities Committee
From: Susanne Thompson, Director of Finance
Subject: 11 Chown Place – Permissive Tax Exemption

Date: September 2, 2014

Executive Summary

At the August 28, 2014 Governance and Priorities Committee, staff was asked to prepare a report outlining options to phase in the tax burden for the Gorge View Society on 11 Chown Place over five years. The Community Charter permits Council to approve a permissive exemption in any proportion for up to 10 years to any portion of this property.

Approximately \$3.3M of this property's assessment is automatically statutorily exempted. This exemption applies to elderly citizen buildings built between 1947 and 1974 and the footprint of the land directly beneath. The remaining \$8.9M of assessment can be exempted by Council. Providing a five – year declining exemption would have the following financial impact:

| Year | Exemption Factor | Estimated Tax Exemption Value | | Estimated Taxes Payable by Society | |
|------|------------------|-------------------------------|-----------------------|------------------------------------|-----------------------|
| | | Municipal Property Taxes* | Total Property Taxes* | Municipal Property Taxes* | Total Property Taxes* |
| 2015 | 80% | \$ 31,809 | \$ 51,171 | \$ 7,952 | \$ 12,793 |
| 2016 | 60% | 23,857 | 38,378 | 15,905 | 25,586 |
| 2017 | 40% | 15,905 | 25,586 | 23,857 | 38,378 |
| 2018 | 20% | 7,952 | 12,793 | 31,809 | 51,171 |
| 2019 | 0% | 0 | 0 | 39,762 | 63,964 |

| | | | | |
|--------------|------------------|-------------------|-------------------|-------------------|
| Total | \$ 79,523 | \$ 127,928 | \$ 119,285 | \$ 191,892 |
|--------------|------------------|-------------------|-------------------|-------------------|

*These estimates do not include future tax increases and assessment changes

For administrative ease, it is recommended that a separate five year permissive tax exemption bylaw be created for this property.

Recommendation:

1. That staff be directed to prepare a 2015-2019 five year declining permissive tax exemption bylaw for 11 Chown Place that begins with an 80% exemption in 2015.
2. That staff be directed to not include the permissive exemption value on this property when calculating the permissive tax exemption cap from the consolidated permissive tax exemption group.
3. That these recommendations be forwarded to Council for approval at the September 11, 2014 Council Meeting.

Respectfully submitted



Christopher Paine
Manager-Revenue



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:

Date:



Sept. 4, 2014

Purpose

The purpose of this report is to provide options to the Committee for phasing in the tax burden for the Gorge View Society on 11 Chown Place over 5 years.

Background

Community Charter section 220(1)(i) provides an automatic statutory exemption to buildings built between 1947 and 1974 for elderly citizens housing. The exemption applies to the building and the footprint of the land beneath the building. The land surrounding the building, can be exempted by municipal Council.

A portion of 11 Chown place meets the requirements of this provision. For a least a decade, if not more, BC Assessment has erroneously been exempting the land surrounding the building without the required City bylaw. Furthermore, BC Assessment has erroneously exempted recently constructed buildings that don't meet the timeframe requirements of the statutory exemption.

In 2013 the assessment error was discovered and BC Assessment attempted to provide advance notice that the property would become taxable in 2014. The Gorge View Society maintains that they did not receive the notice and there is indication that information was sent to a non-current mailing address. Consequently the 2014 tax notice in the total amount of \$64,000 came as a surprise to the Society. This property is currently owned by the United Church of Canada but is operated by the Gorge View Society. The Society believes they are responsible for the payment of property taxes but has not been able to produce an agreement that shows they are legally responsible. The Society can establish, however, that they have managed the property and paid the related expenses for many years.

Issues & Analysis

Council can exempt any portion of the taxable land and buildings for up to ten years. For example, Council may begin the phase in with an 80% exemption or a 100% exemption in 2015. Since the City's permissive tax exemption policy caps total exemptions, approving an exemption on this property can have an adverse effect on the consolidated group of applicants in future years. Since this exemption will expire after five years, it is recommended that cap calculations do not include the permissive exemption value on this property.

Options & Impacts

Council can choose to begin the tax burden phase in by 2015 or can choose to begin with a 100% exemption in 2015. The financial impacts of both options are listed below.

| Option 1 (recommended) | | Estimated Tax Exemption Value | | Estimated Taxes Payable by Society | |
|---------------------------|------------------|-------------------------------|-----------------------|------------------------------------|-----------------------|
| Year | Exemption Factor | Municipal Property Taxes* | Total Property Taxes* | Municipal Property Taxes* | Total Property Taxes* |
| 2015 | 80% | \$ 31,809 | \$ 51,171 | \$ 7,952 | \$ 12,793 |
| 2016 | 60% | 23,857 | 38,378 | 15,905 | 25,586 |
| 2017 | 40% | 15,905 | 25,586 | 23,857 | 38,378 |
| 2018 | 20% | 7,952 | 12,793 | 31,809 | 51,171 |
| 2019 | 0% | 0 | 0 | 39,762 | 63,964 |
| Total | | \$ 79,523 | \$ 127,928 | \$ 119,285 | \$ 191,892 |

Option 1 is recommended because historically, exemption phase out programs have started in the immediately preceding tax year.

| Option 2 | | Estimated Tax Exemption Value | | Estimated Taxes Payable by Society | |
|----------|------------------|-------------------------------|-----------------------|------------------------------------|-----------------------|
| Year | Exemption Factor | Municipal Property Taxes* | Total Property Taxes* | Municipal Property Taxes* | Total Property Taxes* |
| 2015 | 100% | \$ 39,762 | \$ 63,964 | \$ 0 | \$ 0 |
| 2016 | 80% | 31,809 | 51,171 | 7,952 | 12,793 |
| 2017 | 60% | 23,857 | 38,378 | 15,905 | 25,586 |
| 2018 | 40% | 15,905 | 25,586 | 23,857 | 38,378 |
| 2019 | 20% | 7,952 | 12,793 | 31,809 | 51,171 |
| 2020 | 0% | 0 | 0 | 39,762 | 63,964 |
| Total | | \$ 119,285 | \$ 191,892 | \$ 119,285 | \$ 191,892 |

*These estimates do not include future tax increases and assessment changes

Recommendations

1. That staff be directed to prepare a 2015-2019 five year declining permissive tax exemption bylaw for 11 Chown Place that begins with an 80% exemption in 2015.
2. That staff be directed to not include the permissive exemption value on this property when calculating the permissive tax exemption cap from the consolidated permissive tax exemption group.
3. That these recommendations be forwarded to Council for approval at the September 11, 2014 Council Meeting.



Governance and Priorities Committee Report

For the Meeting of September 11, 2014

To: Governance and Priorities Committee **Date:** September 1, 2014
From: Jocelyn Jenkyns, General Manager
Subject: Victoria Conference Centre Food and Beverage Agreement

Executive Summary

The Victoria Conference Centre (VCC) was established as a self-financing department of the City of Victoria in 1989. The centre was built on property originally owned by CP Hotels. Over time, the property has changed hands with the current owner being Bosa Development Corporation (BDC) and the hotel management company being Fairmont. BDC and the City are parties to a 50 year lease which extends to 2037. A key element of the lease is the operating agreement which gives the Fairmont Empress exclusive rights to the provision of food and beverage (F&B) services at the VCC.

The Fairmont Empress and the VCC both hold food primary licences for their facilities. The Fairmont Empress purchases all liquor for the provision of services at the conference centre as well as the hotel and was bound to strictly administer both licences separately including the storage and inventory of liquor for both buildings.

Through the adoption of Bill 15, the Province has amended various liquor regulations to streamline the administration of food and liquor primary licences. One of the amendments being the delegation of the licence to a third party for the provision of services.

The City has now finally reached an agreement with the lawyers for the Fairmont Empress regarding the language of the F&B Agreement which will allow them to operate liquor services under the City's licences in both VCC and Crystal Garden in a manner that complies with provincial liquor laws. The draft agreement is attached for your information.

Recommendation:

That Council authorize the Mayor and Corporate Administrator to execute the VCC Food & Beverage Amendment agreement, and other documents necessary for the third party liquor operations, in the form of agreement attached to this report to the satisfaction of the City Solicitor.

Respectfully submitted

 A handwritten signature in cursive script, appearing to read 'Jocelyn Jenkyns', followed by a horizontal line.

Jocelyn Jenkyns
General Manager

Report accepted and recommended by the City Manager: _____

Date: _____

A handwritten signature in blue ink, appearing to be 'JL', is written over the line for the City Manager's acceptance.

Sept. 5, 2014

Purpose

In 2013 the Province conducted a review of Provincial Liquor laws to modernize and streamline the sales and administration of liquor and liquor services in BC. The purpose of this report is to provide Council with information related to the liquor regulation amendments specifically related to the Food and Beverage (F&B) Agreement between the Victoria Conference Centre and the Fairmont Empress.

Background

The Victoria Conference Centre (VCC) was established as a self-financing department of the City of Victoria in 1989. The centre was built on property originally owned by CP Hotels. Over time, the property has changed hands with the current owner being Bosa Development Corporation (BDC) and the hotel management company being Fairmont. BDC and the City are parties to a 50 year lease which extends to 2037. A key element of the lease is the operating agreement which gives the Fairmont Empress exclusive rights to the provision of food and beverage (F&B) services at the VCC.

The Fairmont Empress and the VCC both hold food primary licences for their facilities. The Fairmont Empress purchases all liquor for the provision of services at the conference centre as well as the hotel and historically has been bound to administer both licences separately including the storage and inventory of liquor for both establishments.

Through the adoption of Bill 15, the Province has amended various liquor regulations to streamline the administration of food and liquor primary licences. One of the amendments being the delegation of a licence to a third party for the provision of services.

Issues and Analysis

The deliberations between the City and BDC related to the F&B agreement were fairly straightforward with the exception of jurisdictional issues related to the provision of F&B services at Crystal Garden. At this point, the City and BDC Empress disagree as to whether the Lease and the Operating Agreement apply to food and beverage services at Crystal Garden. Notwithstanding that, the City continues to permit BDC Empress (as successor to CP) to provide food and beverage services at the Crystal Garden but in doing so does not concede that the Lease and the Operating Agreement apply to food and beverage services at the Crystal Garden and enters into the agreement without prejudice to the City's right at any time to dispute the applicability of the Lease and the Operating Agreement to the Crystal Garden.

The term of the amended agreement will commence on the date of signing and expire according to the attached agreement in section G (2).

Recommendation

That Council authorize the Mayor and Corporate Administrator to execute the VCC Food & Beverage Amendment agreement, and other documents necessary for the third party liquor operations, in the form of agreement attached to this report to the satisfaction of the City Solicitor.

FOOD AND BEVERAGE SERVICES AGREEMENT
(VICTORIA CONFERENCE CENTRE)

THIS AGREEMENT made as of July ●, 2014

BETWEEN:

THE CORPORATION OF THE CITY OF VICTORIA
720 Douglas Street
Victoria, B.C.
V8W 3M7

(the “**City**”)

AND:

BDC (EMPRESS HOTEL) INVESTMENT CORPORATION
500 – 1901 Rosser Avenue
Burnaby, B.C.
V5C 6S3

(“**BDC Empress**”)

AND:

FAIRMONT HOTELS INC.
1300 – 777 Dunsmuir Street
Vancouver, B.C.
V7Y 1K2

(“**Fairmont**”)

AND:

7742371 CANADA INC.
721 Government Street
Victoria, B.C.
V8W 1W5

(“**7742371**”)

WHEREAS:

- A. Pursuant to a lease made April 24, 1987 (the “**Lease**”) and an operating agreement made April 24, 1987 (the “**Operating Agreement**”), each between the City and Canadian Pacific Hotels Corporation (“**CP**”), the parties agreed that CP would have the exclusive right to provide all food and beverage services in the conference centre commonly known as the Victoria Conference Centre (the “**Conference Centre**”), located at 720 Douglas Street, Victoria, British Columbia, on the terms and conditions set forth in the Lease and the Operating Agreement;

- B. The City owns and operates certain conference and banquet facilities commonly known as the Crystal Garden within a portion of the building located at 713 Douglas Street, Victoria, British Columbia (the “**Crystal Garden**”);
- C. The City holds food primary liquor licence 133237 with respect to a food and beverage serving establishment within the Conference Centre and food primary liquor licence 303380 with respect to a food and beverage serving establishment within the Crystal Garden (together, the “**Liquor Licences**”) issued by the British Columbia Liquor Control and Licensing Branch (the “**LCLB**”);
- D. Pursuant to a hotel management agreement dated as of June 15, 1999, as amended and restated as of January 1, 2006 (as further amended, restated, supplemented and/or otherwise modified from time to time to the date hereof, the “**Hotel Management Agreement**”) between, among others, Legacy Hotels Corporation (as successor-by-amalgamation to Legacy EF Inc.) (“**Legacy Corp.**”), Legacy Hotels Real Estate Investment Trust (“**Legacy REIT**”) and Fairmont, Fairmont agreed to manage the hotel commonly known as Fairmont Empress Hotel (the “**Hotel**”) and located at 721 Government Street, Victoria, British Columbia, on behalf of Legacy Corp. and Legacy REIT on the terms and conditions set forth in the Hotel Management Agreement;
- E. On September 13, 2007, Empress Hotel LP assumed the interest originally held by CP under the Lease and the Operating Agreement, and the interests of Legacy Corp. and Legacy REIT under the Hotel Management Agreement;
- F. On June 27, 2014, BDC Empress assumed the interest of Empress Hotel LP under the Lease, the Operating Agreement and the Hotel Management Agreement;
- G. The parties have agreed to certain matters regarding the provision of food and beverage services in the Conference Centre and the Crystal Garden, as well as certain ancillary matters, all as set forth herein.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and the sum of \$10.00 now paid by each party to the others (the receipt and sufficiency of which is hereby acknowledged by the parties), the parties agree as follows:

1. Crystal Garden Food and Beverage Services. The City and BDC Empress disagree as to whether the Lease and the Operating Agreement apply to food and beverage services at Crystal Garden. The City has permitted and continues to permit BDC Empress as successor to CP to provide food and beverage services at the Crystal Garden, and this Agreement has been drafted on the basis that the Lease and the Operating Agreement apply to food and beverage services at Crystal Garden. Notwithstanding the foregoing, the parties acknowledge and agree that the City (a) is not conceding that the Lease and the Operating Agreement apply to food and beverage services at the Crystal Garden, and (b) permits BDC Empress to provide food and beverage services at the Crystal Garden and enters into this Agreement without prejudice to the City’s right at any time to dispute the applicability of the Lease and the Operating Agreement to the Crystal Garden in any respect whatsoever.
2. Term. The term of this Agreement will commence on the date first written above and expire on the earlier of (a) the expiry or early termination of the Lease or the Operating Agreement, or (b) the expiry or early termination of the Hotel Management Agreement, provided that the City may at any time by written notice to the other parties terminate this Agreement with

respect to the Crystal Garden and cancel the third party appointment of 7742371 with respect to food primary liquor licence 303380. Notwithstanding the foregoing, the parties acknowledge and agree that BDC Empress (a) is not conceding that the Lease or the Operating Agreement do not apply to food and beverage services at the Crystal Garden, and (b) has agreed to provide the City with the foregoing termination right without prejudice to BDC Empress' right at any time to maintain that the Lease and the Operating Agreement apply to the Crystal Garden and entitle BDC Empress to provide food and beverage services at the Crystal Garden.

