

APPENDIX B

Requests	2019 Ongoing	2019 One-Time
Grant Request		
Victoria Civic Heritage Trust – 2%	\$2,250	
Total Grant Request	\$2,250	



Victoria
CIVIC
HERITAGE
TRUST

Mayor and Council
City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

18 December 2018

**Victoria Civic Heritage Trust
2019 Expenditure Budget
2019 Capital and Operating Direct-Award Funding Requests**

Dear Mayor Helps and Council Members:

As requested by the department of Sustainable Planning and Community Development, the Victoria Civic Heritage Trust (VCHT) respectfully submits our **2019 Expenditure Budget**, approved by our Board of Directors on 15 October 2018. The 2019 Capital request is the same as 2018 based on anticipated demand; the 2019 Operating request is the same as 2018 plus a 2% cost of living increase.

The VCHT had strong demand in 2018 for application requests under the Building Incentive Program (BIP), with some applications submitted in 2018 and a number of others expected in 2019. Projects approved in 2018 were located in the downtown, Rock Bay, Fernwood, Hillside, and Jubilee neighbourhoods. Projects expected in 2019 include significant heritage buildings in and outside of the downtown core. We are excited to continue working with several Chinese Associations on heritage conservation projects in Chinatown.

The VCHT continues to emphasize the seismic upgrading of heritage buildings. The Seismic Parapet Incentive Program introduced in 2015 generates sustained interest and a number of projects are in the works for 2019. This pilot initiative operates through BIP using existing resources and is the first of its kind in Canada.

In 2018 the VCHT participated in conference planning and conducting sessions at the *Understanding Risk Conference: UR + BC in the Built Environment* in Victoria on 16-17 April 2018 hosted by the BC Construction Association, which focused on natural risks to the built environment such as earthquakes, fire, and floods.

Members of our Board participated in the City's Old Town Design Guidelines working group May-December 2018. VCHT staff also reviewed with City staff the Market Rental Revitalization program and proposed Inclusive Housing and Density Bonus policy with respect to heritage conservation projects.

A one-time special project funding award of \$4,000.00 was approved for the preparation of *Heritage Conservation Guidelines for Modern Architecture in Greater Victoria*, which also received funding from the Victoria Heritage Foundation, Oak Bay Heritage Foundation, Saanich Heritage Foundation, and UVic.

The VCHT Board of Directors looks forward to welcoming and working with Councillors Jeremy Loveday and Charlayne Thornton-Joe in 2019-2020, and Councillors Marianne Alto and Sharmarke Dubow in 2021-2022.

PROJECTED APPLICATIONS

In 2018 approved applications include **seven Building Incentive Program** and **three Design Assistance Grant** funding awards plus administration of **two extensions**, **one transfer** to a different owner, and **three BIP** site visits and payouts plus **one DAG** payout. **Two PIP-DAG** funding awards under the **Parapet Incentive Program** were approved in 2018; one PIP application was reviewed but declined. The VCHT also reviewed **one Tax Incentive Program** application and conducted final financial reviews for **two TIP buildings**. City and VCHT staff met with a number of TIP applicants, with most looking to submit in 2019.

Potential projects for 2019 based on current applications are listed on page two of the attached 2019 Expenditure Budget. This list includes heritage buildings located in various neighbourhoods in the city.

We anticipate very strong demand in 2019. Based on enquiries, VCHT projects the potential for **fifteen to thirty BIP applications** by 31 December 2019, not including seismic parapet program projects. All potential conservation projects are in keeping with the City's strategic goals to create a vibrant and healthy downtown.

2019 CAPITAL REQUEST

We respectfully submit our **2019 Capital** direct-award funding request of **\$420,000.00** for the purposes of Building Incentive Program funds and assisting with the City of Victoria's Heritage Tax Incentive Program. This is the same amount that was requested in 2018 (no increase since 2008). The list of potential applications in 2019 translates to a possible deficit of **-\$476,777.14** in the BIP fund by 31 December 2019 if all projects are approved, which substantiates the 2019 capital request of \$420,000.00.

2019 OPERATING REQUEST

We respectfully submit our **2019 Operating** direct-award funding request of **\$114,250.00**, which is the amount received in 2018 plus a 2% cost of living adjustment, as per last year. Please note that with the amount requested, the VCHT will continue to operate on a deficit basis as it has for a number of years.

BACKGROUND

The VCHT was established by the City of Victoria in 1989 as a civic vehicle to administer Building Incentive Program funding, and subsequently to assist with the City's Tax Incentive Program, for the conservation and rehabilitation of