3. Delegation to Fairmont. BDC Empress hereby delegates to Fairmont, in its capacity as nominee of, or agent for, BDC Empress pursuant to the Hotel Management Agreement, all of its duties and responsibilities under the Operating Agreement relating to the provision of food and beverage services to the Conference Centre and the Crystal Garden, and Fairmont hereby accepts such delegation and covenants and agrees with BDC Empress and the City to observe and perform all such duties and responsibilities on behalf of BDC Empress in its capacity as nominee of, or agent for, BDC Empress pursuant to the Hotel Management Agreement, as if it were the party named therein.
4. Third Party Operator Appointment. The City hereby agrees to apply to the LCLB to appoint 7742371 as the third party operator of the Liquor Licences, and not to revoke such appointment prior to the termination or expiry of this Agreement. 7742371 will co-operate with such application as reasonably required and, without limiting the generality of the foregoing, will submit all information required by the LCLB in connection therewith and pay all associated fees levied by the LCLB.
5. Delegation to 7742371. Fairmont hereby delegates to 7742371 such duties and responsibilities under the Operating Agreement relating to the provision of food and beverage services to the Conference Centre and the Crystal Garden as are required to support the appointment of 7742371 as third party operator of the Liquor Licences, and 7742371 hereby accepts such delegation and covenants and agrees with Fairmont and the City to observe and perform all such duties and responsibilities as if it were the party primarily obligated to do so. Notwithstanding the foregoing, Fairmont agrees to and in favour of BDC Empress that it will be primarily responsible for ensuring all duties and responsibilities relating to the provision of food and beverage services to the Conference Centre and the Crystal Garden are observed and performed.
6. Consent. The City hereby consents to the delegation of food and beverage services duties and responsibilities in relation to the Conference Centre and the Crystal Garden as set forth in sections 3 and 5.
7. Non-Assignment. For greater certainty, the parties hereto acknowledge and agree that the provisions set forth in sections 3 and 5 do not constitute an assignment of BDC Empress' rights or obligations under the Operating Agreement.
8. Conflict. In the case of any conflict or inconsistency between a provision in either the Operating Agreement or the Hotel Management Agreement and a provision in this Agreement, the provision in this Agreement will prevail.
9. Indemnity. BDC Empress, Fairmont and 7742371, and each of them, jointly and severally, shall indemnify and save harmless the City, its elected and appointed officials, officers, employees, and agents from and against any and all claims, costs, expenses, damages, loss,

injury, fees (including legal fees on a solicitor and own client basis) and liability whatsoever ("**Claims**") that the City, its elected and appointed officials, officers, employees or agents may suffer or incur arising out of or in connection with the delegation of duties and responsibilities under this Agreement, the conduct of BDC Empress, Fairmont and 7742371, or any of them, in the performance of their respective obligations in connection with the service of liquor at the Conference Centre or the Crystal Garden, the breach of this Agreement by BDC Empress, Fairmont and/or 7742371, the breach of one or both of the Liquor Licences by BDC Empress, Fairmont and/or 7742371, or the suspension, revocation or cancellation of one or both of the Liquor Licences due to the conduct of BDC Empress, Fairmont and/or 7742371, provided that the indemnity contained in this Section 9 shall not apply to the extent any Claims result from the actions or negligence of, or the breach of the terms and provisions of this Agreement or the Operating Agreement by, the City, its elected and appointed officials, officers, employees, and/or agents. This indemnity shall survive the expiry or earlier termination of this Agreement.

10. Confidentiality. Each party will keep confidential the terms of this Agreement and all information in its possession or under its control relating to the subject matter of this Agreement, unless this Agreement or such information is or becomes generally available to the public other than as a result of a disclosure by such party in violation of this Agreement, or unless this Agreement or such information is disclosed as required by law including, without limitation, pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*, to which the City is subject as a public body. Notwithstanding the foregoing, BDC Empress is hereby authorized to disclose the terms of this Agreement to (i) any of its Affiliates (as defined in the *Canada Business Corporations Act*), (ii) any of its directors, officers, employees, agents, consultants or advisors, (iii) any prospective purchasers of BDC Empress', or any of its Affiliates', direct or indirect interest in the Hotel and the related assets, (iv) any investors or prospective investors in and to BDC Empress' or its Affiliates' (or any successors thereof) direct or indirect interest in the Hotel, and/or (v) any lenders or prospective lenders to BDC Empress or its Affiliates (or any successors thereof), and the City is hereby authorized to disclose the terms of this Agreement to any of its elected and appointed officials, officers, employees, agents, consultants or advisors.
11. Time of the Essence. Time is of the essence of this Agreement.
12. Governing Law. This Agreement will be governed by the laws of the Province of British Columbia.
13. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.
14. Electronic Transmission. Delivery of an executed signature page to this Agreement by a party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

THE CORPORATION OF THE CITY OF VICTORIA

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

BDC (EMPRESS HOTEL) INVESTMENT CORPORATION

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

FAIRMONT HOTELS INC.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

7742371 CANADA INC.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory



Governance and Priorities Committee Report

For the September 11, 2014 Meeting

To: Governance and Priorities Committee **Date:** August 29, 2014

From: Robert Woodland, Director of Legislative and Regulatory Services

Subject: Application for a permanent change to Hours of Sale in relation to two (2) Liquor Primary Liquor Licenses, for the **Tally Ho Motor Inn**, 3020 Douglas Street, Licence No. 010134 and 111522

Executive Summary

The purpose of this report is to seek a Council resolution, in accordance with the requirements of the *Liquor Control and Licensing Act*, regarding an application by the Tally Ho Motor Inn in relation to their 2 Liquor Primary Liquor Licenses for the premises located at 3020 Douglas Street, for a permanent change to extend their hours of operation in relation to their liquor service.

The licensee has shifted their business model in their two Liquor Primary Liquor licensed venues and as a consequence wishes to generally operate with earlier opening and closing times. This is in keeping with the pub having changed to a "Sports Bar" theme and the Lounge having changed to a licensed horse racing off track betting facility. The specifics for the proposed changes in operating hours for each licence is set out in a table under "Background" on page 3 of the Report.

The current occupant load for the Lounge is 50 persons and the current occupant load for the Pub is 351 persons. There would be no change in occupant load as a result of this application.

Recommendation:

That Council, after conducting a review with respect to noise and community impacts regarding the application to amend the hours of liquor service for the two (2) Liquor Primary Liquor Licenses of the **Tally Ho Motor Inn**, Liquor Licenses No. 010134 and 111522, located at 3020 Douglas Street, supports:

- The application of the **Tally Ho Motor Inn** to amend its Liquor Primary Liquor Licence for their Lounge (Licence No. 010134) to allow a change in operating hours to include 9:00AM to 11:00PM from Monday to Saturday and 9:00AM to 10:00PM on Sunday.
- The application of the **Tally Ho Motor Inn** to amend its Liquor Primary Liquor Licence for their Pub (Licence No. 111522) to allow a change in operating hours to include 11:00AM to 1:00AM Monday to Thursday, 11:00AM to 1:30AM on Friday, 9:00AM to 1:30AM on Saturday and 9:00AM to 10:00PM on Sunday.

- The Council provides the following comments on the prescribed considerations (for both licence applications):
 - (a) The location is within a mixed commercial/residential light industrial area which authorizes offices, retail, hotels, restaurants and associated uses. There is a small amount of residential use in the immediate vicinity. The two Liquor Primary Liquor licensed operations within the hotel (lounge and pub) are compatible with the neighbouring land uses. The business is located within the Transient Accommodation District and is within the Intermediate Noise District which allows for a higher noise threshold.
 - (b) With respect to the Lounge (Licence No. 010134) this request represents a change in operating hours to enable liquor service 2 to 2.5 hours earlier each day but close 2 to 2.5 hours earlier each evening resulting in no net increase in the liquor service hours for the premises.
 With respect to the Pub (Licence No. 111522) this request represents a change in operating hours to enable liquor service 0.5 hour earlier on Friday, 2.5 hours earlier on Saturday and 2 hours earlier on Sunday with a 2 hour earlier closing time on Sunday, resulting in a net increase of 3 hours of liquor service weekly for the premises.
 These changes are expected to have minimal impact on the neighbourhood due to the configuration and use of the licensed premises within the hotel. The hotel has had no complaints of noise or nuisance in the past 5 years. There is no concern that this change would result in the business being operated contrary to its primary purpose.
 - (c) The views of residents were solicited via a mail out to neighbouring property owners and occupiers within 50 metres of the hotel and a notice posted at the property. No responses were received by the City.

Respectfully submitted



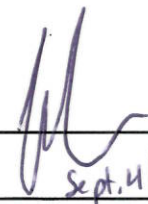
Mark Hayden
Manager, Bylaw and
Licensing Services



Robert Woodland
Director Legislative and
Regulatory Services

Report accepted and recommended by the City Manager:

Date:


 Sept. 4/14

MATERIALS RECEIVED VIA PUBLIC CONSULTATION PROCESS:

Attached 1 (A letter from the applicant)

Purpose

The purpose of this report is to seek a Council resolution regarding an application by the Tally Ho Motor Inn, in relation to their Liquor Primary licensed businesses located at 3020 Douglas Street for a change to their hours of liquor service for both their Lounge and Pub located on the premises of the hotel.

Background

The Tally Ho Motor Inn is located at 3020 Douglas Street and the property spans the distance between Douglas and Burnside. The Lounge venue is located off the lobby in the hotel while the Pub is located towards the rear of the property, but attached to the hotel. The current management has been in place for approximately 2 years reopening the hotel in 2013 after extensive renovations.

The Lounge venue is licensed for 50 persons. The current operating hours and proposed changes are set out in the table below:

| Day | Current Operating Hours | Proposed Operating Hours | Net Change |
|--------------------|-------------------------|--------------------------|--|
| Monday to Saturday | 11:30AM to 1:30AM | 9:00AM to 11:00PM | Premises open and close 2.5 hours earlier each day |
| Sunday | 11:00AM to Midnight | 9:00AM to 10:00PM | Premises open and close 2 hours earlier each day |

The Pub is licensed for 351 persons (including a 50 seat patio). The current operating hours and proposed changes are set out in the table below:

| Day | Current Operating Hours | Proposed Operating Hours | Net Change |
|--------------------|-------------------------|--------------------------|---|
| Monday to Thursday | 11:00AM to 1:00AM | 11:00AM to 1:00AM | No Change |
| Friday | 11:30AM to 1:30AM | 11:00AM to 1:30AM | Premises open 0.5 hour earlier |
| Saturday | 11:30AM to 1:30AM | 9:00AM to 1:30AM | Premises open 2.5 hours earlier |
| Sunday | 11:00AM to Midnight | 9:00AM to 10:00PM | Premises open and close 2 hours earlier |

The applicant is seeking a change to the operating hours for the Lounge as patrons are there to watch and bet on horse racing. The Lounge is a licensed off track betting facility. The bar has been removed from the Lounge and liquor service would be provided from the pub. There would be no liquor service in the Lounge when the pub is not open (no service before 11:00AM except on Saturday and Sunday). The requested change to be open at 9:00AM simply allows the Lounge to remain open from that time (when horse racing generally starts) without the need to remove patrons for a ½ hour transition period which would be required if the Liquor Primary Liquor Licence continued to be an 11:00AM or 11:30AM opening.

The applicant is seeking a change to the operating hours for the pub to reflect the changed business model for the hotel and that the pub is now operated as a Sports Bar. The requested earlier openings on Fridays, Saturdays and Sundays will allow the pub to be open for various sporting events on the weekends. Closing hours are unchanged except for the proposed earlier

closing on Sunday night (10:00PM instead of Midnight). If the changes are approved, the pub would be open for an additional 3 hours of liquor service each week.

In their attached letter (see Attachments), the applicant has described the full rationale for their request. A map of the subject property and immediate area is also attached to this report.

Location

Official Community Plan:

- The property is within the General Employment Urban Place designation in the Official Community Plan adjacent to properties in the Mayfair Town Centre Urban Place designation. General Employment area uses include: commercial, including office and retail, light industrial, industrial work-live, education, research and development and health services
- The area is covered by Development Permit Area #16: General Form and Character, which enables Council to review and approve the character of commercial, industrial and multi-family residential developments.

Burnside Neighbourhood Plan:

- The property is within the Northern Approaches area. The area envisages higher density housing or tourist accommodation fronting Douglas Street with large commercial sites south of Mayfair suitable for retail/wholesale and service outlets which require warehouse type buildings.

Zoning:

- The property is zoned T-1, Transient Accommodation District, which permits hotels and associated uses.

Neighbourhood Compatibility:

- The building fronts on Douglas Street with its rear yard parking lot fronting on Burnside Road to the west. Immediately adjacent land uses are:
 - North: Car dealership (under construction)
 - West (across Burnside): Single family dwellings
 - East (across Douglas): Retail and office uses and a vacant motel
 - South: Office and retail uses.
- The single family dwellings are from 77m to 107m from the rear of the building across Burnside Road. The property is located within the Intermediate Noise District.

The Sustainable Planning & Community Development Department has no objection to the application as the use is permitted, the applications for changes in hours will not significantly change the existing lounge and pub operations and the potential for additional noise affecting occupants and residential neighbours is minimal and during the late evening likely reduced due to the proposed earlier closing hours on a number of days.

Liquor Control and Licensing Branch

The General Manager of the provincial Liquor Control and Licensing Branch (LCLB) issues liquor licences under the authority of the *Liquor Control and Licensing Act* and regulations. Local government is to provide comments and recommendations to the LCLB on all liquor-primary licence applications regarding the potential for noise and impact on the community if the application is approved.

Relevant Policy / Bylaw

- a) Liquor Licensing Policy;
- b) Liquor Licensing Fee Bylaw.

Issues & Analysis

This application is being pursued as a permanent change to the operating conditions as the hotel operator has changed the focus of the service provided in their pub from a "beer hall" to that of a "sports bar and grill". The change in the lounge is to allow uninterrupted access during the hours that horse racing is available. A letter from the applicant detailing the reasons for the requested change is attached to this Report.

With respect to the Lounge licence application, as set out in the Table under "Background", the request is to open at 9:00AM each day and set the closing hours so that there is no net change in the number of hours of liquor service available each week.

With respect to the Pub application, as set out in the Table under "Background", the hours of operation between Monday and Thursday will not change. On Friday, the request is to allow an 11:00AM opening (0.5 hour earlier) and to open at 9:00AM on Saturday and Sunday. Closing times stay the same on Friday and Saturday and are 2 hours earlier on Sunday. The net effect of all of the proposed changes would enable the pub would be open 3 hours more each week than is currently allowed. The modified hours of operation is in keeping with the theme of the pub which is now the "Tally Ho Sports Bar and Grill".

All of the changes to the operating hours being requested by the applicant are within the hours of operation contemplated by the City's Liquor Licensing Policy.

This policy provides guidance on closing hours for Liquor Primary businesses, but does not specify approved opening hours other than what is allowed by the LCLB (which is 9:00AM).

Within a 50 metre radius of the Tally Ho Motor Inn, there are no other Liquor Primary licensed establishments. The 2 closest Liquor Primary Liquor Licensed venues are:

| VENUE | HOURS | SUNDAY HOURS | SEATING | TYPE |
|--|------------------|------------------|---------|--------------|
| Shark Club 2852 Douglas Street | 11:00h to 02:00h | 10:00h to 24:00h | 155 | Hotel Pub |
| Comfort Inn Hotel 3020 Blanshard Street | 11:30h to 01:30h | 11:00h to 24:00h | 172 | Hotel Lounge |

Bylaw Enforcement

The Bylaw and Licensing Services Division has no concerns with the application. There have been no complaints made about the Liquor Primary Liquor Licensed operations in the hotel with respect to nuisance or noise. A Good Neighbour Agreement for both licenses as required by the Business Licence Bylaw is in place.

Engineering & Public Works Department

The Downtown Community Development Section reviewed this application and provided the following comments:

The proposed changes would make the closing times earlier:

Lounge: Monday to Saturday 2.5 hours; Sunday 2.0 hours and the Pub: Sunday 2 hours

Also the proposed changes would move the opening hours 2.0 - 2.5 hours earlier on most of these days. As a result there would be little change in the net service hours of the two licenced premises and we do not have any concerns with the proposed change in hours.

Police

The Police Department has no concerns with, or objections to, this application.

Public Engagement and Consultation

In accordance with the City's Liquor Licensing Fee Bylaw and Liquor Licensing Policy, all owners and occupiers within 50 metres of the applicant's location were solicited by a mailed notice to provide input regarding this application. In addition, the business displayed a poster at the access points to their business for a 4 week period which also invited people to provide input to the City with respect to this application.

The result of this consultation was that the City received no feedback from the community.

Conclusions

The request complies with the City's current liquor licensing policy as the proposed opening and closing hours contained in the requests are within the hours specified by City Policy where such parameters have been set. The Liquor Primary Liquor Licence associated with this hotel has been operating since 2013. There have been no noise or nuisance complaints received in respect to liquor service in the past 5 years.

City staff from all Departments have no concerns about the proposed change to the operating hours for liquor service. The public consultation conducted by the City has resulted in no feedback from the public which is a general indication that the community has no concerns about the proposed changes. Therefore, a Resolution supporting the application has been drafted to meet the Liquor Control and Licensing Branch requirements.

Recommendations

That Council, after conducting a review with respect to noise and community impacts regarding the application to amend the hours of liquor service for the two (2) Liquor Primary Liquor Licences of the **Tally Ho Motor Inn**, Liquor Licences No. 010134 and 111522, located at 3020 Douglas Street, supports:

- The application of the **Tally Ho Motor Inn** to amend its Liquor Primary Liquor Licence for their Lounge (Licence No. 010134) to allow a change in operating hours to include 9:00AM to 11:00PM from Monday to Saturday and 9:00AM to 10:00PM on Sunday.
- The application of the **Tally Ho Motor Inn** to amend its Liquor Primary Liquor Licence for their Pub (Licence No. 111522) to allow a change in operating hours to include 11:00AM to 1:00AM Monday to Thursday, 11:00AM to 1:30AM on Friday, 9:00AM to 1:30AM on Saturday and 9:00AM to 10:00PM on Sunday.
- The Council provides the following comments on the prescribed considerations (for both licence applications):
 - (a) The location is within a mixed commercial/residential light industrial area which authorizes offices, retail, hotels, restaurants and associated uses. There is a small amount of residential use in the immediate vicinity. The two Liquor Primary Liquor licensed operations within the hotel (lounge and pub) are compatible with the neighbouring land uses. The business is

located within the Transient Accommodation District and is within the Intermediate Noise District which allows for a higher noise threshold.

- (b) With respect to the Lounge (Licence No. 010134) this request represents a change in operating hours to enable liquor service 2 to 2.5 hours earlier each day but close 2 to 2.5 hours earlier each evening resulting in no net increase in the liquor service hours for the premises.

With respect to the Pub (Licence No. 111522) this request represents a change in operating hours to enable liquor service 0.5 hour earlier on Friday, 2.5 hours earlier on Saturday and 2 hours earlier on Sunday with a 2 hour earlier closing time on Sunday, resulting in a net increase of 3 hours of liquor service weekly for the premises.

These changes are expected to have minimal impact on the neighbourhood due to the configuration and use of the licensed premises within the hotel. The hotel has had no complaints of noise or nuisance in the past 5 years. There is no concern that this change would result in the business being operated contrary to its primary purpose.

- (c) The views of residents were solicited via a mail out to neighbouring property owners and occupiers within 50 metres of the hotel and a notice posted at the property. No responses were received by the City.

ATTACHMENTS

The following documents are attached:

1. An aerial photograph (map) of the property and surrounding area.
2. A letter from the applicant explaining the purpose for the requested change.

08/26/2014

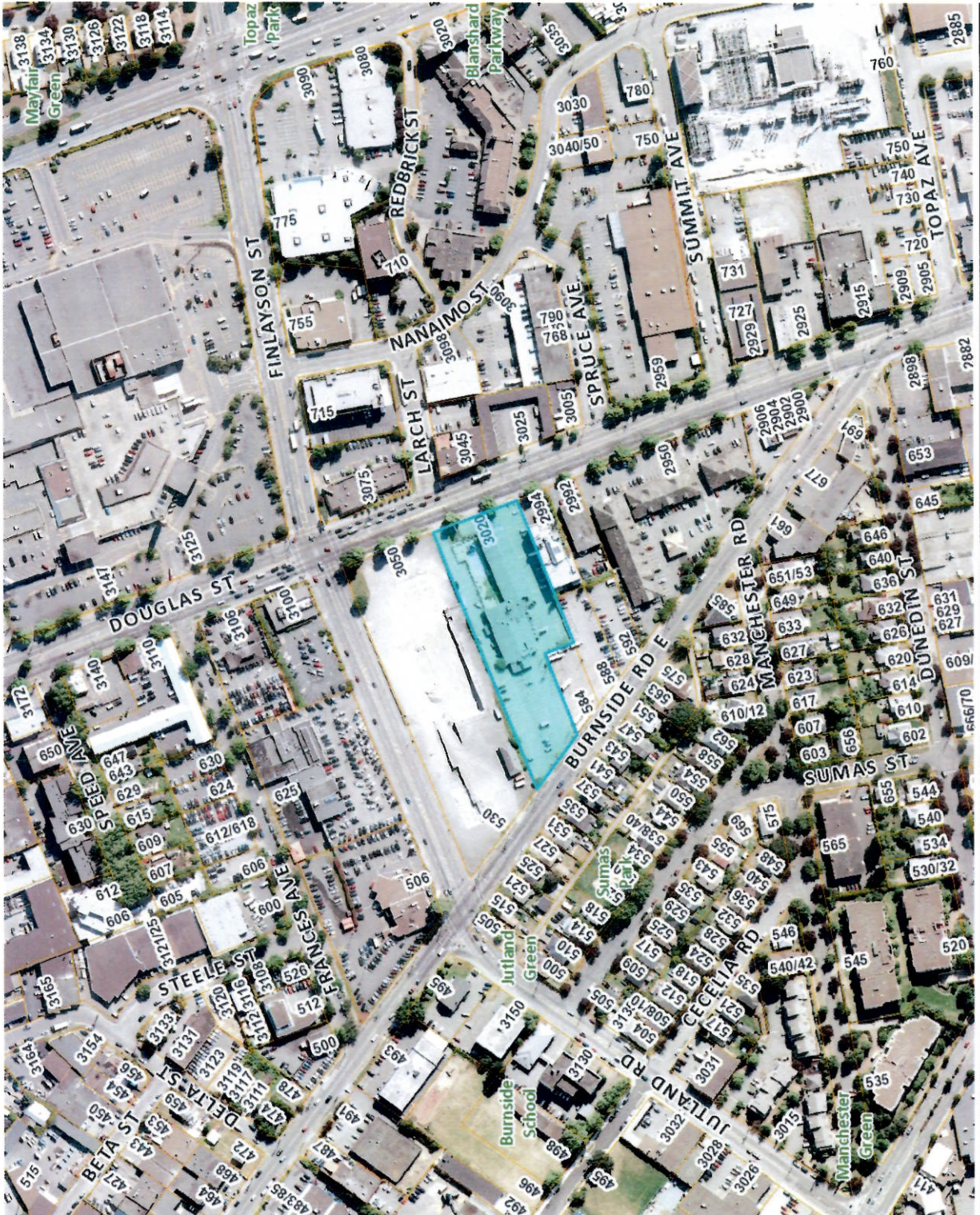
Tally Ho Motor Inn, 3020 Douglas Street



Legend
 □ Victoria Parcels

1: 3,678

Notes



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
 THIS MAP IS NOT TO BE USED FOR NAVIGATION

NAD_1983_CSRS_UTM_Zone_10N
 Public domain: can be freely printed, copied and distributed without permission.

*A proud member of the
Victoria community since 1967*

July 22, 2014

City of Victoria
#1 Centennial Square,
Victoria, BC
V8W 1P6

Attention: His Worship Mayor Fortin & Members of Council

Subject: Request for Resolution in Support of Change of Hours Application

Dear Sirs,

The Tally-Ho Hotel has been a Victoria business since 1967, and over the past 47 years the business and the property has gone through various phases. In 2012, we purchased the property then known as the Vacation Inn, out of receivership following the collapse of the Travellers Inn group of properties. Throughout late 2012 and early 2013, various options were considered for the property, and after considerable review, the decision was made to make a substantial investment into the building and property, and to reinvent and revive the business.

Following months of planning, considerable updates and improvements were completed in 2013 on the exterior of the property, including the rebirth and re-launch of the historical name "Tally-Ho". An updated logo, attitude and business plan was born that included a new family diner style restaurant, the "Hideaway Restaurant" and the regions newest and most well-appointed sports bar, the "Tally-Ho Sports Bar & Grill". The Tally-Ho Sports Bar & Grill also hosts the regions only off-track horse racing experience, known as the "Tally-Ho Players Lounge".

The improvements in 2013 included a complete interior renovation of the historical "beer hall" into the regions first true sports bar and grill, where friends "eat, drink and cheer". The sports bar includes over 40 big screen HD TV's, 3 mega screens, including the region's largest projection screen, and a state of the art audio system to make patrons feel like they are at the big game. Our audio video system allows almost any sports event or game to be available, all at the same time, therefore allowing us to promote that "we have your game". We have worked hard to create a sports entertainment experience that is not available anywhere in the region.

One of the primary goals of the renovation plan and renewed business strategy is to build a stronger business model based on sports and entertainment, and not center solely on the service of alcohol. New sports based food menus have been created, including themed menus for favourite teams such as the Vancouver Canucks and Victoria Royals, and for major events like the Super Bowl and the recent World Cup. Our new business strategy has seen food consumption increase over 100% since opening in November 2013.

.../2



www.HideawayVictoria.com



www.TallyHoVictoria.com



www.TallyHoSportsBar.com

... 2

The former Vacation Inn Pub and the Tally-Ho Pub before that, did not receive any investment for many years, and as such the facility had attracted some clientele that were less than desirable. This did not create an atmosphere that was an asset to the community, or sustainable as a business.

Since November 2013 when the Tally-Ho Sports Bar and Grill opened, we have worked hard to create an atmosphere that celebrates sports and entertainment, an atmosphere that includes residents of all backgrounds, where all sports fans can cheer on their favourite sport, team, or athlete. We are now a proud member of the Victoria Bar Watch Program, and we have worked closely with the Victoria Police to achieve our goal of creating a positive atmosphere, and ensuring a sustainable community based business model.

A large part of the new business model is community engagement and support. We are proud of the numerous minor sports and local entertainment groups we have been able to partner with to provide valuable fundraising opportunities in our first year. In 2014 alone we have helped raise over \$16,000.00 for local sports associations and community groups. As we continue to refine our fundraising efforts, we hope to increase our annual partnerships with the community to over \$40,000.00 annually.

We are also proud of our new relationships with local amateur and semi-pro sports organizations. In 2014 we have worked with and supported the Victoria Royals that play out of Victoria's Save-On-Foods Memorial Center, and the Victoria Harbour Cats baseball team and Victoria Highlanders FC, each playing out of Royal Athletic Park.

The purpose of our request today is our applications to alter our operating hours for both the Tally-Ho Sports Bar & Grill and the Tally-Ho Players Lounge. Our applications to BC Liquor Control & Licensing are based on months of review of sports league schedules and the sporting events that our regions sports enthusiasts follow and support.

The changes proposed for the Tally-Ho Sports Bar & Grill are as follows;

Monday, Tuesday, Wednesday & Thursday: No changes

Friday: Opening time change from 11:30am to 11:00am, the same opening time as Monday – Thursday. This change will help standardize opening times for weekdays, allowing us to further promote and grow the lunch business, as well as improve scheduling for employees.

Saturday: Opening time change from 11:30am to 9:00am. Although we do not plan to open regularly before 11:00am on Saturdays, having the ability to open as early as 9:00am will allow us to open for matinee games featuring marquee eastern based teams such as NHL Canadian icons Toronto Maple Leafs and Montreal Canadiens, or games that feature marquee players such as Sidney Crosby or Jamie Benn. Many events such as "Winter Classics" tend to be matinee games in Eastern time zones, therefore they are mid-morning in Victoria.

Sunday: Opening time change from 11:30am to 9:00am, and an earlier closing time change to 10:00pm from midnight. It is anticipated that we would open at 9:00am primarily for the NFL season, allowing NFL fans to gather for breakfast and cheer on their team for NFL Sunday morning football. We would also have flexibility to open for special events and games that occur earlier in the day such as NHL matinee games mentioned above. The proposed closing time change is earlier from midnight to 10:00pm.

.../3



www.HideawayVictoria.com



www.TallyHoVictoria.com



www.TallyHoSportsBar.com

... 3

The changes proposed for the Tally-Ho Players Lounge would change the opening times from 11:30am to 9:00am all days of the week, and change the closing time from 1:30am to the earlier time of 11:00pm Monday to Saturday, and 10:00pm on Sundays.

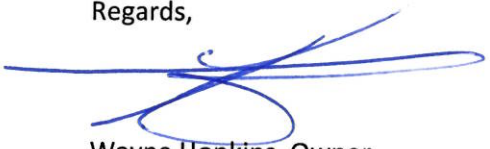
The change for the Tally-Ho Players Lounge is based solely on the schedule of the off-track horse racing activity. The Tally-Ho Players Lounge features horse races from around BC, Canada and the World, and races begin at 9:00am daily, and generally conclude before 11:00pm. The change will allow better service to the patrons of the horse race activity, as well as further our goal of moving the food and beverage sales to a more balanced model.

We are proud of the new Tally-Ho hotel, restaurant and sports bar, and we look forward to continuing to grow the new business model as a valued member of the community. The proposed changes to our licenses as detailed in this letter are designed to better serve our customers and to help us meet and exceed our business goals.

We are happy to provide a presentation and answer any questions you may have regarding this request. Please contact the undersigned if you require any further information.

Thank you for your consideration of this matter.

Regards,



Wayne Hopkins, Owner
ECN Holdings Ltd.



www.HideawayVictoria.com



www.TallyHoVictoria.com



www.TallyHoSportsBar.com



Governance and Priorities Committee Report

For the September 11, 2014 Meeting

To: Governance and Priorities Committee **Date:** September 2, 2014
From: Allison Ashcroft, Senior Planner, Environmental Issues
Subject: Fortis BC – Contribution Agreement CNG Vehicle Incentive Offer

Executive Summary

Staff recommend that Council provide authoritative approval to have the Mayor and Corporate Administrator execute a contribution agreement with Fortis BC Energy Vancouver Island (Fortis BC), in a form satisfactory to the City Solicitor, in order that the City can access available incentives for its 2014 acquisition of medium and heavy duty trucks utilizing compressed natural gas (CNG).

Council's authorization is required because the contribution agreement contains an indemnity clause.

Recommendation:

1. That Council authorize the Mayor and Corporate Administrator to execute a Contribution Agreement with Fortis BC, on terms and conditions satisfactory to the Director of Engineering and Public Works, and in a form satisfactory to the City Solicitor.
2. That Council ratify the motion to execute these agreements at the meeting of City Council on September 11, 2014.

Respectfully submitted,

Allison Ashcroft
Senior Planner,
Environmental Issues

Ed Robertson,
Assistant Director,
Public Works

Dwayne Kalynchuk, P.Eng.
Director of Engineering and
Public Works

Report accepted and recommended by the City Manager:

Date:

Sept. 4/14

Background

In 2013, the City of Victoria's fleet was comprised of approximately 25 vehicles which run exclusively on CNG and used approximately 90,000 litres of CNG. These CNG vehicles include some of the City's specialty trucks, such as garbage packers, flat decks, and hotboxes, in addition to, some larger pick-up trucks and vans. Annually, a small percentage of the City fleet is retired and replaced (\$1.4 to \$2 million budgeted annually per 20 year capital plan). Upon retirement, the City is assessing the City's needs in order to optimize the size of our fleet and right-size our vehicles (assigning the right vehicle for the job). Additionally, tender documents for fleet acquisitions are also requesting that suppliers provide product options and pricing for alternative-fuel vehicles (hybrid, electric, CNG) in addition to conventional-fuel vehicles (gas and diesel) for similar vehicle specifications.

Fortis BC provides incentives for the acquisition of medium and heavy duty trucks. The incentive is calculated as 60% of the price differential between the CNG vehicles to be purchased and diesel powered vehicles having the same or similar attributes, subject to some maximum incentive caps based on vehicle/industry type.

The City is in the process of issuing tenders for its 2014 fleet acquisitions. Until the tenders are awarded, it is unknown how many CNG trucks will be acquired by the City in 2014. In order to ensure the City maximizes its potential to leverage Fortis BC incentives, the City submitted a CNG incentive offer application for the maximum potential number of eligible CNG vehicles that may be purchased in 2014. The incentive offer application does not commit the City to purchase these vehicles and the City is under no obligation at this time. Similarly, despite having received a Notice of Award from Fortis BC, they are also under no obligation to pay this incentive until a contribution agreement is executed between both parties.

Incentive Offer Process

1. *Application:* In March of 2014, the City submitted an application to Fortis BC under its CNG incentive offer (see attached Appendix 1) seeking incentives for up to 13 vehicles, and approximately \$240,000 in incentives.
2. *Notice of Award:* In August, 2014, the City received a Notice of Award from Fortis BC (see attached Appendix 2) approving, subject to the execution of a contribution agreement and purchase of the vehicles, incentives for six of the 13 vehicles. These 6 vehicles, if purchased as CNG would cumulatively cost approximately \$1 million, with a price differential from diesel of an estimated \$270,000, and be eligible for Fortis BC incentives of approximately \$160,000 in the aggregate.
3. *Contribution Agreement:* The Notice of Award requires that the City enter into a contribution agreement with Fortis BC by September 30, 2014. The specific commitments and incentive amounts to be included in the contribution agreement will not be known until the City completes its tender process and cost figures are obtained from tender proponents. Once completed, the City will know the precise number of CNG trucks it will acquire and the price differential/cost of these trucks for both diesel and CNG engines; and then, the City will be able to fill in the specifics of this contribution agreement and have it executed. The City Solicitor will review and approve the completed contribution agreement prior to its execution. See below for more detail regarding the key terms and conditions of the contribution agreement.
4. *Purchase Commitment:* The Notice of Award requires that the City purchase the vehicles to be contained within the contribution agreement by December 30, 2014 as evidenced by the issuance of purchase orders prior to this date.

Key Terms and Conditions of Contribution Agreement with Fortis BC

- Fortis BC will provide a financial incentive to the City for the purchase of preapproved heavy duty vehicles using CNG. Fortis BC has preapproved six such vehicles per the Notice of Award.

The specific amount of the incentive and timing of payments is to be determined based on the outcomes of the City's ongoing tendering process parties prior to execution of the contribution agreement and in a form satisfactory to the City Solicitor.

- In consideration of this contribution from Fortis BC, the City agrees to the following:
 - To fuel the vehicles subject to the Contribution Agreement exclusively with natural gas approved by Fortis BC during the term of the agreement.
 - To purchase a minimum amount of fuel from Fortis BC each year for the vehicles purchased through this contribution agreement. If actual fuel purchased is less than the minimum amount, the City will remit funds to Fortis for the difference.

The term of the agreement and the minimum fuel commitment is to be determined between negotiating parties to the satisfaction of the Director of Engineering and Public Works prior to execution of the contribution agreement and in a form satisfactory to the City Solicitor.

- Contained within the contribution agreement is an indemnity clause to hold harmless Fortis BC from all expense, risks, and liability with respect to any injury or damage of property arising from the operation of the vehicles incentivized by Fortis and any breach by the City of any provisions to the contribution agreement.

The specific agreed upon terms of the indemnity are to be determined between negotiating parties prior to execution of the contribution agreement and in a form satisfactory to the City Solicitor.

Recommendation:

1. That Council authorize the Mayor and Corporate Administrator to execute a Contribution Agreement with Fortis BC, on terms and conditions satisfactory to the Director of Engineering and Public Works, and in a form satisfactory to the City Solicitor.
2. That Council ratify the motion to execute these agreements at the meeting of City Council on September 11, 2014.

Attachments.

Appendix 1

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2014 Natural Gas for Transportation (NGT) Natural Gas Vehicle Incentive Program



Email the completed application form to ngt@fortisbc.com.

Applicant information

| | | | |
|---|--|---|------------------------|
| Company name The Corporation of the City of Victoria | | Phone number 250-361-0409 | |
| Address #1 Centennial Square | | City/town Victoria | Province BC |
| Contact name Ric Bains | | Title Manager Operations and Fleet | Postal code V8W 1P6 |
| Email rbains@victoria.ca | | Industry segment (ie. forestry, waste, food grade etc.) Municipal Government | |

NSC (NATIONAL SAFETY COUNCIL) # 200-093-453

Fleet information

Description of operating service

Municipal Public Works

Is your operating service secured by firm contracts? (Please provide details)

No

| | |
|---|---|
| Total fleet size 290 Vehicles | What percentage of your natural gas fleet (by mileage) will operate in of B.C.? 100% |
| Vehicles will be <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased | How many return to base fleet locations do you have across B.C.? 1 |

Please list the return-to-base fleet locations you have across British Columbia:

417 Garbally Road, Victoria, BC V8T 2J9

267,165km

What are the total operating kilometers per year for your company's entire fleet of heavy duty vehicles in British Columbia?

267,165 km

Appendix 1
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Vehicle information

- Price Differential = Price of natural gas vehicle (vehicles + shipping)-Estimated capital cost of diesel equivalent (vehicle+ shipping).
- Please express in pre tax dollar amounts.
- If you are applying for an incentive for more than one type of vehicle, enter the vehicle information in separate rows.
- Attach scanned copy(s) of detail truck specifications and quotes from the vehicle dealer.

Expected fuel type

☒ CNG ☐ LNG

| Vehicle model | Expected service life (Yrs) | Quantity | Price differential (\$) | Subtotal |
|--------------------------|-----------------------------|----------|-------------------------|----------|
| See Attached Spreadsheet | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | X | = | \$ |

Annual liters of diesel fuel displacement calculation

- Please provide the vehicle model, average annual kilometers travelled and the annual diesel consumption per vehicle by vehicle model.
- Attach scanned copies of the fuel economy data and any other supporting document for the vehicle(s).

| Vehicle model | Quantity | Average annual km traveled per diesel vehicle replaced by Natural Gas Vehicle | Average annual diesel consumption (L) per vehicle |
|--------------------------|----------|---|---|
| See Attached Spreadsheet | | | |
| | | | |
| | | | |
| | | | |

Proposed natural gas fueling plan

- Do you currently have a natural gas refueling facility?
 - ☒ Yes, own refueling facility (proceed to question two)
 - ☐ Yes, facility owned by card lock service providers: _____ (name service provider) (proceed to question two)
 - ☐ No, not at this time (proceed to question three and four)

- If you currently have a refueling facility, please list your refueling location(s)

417 Garbally Road, Victoria, BC

- If you currently don't have a refueling facility are you planning to
 - ☐ Build your own refueling facility that uses natural gas from FortisBC?
 - ☐ Contract with a service provider(s)?
List the name(s) of the service provider(s) _____
 - ☐ Partner with other fleet(s)?
List the name(s) of the fleet partners _____

- If you currently don't have a natural gas refueling facility, explain your fueling plan in detail (eg. Planned fueling method, fueling location, estimate time to start refueling.

N/A

Natural gas vehicle implementation plan

| Expected on-road time (Yr/Mth) | Number of vehicles | End-to-end route plan |
|--------------------------------|--------------------|-----------------------|
| See attached spreadsheet | | |
| | | |
| | | |
| | | |

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Additional Information

Applicants may include additional information which they think may assist FortisBC in evaluating your application.

Currently in the process of replacing our 18 year old CNG compressor and fueling station.

How did you hear about the NGT Vehicle Incentive program?

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> FortisBC website | <input checked="" type="checkbox"/> FortisBC sales team | <input type="checkbox"/> FortisBC press release | <input checked="" type="checkbox"/> Email from FortisBC |
| <input type="checkbox"/> Social media | <input type="checkbox"/> Radio | <input type="checkbox"/> Newspaper/Magazine article (please specify: _____) | |
| <input type="checkbox"/> Industry association (please specify: _____) | | <input type="checkbox"/> Online or print ads (please specify: _____) | |
| <input type="checkbox"/> Other (please specify: _____) | | | |

Schedules and attachments

- Detail truck specifications and quotes from dealer;
- Documentation confirming the amount of the diesel fuel displaced by natural gas. Documentation may include fleet mileage records or comparable information;
- National Safety Code (NSC) Carrier Profile Summary documentation

Applicant's declaration

1. I/we certify the information in this Application is accurate and complete and acknowledge FortisBC will be relying on this information to determine, among other things, my/our financial situation and suitability/eligibility for funding through the NGT Vehicle Incentive Program. I/we further agree to provide FortisBC with additional information, upon request.
2. I/we certify we have read and understand all the eligibility criteria of the program.
3. I/we certify we have read and understand all the terms and conditions of the program, including as contained in the contribution agreement and instruction to the applicant.
4. I/we understand FortisBC and its representative request, collect, retain, disclose and otherwise use information about my/our business operations (whether contained in this Application or obtained by FortisBC from me/us or others, including credit reporting, agencies/credit bureaus, financial institutions, or references I/we have provided) to determine my/our financial situation and suitability/eligibility for funding through the NGT Incentive Program, to ensure ongoing compliance with and eligibility with respect to FortisBC funding requirements and obligations, as an aid to identify me/us for credit history file matching purposes and otherwise as permitted or required by law, and I/we hereby consent to such request, collection, retention, disclosure and use.
5. I acknowledge and agree FortisBC may share this Application with its affiliates and with their employees, representative and contractors for the purpose of review, award and implementation of the program.
6. We hereby consent to FortisBC providing our name, contact information and vehicle and fueling requirement details to third party fueling service providers on our behalf to enable them to market their fueling services to us.
7. I/we acknowledge and agree FortisBC and its affiliates, and their respective employees, contractors, consultants and agents (collectively, the "Releasees") will not under any circumstances whatsoever, be liable for any costs, expenses, claims, losses, damages or liabilities (collectively, "Claims") incurred or suffered by me/us as a result of, arising out of, or related to the NGT Incentive Program, including that may arise with respect to the preparation, negotiation, acceptance or rejection of any Application, the cancellation of the Application process or the Program, either before or after submission of Applications or issuance of notice of award. By submitting this Application, I/we hereby waive and release the Releasees from and against any Claims and to indemnify and hold harmless the Releasees against any Claims brought by third parties against the Releasees which arise out of or are related to the Application and award process or the Program generally.

Signed on behalf of the Applicant by its authorized signatory(ies):

Ric Bains
Applicant name (please print)

[Signature]
Applicant signature

27 March 14.
Date (Yr/Mth/Day)

City of Victoria Natural Gas For Transportation (NGT) Natural Gas Vehicle Incentive Program Application Detail

The table below includes CNG procurement for 2014 - All CNG vehicles (Light Duty, Medium Duty, Heavy Duty) for City of Victoria.

Note:

1. Light Duty purchases will seek grants through Fortis Light Duty Vehicles Incentive Program AFTER vehicle purchase. Details of Light Duty Unit replacement are not provided at this time as Fortis offer for Light Duty CNG vehicles does not require preapproval for funding.
2. Medium and Heavy Duty purchases will seek grants through Fortis Natural Gas Vehicle Incentive Program BEFORE purchase (3/31/14 offer deadline). Once application is approved by Fortis, contribution agreement MUST be entered into with Fortis by 6/30/14, and purchase orders MUST be issued by City by 9/30/14. Supporting documentation for CNG med and heavy duty vehicles (truck specs, fuel efficiency, supplier quotes for CNG and diesel-equivalent) will be made available to Fortis after completion of competitive tender process when the exact purchase terms are finalized. Exact vehicle replacement models may change, but will be of similar make/model/size. Costs provided in table below are best estimates provided by suppliers.

| The City of Victoria Current Unit in Service - Report on Fuel and Odometer Readings Jan.1/11-Dec.31/13 (3 Year Avg) | | | | | | | | | | | Projected 2014 Unit Replacement | | | | | | |
|---|------|---------------|-------------|----------|--------------------------|-----------|-----------------------------------|-----------------|-------------------|-------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|----------|----------------------------------|------------------------------|
| Unit # | Year | Make | Model | GVW (kg) | Duty Type Lt/ Med/Hvy ** | Fuel Type | Avg Annual fuel consumption (lts) | Avg Annual Km's | Avg Annual lts/km | Avg Annual km/lts | New Vehicle Model Description | Duty Type Lt/ Med/Hvy | Expected Service life | On Road Expected Date | GVW (kg) | Pre Tax Diesel/ Purchase Cost \$ | Pre Tax CNG Purchase Cost \$ |
| 116 | 2002 | GMC | Sonoma | 2178 | Lt | Gas | 1,423 | 8,581 | 0.17 | 6.03 | | | | | | | |
| 123 | 2000 | Chevy | 2500 | 3901 | Lt | Gas | 1,487 | 5,697 | 0.26 | 3.83 | | | | | | | |
| 128 | 1995 | GMC | Van 2500 | 2929 | Lt | Gas | 705 | 3,275 | 0.22 | 4.64 | | | | | | | |
| T135 | 1995 | Ford | Ranger | 2150 | Lt | Gas | 923 | 3,291 | 0.28 | 3.57 | | | | | | | |
| 138 | 2001 | Ford | F350 | 4490 | Lt | Gas | 4,430 | 16,065 | 0.28 | 3.63 | | | | | | | |
| 139 | 1995 | Ford | E250 | 3351 | Lt | Gas | 919 | 2,883 | 0.32 | 3.14 | | | | | | | |
| 161 | 1991 | GMC | Safari | 2449 | Lt | Gas | 504 | 2,870 | 0.18 | 5.70 | | | | | | | |
| 177 | 1993 | Chevy | Sierra 2500 | 3900 | Lt | Gas | 924 | 3,301 | 0.28 | 3.57 | | | | | | | |
| 203 | 2011 | GMC | Sierra 1500 | 3006 | Lt | Gas | 2,429 | 10,523 | 0.23 | 4.33 | | | | | | | |
| 200 | 1991 | International | 4700 | 9725 | Med | Diesel | 2,526 | 6,706 | 0.38 | 2.65 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 264 | 1993 | International | 4700 | 11567 | Med | Diesel | 1,608 | 4,401 | 0.37 | 2.74 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 267 | 1996 | International | 4700 | 13409 | Hvy | Diesel | 3,071 | 6,035 | 0.51 | 1.97 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 269 | 1996 | International | 4700 | 13409 | Hvy | Diesel | 2,136 | 4,455 | 0.48 | 2.09 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 270 | 1996 | International | 4700 | 13409 | Hvy | Diesel | 4,632 | 12,899 | 0.36 | 2.78 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 276 | 1996 | International | 4700 | 13409 | Hvy | Diesel | 1,586 | 2,796 | 0.57 | 1.76 | Freightliner M2-112 | Hvy | 15 | 01-Dec-14 | \$16,293 | \$ 126,009 | \$ 171,009 |
| 284 | 1997 | GMC | C&C Dump | 5513 | Med | Diesel | 1,468 | 5,166 | 0.28 | 3.52 | F350 / GMC35000 | Med | 15 | 01-Dec-14 | \$ 6,350 | \$ 36,000 | \$ 47,000 |
| 290 | 1994 | Chevy | Utility | 6803 | Med | Gas | 3,731 | 7,522 | 0.50 | 2.02 | F550 / GMC5500 Series | Med | 15 | 01-Dec-14 | \$ 8,845 | \$ 74,000 | \$ 85,000 |
| 295 | 1995 | GMC | Utility | 4665 | Lt | Diesel | 856 | 3,160 | 0.27 | 3.69 | F350 / GMC35000 | Med | 15 | 01-Dec-14 | \$ 6,350 | \$ 54,000 | \$ 65,000 |
| 300 | 1989 | International | Flatdeck | 13000 | Hvy | Diesel | 1,079 | 2,648 | 0.41 | 2.45 | F450 / GMC4500 Series | Med | 15 | 01-Dec-14 | \$ 7,257 | \$ 69,973 | \$ 80,973 |
| 530 | 1995 | GMC | Grumman | 6395 | Med | Gas | 2,894 | 4,787 | 0.60 | 1.65 | Class 4 | Med | 15 | 01-Dec-14 | \$ 6,531 | \$ 74,000 | \$ 85,000 |
| 532 | 2001 | International | Ladder | 11567 | Med | Diesel | 3,420 | 6,683 | 0.51 | 1.95 | Class 6 / class 7 | Hvy | 15 | 01-Dec-14 | \$16,818 | \$ 140,000 | \$ 185,000 |
| 570 | 2003 | Johnson | Sweeper | 10772 | Med | Diesel | 6,710 | 7,756 | 0.87 | 1.16 | Global | Med | 12 | 01-Dec-14 | \$ 5,455 | \$ 185,000 | \$ 216,000 |
| 537 | 1989 | Case | W20 Loader | 11365 | Med | Diesel | 1,945 | NA | NA | NA | NA - Currently unavailable in CNG | | | 01-Dec-14 | | \$ 1,389,027 | \$ 1,790,027 |

Light Duty Vehicle - <5,360 kg
Medium Duty Vehicle - >5,360kg but <11,793kg
Heavy Duty Vehicle - >11,793kg

Incremental Cost CNG vs. Conventional Diesel \$ 401,000
Fortis NG Vehicle Incentive Program Offer 60%
Potential Fortis funding \$ 240,600

* Reapproved for Funding by Fortis BC
is Notice of Award.

APPENDIX 2
P 1/2

16705 Fraser Highway
Surrey, BC V4N 0E8
www.fortisbc.com

August 13, 2014

The Corporation of the City of Victoria
#1 Centennial Square
Victoria, BC, V8W 1P6

Dear Ms. Ashcroft:

Re: Notice of Award – FortisBC Vehicle Incentive Program

Thank you for your application and interest in the FortisBC Vehicle Incentive Program. FortisBC has completed the initial evaluation of your application and we are pleased to inform you that, subject to FortisBC's approval of the vehicle purchase orders, confirmation of the price differential and execution of a Contribution Agreement, you have been awarded incentives for a total of 6 natural gas vehicles.

The amount of the incentive will be calculated at approximately 60% of the price differential between the vehicles to be purchased and diesel powered vehicles having the same or similar attributes (excluding any optional add-ons such as extended warranties and post outfitting expenses) and may be subject to a maximum incentive cap based on vehicle/industry type.

This Notice of Award is issued to enable you to start the vehicle purchase process but it is not a guarantee that FortisBC will make any or all of the contributions towards the purchase of any vehicles. Any contributions will only be made by FortisBC upon both parties having signed the Contribution Agreement and in accordance with and subject to the terms of the Contribution Agreement. Please be advised that if you proceed with vehicle purchase prior to the Contribution Agreement being fully executed, you do so at your own risk.

In order to receive FortisBC funding, and to determine the amount of funding, please provide the following to NGT@fortisbc.com.

1. **Signed Contribution Agreement:** A current form of Contribution Agreement filled in with information from your application form. The form has been attached. Please sign and return the contribution agreement to ngt@fortisbc.com no later than September 30, 2014; and
2. **Vehicle Purchase Order:** Please submit a copy of the vehicle purchase order no later than December 30, 2014 that shows:
 - a. the number of vehicles ordered, vehicle model, vehicle type and price;
 - b. price comparison of the natural gas vehicle and a comparable diesel vehicle.

Please note, vehicle orders initiated or purchases completed prior the issuance date of this Notice of Award are not eligible for funding.

Upon receipt and review of the foregoing information, FortisBC may request additional documentation or seek clarification.

Failure to submit the foregoing documentation and information by the deadlines set out above may result in this Notice of Award being revoked.

Appendix 2
p 2/2



16705 Fraser Highway
Surrey, BC V4N 0E8
www.fortisbc.com

The information set out above and any information contained in your application must be true and accurate as of the date of the execution of the Contribution Agreement. You must notify us of any changes to the information as soon as possible.

If you have any questions, please send an email to: NGT@fortisBC.com or call your account representative.

Sincerely,
Energy Products & Services
FortisBC Energy Inc.

**We're making
parking easier.**



Update on Parking Improvements

September 2014



Introduction

- This spring, we heard from 1,050+ people on how to improve parking
- Key considerations for parking downtown: convenience, cost and availability
- On Monday, September 15, a range of improvements will be in place to shift motorists from higher-demand on-street parking spaces to City's five parkades.



Our Commitment

1. To improve customer service
2. To make parking easier
3. To support vitality of downtown



City Parkade Improvements

Reduced Parkade Rates

- First hour is always free (no need for a coupon)
- Evening parking is free Monday to Saturday 6 p.m. – 8 a.m.
- Parking is free all day on Sundays and holidays
- Reduced rates of \$2 per hour (15 minute increments)
- \$12 vehicle day rate (\$14 Bastion)
- \$4 motorcycle day rate



SafeWalk Service

SafeWalk service provides customers with the option of calling a parkade security guard to meet and accompany them to their vehicle.

- Call up to 10-15 minutes in advance to arrange meeting place at parkade.
- Each parkade has a dedicated phone number posted, and available as a wallet card and at **victoria.ca/parking**.



SafeWalk Wallet Card

SafeWalk

P₁ Bastion Square Parkade
575 Yates Street
SafeWalk 250.880.1319

P₂ Broughton Street Parkade
(BELOW CENTRAL LIBRARY)
745 Broughton Street
SafeWalk 250.880.1221

P₃ Centennial Square Parkade
645 Fisgard Street
SafeWalk 250.880.0683

P₄ Johnson Street Parkade
750 Johnson Street
SafeWalk 250.880.0823

P₅ View Street Parkade
743 View Street
SafeWalk 250.880.0836

victoria.ca/parking

About City Parkades

- 5 parkades located within two blocks of downtown attractions
- 1,856 parking spaces
- 24/7 on-site security and SafeWalk service
- 1 – 3 electric vehicle charging stations per parkade
- Motorcycle parking (except Johnson Street Parkade)
- Covered bicycle parking
- Electric bicycle parking
- Specialty parking spaces next to elevators



Location of City Parkades

- **Bastion Square Parkade**
575 Yates Street
- **Broughton Street Parkade**
745 Broughton Street
(below Central Library)
- **Centennial Square Parkade**
645 Fisgard Street
- **Johnson Street Parkade**
750 Johnson Street
- **View Street Parkade**
743 View Street



View Street Parkade

Parkade Cleaning and Painting

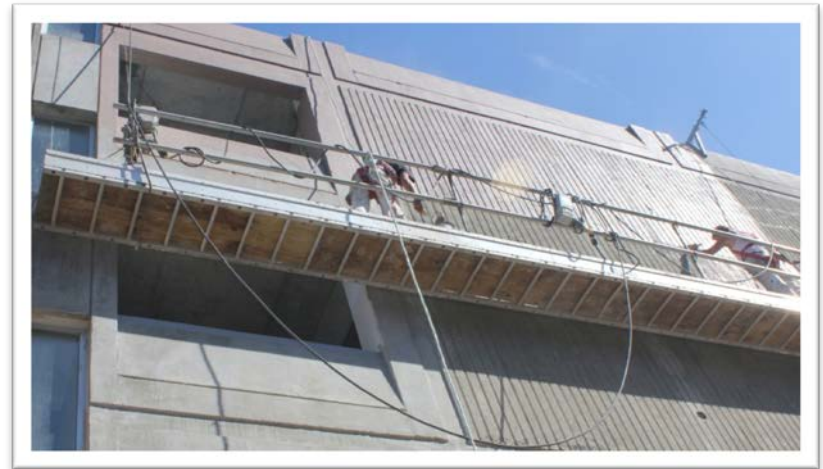
City parkades are undergoing cleaning and painting to give them a fresher look.

- Doorways
- Elevator frames
- Directional arrows and curbs
- Booths



Painting Johnson Street Parkade

Painting is underway of exterior of Johnson Street Parkade and will be completed this fall.

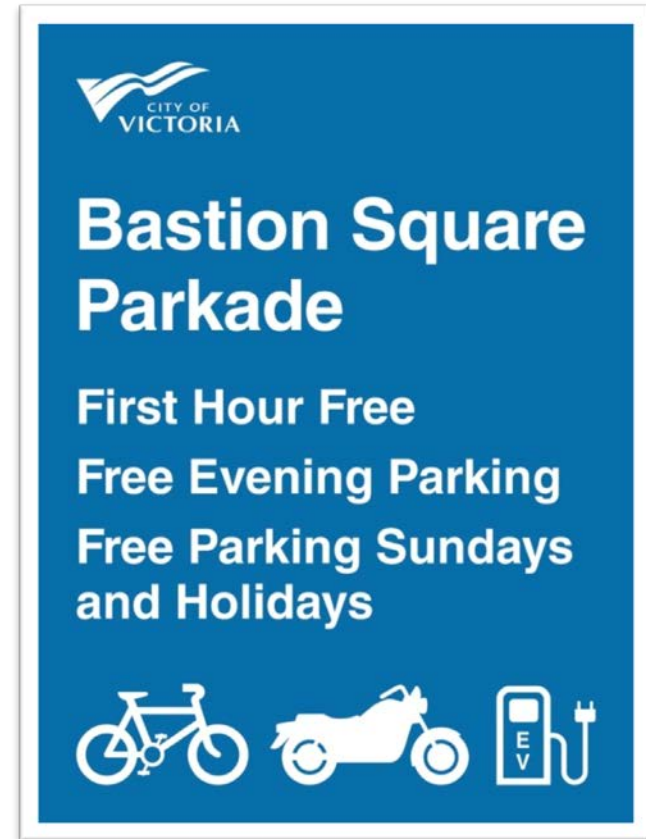


New ID Signage for Parkades

New identification signage which promotes benefits of parking in City parkades.



Current Signage



New Signage

Welcome and Thank You Signage

New signage for parkade entrances and exits to welcome and thank customers for visiting downtown.



Welcome



Thank You for Visiting Downtown



New Rate Signage in Parkades

New and improved rate signage.

Welcome to Centennial Square Parkade

Please Take a Ticket to Enter/Exit

First Hour Free
Free Evenings 6 p.m. – 8 a.m.
Free Sundays and Holidays

Rates: \$2 Per Hour | \$12 Vehicle Day Rate
\$4 Motorcycle Day Rate
Lost Ticket Charged Day Rate

Payment Accepted:

Cash or Credit Card  
No Debit

24/7 Security | SafeWalk: 250.880.0683



victoria.ca/parking

Please Have Payment Ready



First Hour Free
Free Evenings 6 p.m. – 8 a.m.
Free Sundays and Holidays

Monday – Saturday, 8 a.m. – 6 p.m.:

\$2 Per Hour (15 minute increments)
\$12 Vehicle Day Rate
\$4 Motorcycle Day Rate

Lost Ticket Charged Day Rate

Payment Accepted:

Cash or Credit Card  
No Debit



Centennial Square Parkade Rates



First Hour Free
Free Evenings 6 p.m. – 8 a.m.
Free Sundays and Holidays

Monday – Saturday, 8 a.m. – 6 p.m.:

\$2 Per Hour (15 minute increments)
\$12 Vehicle Day Rate
\$4 Motorcycle Day Rate

Lost Ticket Charged Day Rate

Payment Accepted:

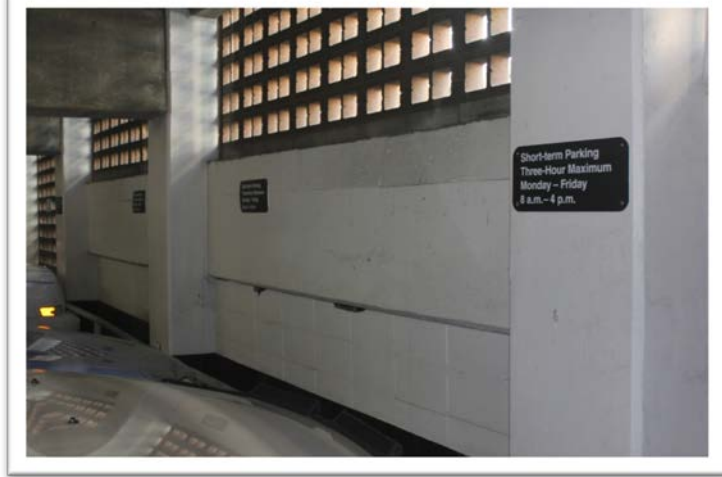
Cash or Credit Card  
No Debit

24/7 Security | SafeWalk: 250.880.0683



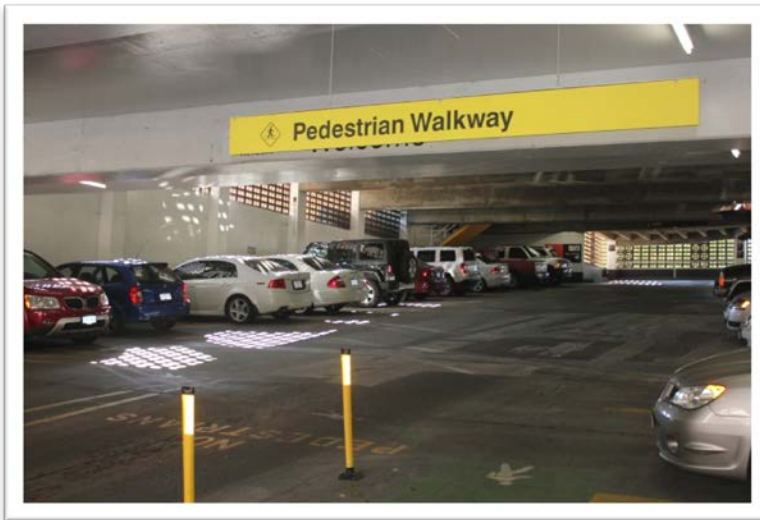
Short-Term Parkade Signage

Lower levels (upper levels at Broughton) are signed for short-term three-hour parking Monday to Friday 8 a.m. – 4 p.m.



Directional Signage for Parkades

New directional signage such as pedestrian walkway signs inside and outside of Centennial and Bastion Square Parkades are helpful and improve safety.



Parking Space Counter Outside Bastion

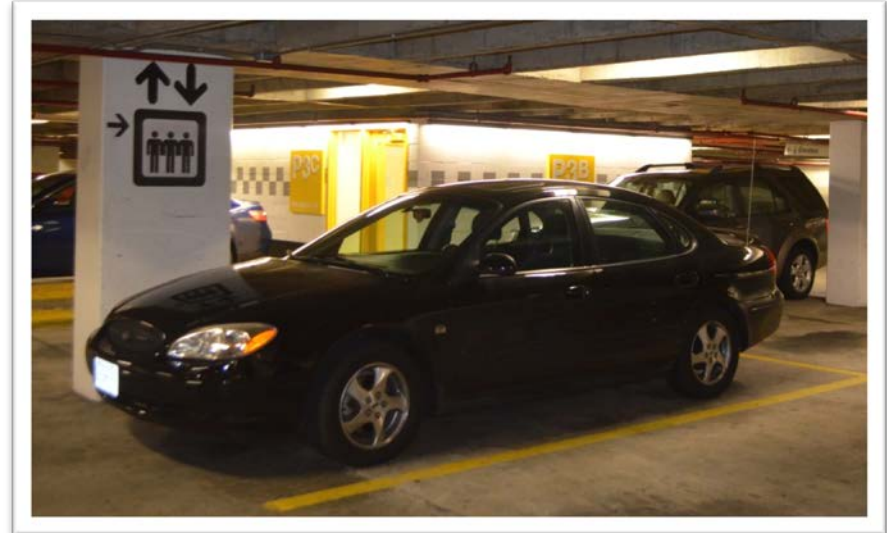
A new electronic parking space counter will be installed and piloted outside of Bastion Square Parkade this fall to improve customer service.

Additional counters will be considered for the future.



Additional Parkade Improvements

- Monthly parkers informed of new short-term parking spaces; asked to park on mid and upper levels (lower levels at Broughton Street Parkade).
- CRD elected officials with City of Victoria parking permit informed by letter to park in City parkades instead of on-street.



Before...

Opportunity for improved first impressions.



After

Clean entry ticket machine with clear and helpful information.



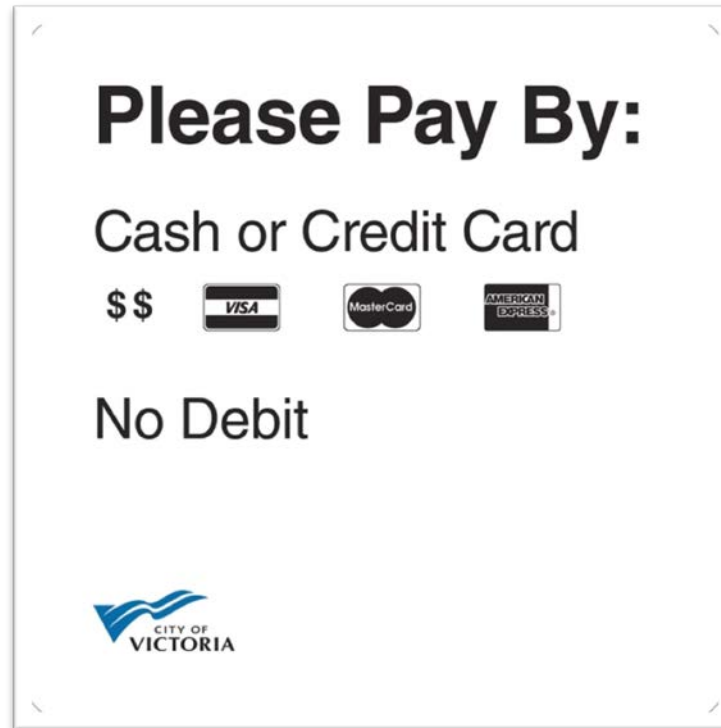
Before...

Opportunity to professionalize and streamline booth signage.



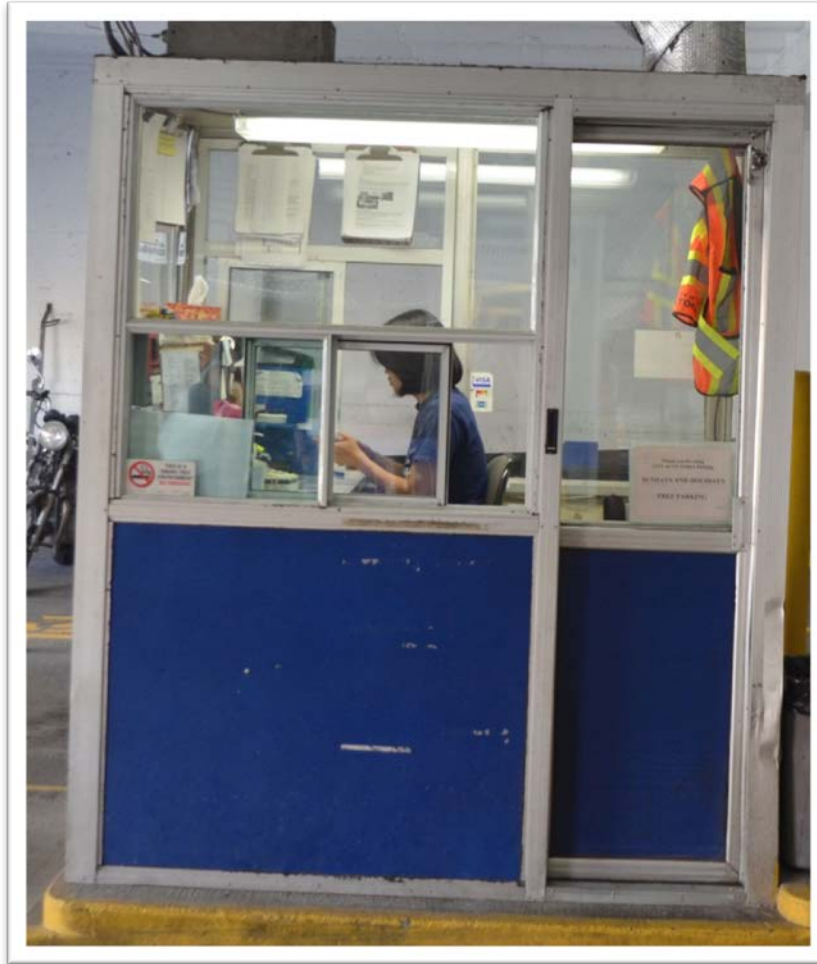
After

Remove taped signs and replace with new decal.



Before...

Opportunity to improve attendant booths.



After

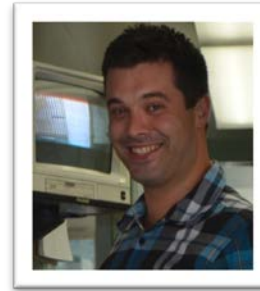
Newly painted attendant booths improve work environment, provide clear view lines, and help instill pride in service.



Education and Training

City is committed to improving customer service and the parking experience downtown.

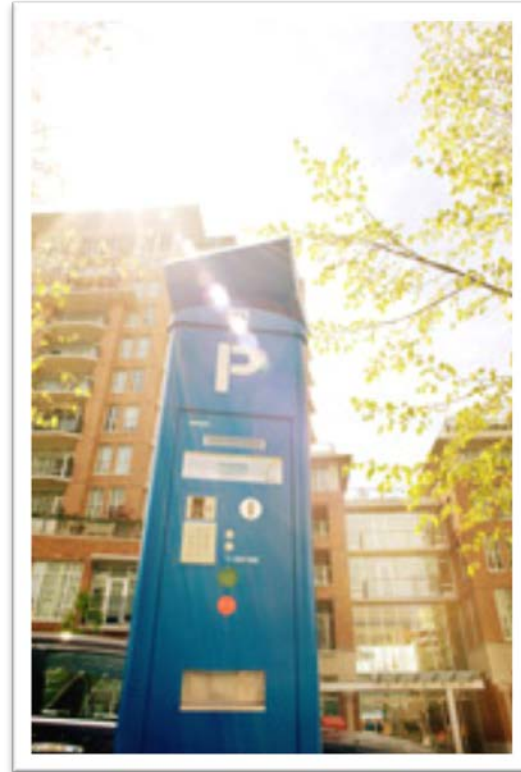
- City staff have undergone customer service training and participated in parking information sessions.
- Security guards provided same information with emphasis on SafeWalk role.



On-Street Parking Improvements

There are nearly 2,000 on-street parking spaces downtown.

Historically, most of these spaces have had a rate of \$2.50 per hour with a 90 minute time limit.



On-Street Parking Improvements

To provide flexibility and choice to customers, starting on Monday, September 15:

- There are **five parking zones** ranging from \$1.50 to \$3 per hour with 90 minute to 24 hour time limits, in effect Monday to Saturday from 9 a.m. – 6 p.m.
- On-street parking is free in the evenings from 6 p.m. – 9 a.m.
- On-street parking is free all day on Sundays and holidays.

On-Street Parking Improvements

Of the total 3,846 on-street and City parkade parking spaces:

- 62% (2,389 spaces) have decreased in rate
- 16% (620 spaces) have remained the same rate
- 22% (837 spaces) have increased in rate

78% of downtown parking spaces have decreased or have remained the same rate

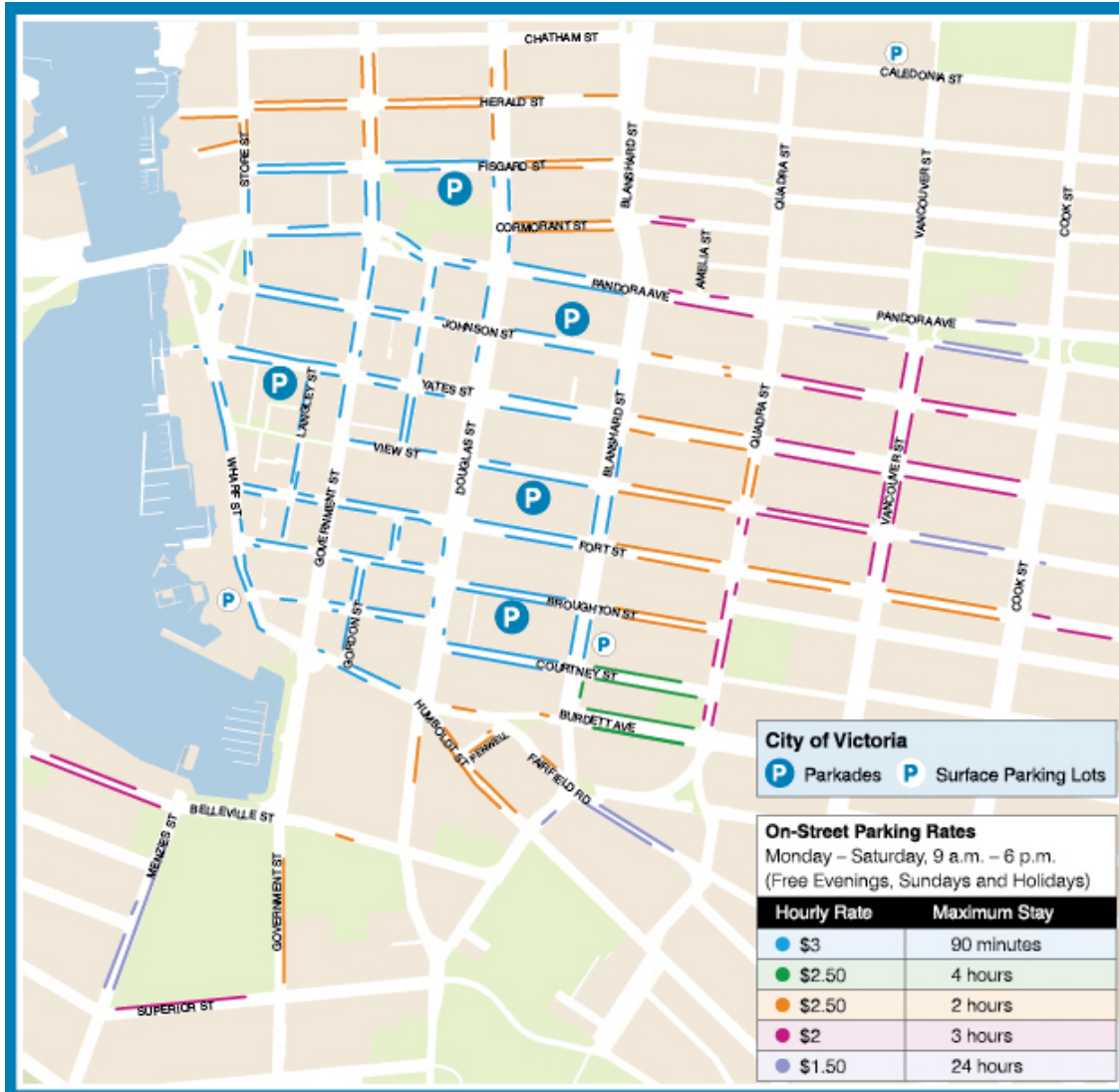
22% of downtown parking spaces have increased in rate

On-Street Parking Improvements

City Parkade and On-Street Rate Comparisons

| City Parkade | On-Street Near City Parkade |
|--------------------|-----------------------------|
| Free for one-hour | \$3 for one hour |
| \$1 for 90 minutes | \$4.50 for 90 minutes |
| \$2 for two hours | \$3 for one hour |

Downtown Victoria Parking Map



On-Street Parking Improvements

- To add more time to parking space without exceeding the maximum time limit, pay for parking at a pay station within **your parking zone**.
- If maximum time limit reached, move vehicle to next block or park in a City parkade where the first hour is free.
- Zones are identified at top of pay stations and on parking space posts.



Informing the Public

- **Letters to stakeholders**
 - Tourism Victoria
 - Greater Victoria Chamber of Commerce
 - Downtown Victoria Business Association
 - Victoria Downtown Residents Association
- **Media**
- **Print and social media advertising**
- **Back of bus advertising**
(to reach motorists in their vehicles)

Informing the Public

- **Parking brochure** (delivered to businesses, tourism, concierges, local venues, City Hall, etc.)
- **Window decals** (promote parking at City parkades, distribute to downtown businesses)
- **Panels on pay stations**
- **New parkade signage**
- **SafeWalk wallet cards**
- **VicMap and City Blog**
- **victoria.ca/parking**
- **Email and letter to monthly parkers at City parkades**
- **Letter to CRD elected officials**

What's Next

- “Pay by Cell” – coming this fall
- Art in Parkades
- Businesses to return “First-Hour-Free” coupons for reimbursement
- Review of parking enforcement model and contract
- Partner with DVBA to develop ambassador-focused training

What's Next

- Engage frontline Parking staff on regular basis
- Renovation of Parking Review Office
- Continue installation of directional signs and painting of parkades; install parking space counter at Bastion
- Develop and install identification banners on parkades
- Increased parking information for public
- Increased cleaning and maintenance of City parkades

What's Next

- Look at additional venues to reload City Parking Card
- Explore expanding speciality parking spaces in City parkades and on-street
- Explore potential advertising opportunities to increase revenue for ongoing parking improvements
- Ongoing monitoring and reporting (January 2015)

Questions

Questions



Governance and Priorities Committee Report

For the Meeting of September 11, 2014

To: Governance and Priorities Committee

Date: September 5, 2014

From: Paul Bruce, Fire Chief

Subject: Fire Hall Update

The purpose of this report is to advise and update Council on the status of the No. 1 Fire Station Replacement Project. On June 10, 2014 the City awarded RFP 14-021; Project Planning Services – No. 1 Fire Station to Hughes Condon Marler Architects. Initial meetings with the Architects, Engineering and Fire Department staff were completed to clarify the proposal details. Presently the process includes tabulation of data to examine emergency response times and potential impacts, operational and programming needs and the exploration of opportunities relating to siting, development costs or efficiencies, operational considerations relating to multi-use facilitation and resourceful alternatives that may be available for Council's consideration. A planning workshop scheduled for Monday, September 8, 2014 will focus on Project progress and provide staff with opportunity for review in ensuring the Project deliverables and directives. Following the workshop, the consultant will continue to explore options for new fire station locations, options for co-location or partnerships, consider the development potential of the Yates Street sites, and review options for keeping the station on Yates Street. A second workshop will follow where potential alternatives are to be refined, if necessary. Originally scheduled for reporting to Governance and Priorities Committee in September 2014, the complexity of the Project and the scheduling of meetings, have impacted the original estimated timeline.

The consultants have provided a progress report indicating a 50% completion of the Project with an expected final report date of mid-October.

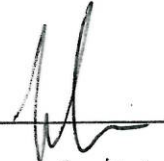
Staff is optimistic on the ability to advance the final report to the Governance and Priorities Committee meeting scheduled for October 23, 2014 and will work diligently with the Proponent to meet that commitment.

Respectfully submitted;



Paul Bruce
Fire Chief

Report accepted and recommended by the City Manager:



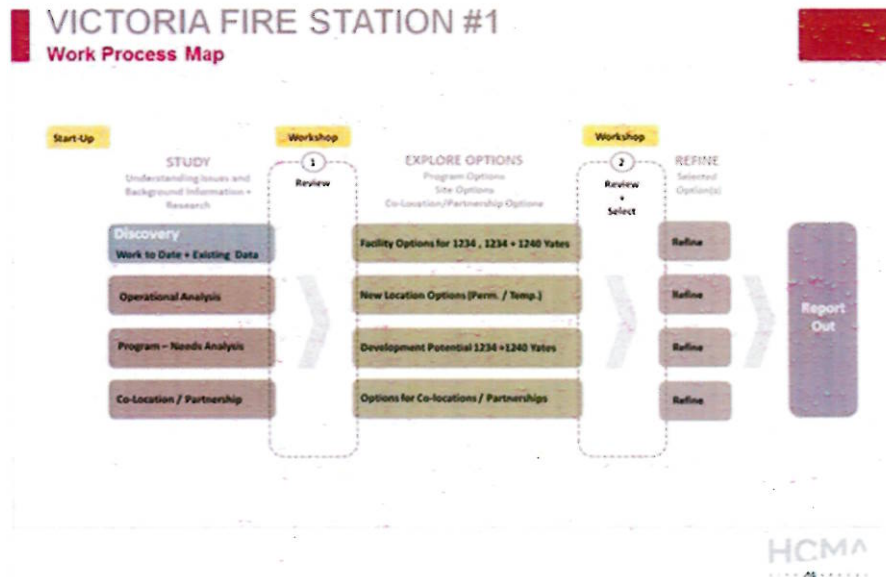
Date: September 5, 2014

Attachment – Report on progress for Proponent

In Summary, We are essentially about **50% complete with Phase 2 of the project, targeting completion of the report by Mid-October** if that works for the city.

Background and preview of next workshop:

The work process map (shown below) included in the consultants proposal indicated a methodology with the following steps, including 2 stakeholder/committee workshops:



Study Phase – Discovery:

- A1) Review of existing data and work completed to date,
- A2) operational analysis (response and travel time analysis),
- A3) program/needs analysis and
- A4) review of co-location and partnership opportunities

Workshop 1: review and narrow down field of exploration in collaboration with stakeholders

Explore Options (Program Options, Site Options and Co-Location / Partnership Options)

- B) Facility Options for 1234, 1234+1240 Yates and for 1234+ 1240 + Camosun Street
- C1) New Location Options (search for alternate locations and test-fit facility options onto these sites)
- C2) Development potential 1234+1240 (if not used for Fire Station or together with Fire Station – informs decision on alternate locations)
- D) Options for Co-Locations / partnerships (new or existing site)

Workshop 2: review and select options to refine for final report

- E) Refine select options and report out

Due to limited availability of committee members during the summer months, Workshop 1 was delayed and combined with Workshop 2 and we have adjusted the work process map to suit. This means that the workshop that will take place on September 8 will cover scope originally intended for both workshop 1 and workshop 2. As of September 8, we will have completed the discovery phase and are about 50 or 60% complete with the exploratory phase with material to present for A through D.

Obtaining feedback and direction from the committee at the workshop will allow the completion of the exploratory phase, refinement of select options and final report.

The following indicates the change to the work process map and the status as of September 8, 2014. Our agenda for the Monday session will follow above structure A through E, with E being under the heading "Next Steps"

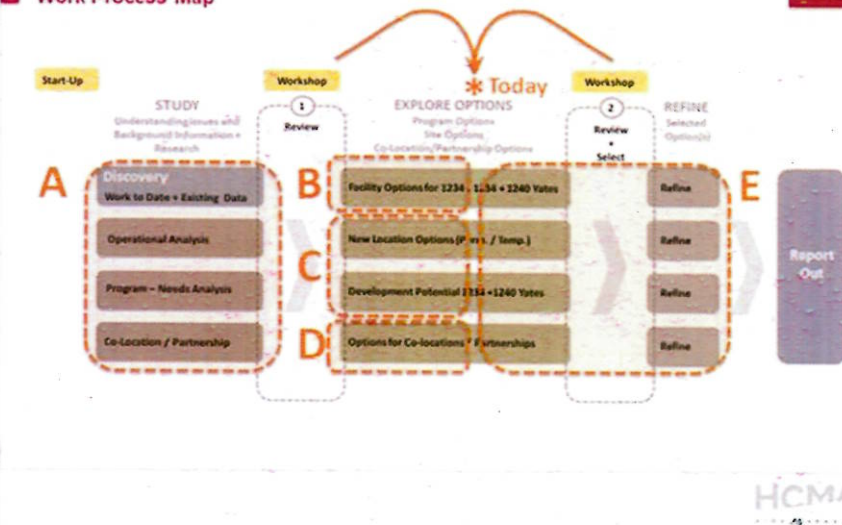
VICTORIA FIRE STATION #1

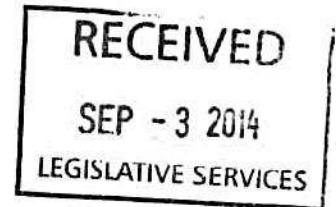
Agenda September 8, 2014

- A – Discovery – Recap and Summary
- B – Facility Options: Existing Site 1234 Yates; on 1234+1240 Yates & Camosun St.
- C – New Alternate Location(s) for VFS #1 and Development Potential 1234/1240
- D – Partnerships and Collocation Opportunities
- E – Next Steps

VICTORIA FIRE STATION #1

Work Process Map





August 27, 2014

City of Victoria
1 Centennial Square
Victoria, BC
V8W 1P6

Re: Technology Plan

Dear Mayor and Council,

I am writing to you as a shareholder of CREST to update you regarding the Technology Plan we are working on, the process for its review and approval, and as a follow up to our letter earlier in the summer.

The Technology Plan is a roadmap for continuing to make system enhancements that further improve reliability and coverage for the 2,000 plus men and women who rely on their CREST radios. Components of the communications platform, and radios, are in many instances over a decade old and in need of ever greening. The plan builds on the current infrastructure while taking advantage of new technologies, and 700 MHz spectrum that has become available.

We are currently working with system users to garner their input and support to ensure we meet the unique needs of all public safety groups. Both the Technology Plan and the associated funding to support it was approved by the CREST Board of Directors on May 21st and the next step is to bring it forward for shareholders for funding approval at our EGM scheduled for September 17th. As a technology-based system, CREST needs to evolve with new technologies as they become available and reliable. We believe the plan we're proposing does that at a reasonable cost. All users will benefit through increased capacity, better coverage and audio quality.

| Year | Phase & Scope | Total |
|------|--|--------|
| 2015 | Core radios (Victoria/Esquimalt/Saanich/Oak Bay) | \$3.0m |
| 2015 | Core infrastructure(P25-700) | \$6.0m |
| 2016 | West Shore infrastructure | \$3.0m |

| | | |
|--------|---|--------|
| 2017 | Existing infrastructure conversion(P25-VHF) | \$3.0m |
| 2017-8 | Others' radios | \$8.5m |

The proposed plan is consistent with our strategic priority for efficient and effective technology. In implementing it, we are planning for the future within a funding framework for infrastructure of less than 2% increases per year. However, radio replacement is the responsibility of each user group, which will add to the levies. The average annual increase for both infrastructure and amortization of radios for the entire system is estimated at 3.8% between 2013 -2020. Based on the project roll out on the previous page you should be planning on acquiring new radios in 2015 for police and 2016 for fire. Based on what we know to date we believe annual levies for infrastructure and radios for your Police and Fire departments are projected to be in the following range:

| | Police * | Fire ** |
|------|----------|---------|
| 2013 | 425,208 | 133,643 |
| 2014 | 435,605 | 136,911 |
| 2015 | 702,286 | 152,650 |
| 2016 | 713,715 | 219,501 |
| 2017 | 741,792 | 225,452 |
| 2018 | 667,400 | 202,071 |
| 2019 | 601,529 | 181,367 |
| 2020 | 607,002 | 183,087 |

*This equates to annual averages of 5.62% between 2013 – 2020

** This equates to annual averages of 4.82% between 2013 – 2020

If you would like more information on the Technology Plan or on anything else relating to CREST, please contact General Manager Gord Horth at 250-391-6552 or ghorth@crest.ca.

Sincerely,



Gordie Logan
Chair of the Board

Cc: CAO, Jason Johnson
CREST Director Geoff Young
Police Chief, Frank Elsner
Fire Chief, Paul Bruce

**CAPITAL REGION EMERGENCY SERVICE
TELECOMMUNICATIONS (CREST) INCORPORATED
EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS
AGENDA**

DATE: WEDNESDAY, SEPTEMBER 17TH

TIME: 3:45 PM

PLACE: CAPITAL REGIONAL DISTRICT 6TH FLOOR BOARD ROOM, 625 FISGARD ST.

- 1. CALL TO ORDER – APPROVAL OF AGENDA**
- 2. RESOLUTION TO AUTHORIZE BORROWING**
- 3. NEW BUSINESS**
- 4. ADJOURNMENT**

**CAPITAL REGION EMERGENCY SERVICE TELECOMMUNICATIONS
(CREST)
INCORPORATED**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of Capital Region Emergency Service Telecommunications (CREST) Incorporated (the "Company") will be held at the Capital Regional District, 625 Fisgard Street, 6th Floor Board Room, Victoria, British Columbia on Wednesday, September 17th, at the hour of 3:45 p.m. for the following purposes:

1. To consider and, if thought fit, approve a resolution authorizing the Company to borrow up to \$10,000,000 in 2015 and a further 14,500,000 in 2016-2018 from the Municipal Finance Authority of British Columbia, or such other person as may be deemed appropriate by the Company's Board of Directors, on such terms as the Company's Board of Directors deem appropriate in order to finance the Company's ongoing capital improvements, in the form of resolution set out in Schedule A hereto.
2. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

NOTE: To be effective, the resolutions listed under Item 1 above will require the approval of 2/3 of the Members in order to be effective.

Pursuant to the Articles of the Company each Member may authorize such person as it thinks fit to act as its representative at any general meeting. Please provide the Company with the name of your representative at least 7 days prior to the date of the meeting. If a Member is unable to send a representative to attend the meeting in person, then that Member may appoint a proxyholder to attend and vote for it at the meeting. If you wish to appoint a proxyholder, then you must complete and sign the enclosed form of proxy and deliver it to the Company at its mailing address, 110 - 2944 West Shore Parkway, Victoria BC, V9B 0B2, Attention: Gord Horth, **no less than 48 hours prior to the meeting.**

DATED at Victoria, British Columbia this 28th day of August, 2014.

BY ORDER OF THE BOARD



Gord Horth
General Manager

Enclosures:

1. Schedule A - Resolution for Consideration at Meeting
2. Form of Proxy

SCHEDULE A
RESOLUTIONS FOR CONSIDERATION AT MEETING

RESOLUTION TO AUTHORIZE BORROWING

RESOLVED:

1. that the Company borrow up to \$10,000,000 in 2015, and a further 14,500,000 in the period 2016-2018 from the Municipal Finance Authority of British Columbia, or such other person as may be deemed appropriate by the Company's Board of Directors, on such terms as the Company's Board of Directors deem appropriate, in order to finance the Company's ongoing capital improvements.

**CAPITAL REGION EMERGENCY SERVICE TELECOMMUNICATIONS
(CREST)
INCORPORATED**

PROXY

The undersigned hereby appoints _____, or failing him, _____, as proxyholder for and on behalf of the undersigned shareholder to attend, act and vote for and on behalf of the undersigned in respect of all matters that may properly come before the Extraordinary General Meeting of the Company on September 17, 2014 (the "**Meeting**") and at every adjournment thereof, to the same extent and with the same powers as if the undersigned were present at the Meeting, or any adjournment thereof.

DATED this _____ day of _____, 20____.

Name of Shareholder

Signature of Authorized Representative

Print Name and Title

**CAPITAL REGION EMERGENCY SERVICE
TELECOMMUNICATIONS (CREST) INCORPORATED**

EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

AGENDA

DATE: WEDNESDAY, SEPTEMBER 17TH

TIME: 3:45 PM

PLACE: CAPITAL REGIONAL DISTRICT 6TH FLOOR BOARD ROOM, 625 FISGARD ST.

- 1. CALL TO ORDER – APPROVAL OF AGENDA**
- 2. RESOLUTION TO AUTHORIZE BORROWING**
- 3. NEW BUSINESS**
- 4. ADJOURNMENT**

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(CREST)
INCORPORATED**

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DATED at Victoria, British Columbia this 28th day of August, 2014.

BY ORDER OF THE BOARD



Gord Horth
General Manager

Enclosures:

1. Schedule A - Resolution for Consideration at Meeting
2. Form of Proxy

**SCHEDULE A
RESOLUTIONS FOR CONSIDERATION AT MEETING**

RESOLUTION TO AUTHORIZE BORROWING

RESOLVED:

1. that the Company borrow up to \$10,000,000 in 2015, and a further 14,500,000 in the period 2016-2018 from the Municipal Finance Authority of British Columbia, or such other person as may be deemed appropriate by the Company's Board of Directors, on such terms as the Company's Board of Directors deem appropriate, in order to finance the Company's ongoing capital improvements.

**CAPITAL REGION EMERGENCY SERVICE TELECOMMUNICATIONS
(CREST)
INCORPORATED
PROXY**

The undersigned hereby appoints _____, or failing him, _____, as proxyholder for and on behalf of the undersigned shareholder to attend, act and vote for and on behalf of the undersigned in respect of all matters that may properly come before the Extraordinary General Meeting of the Company on September 17, 2014 (the "**Meeting**") and at every adjournment thereof, to the same extent and with the same powers as if the undersigned were present at the Meeting, or any adjournment thereof.

DATED this _____ day of _____, 20____.

Name of Shareholder

Signature of Authorized Representative

Print Name and Title

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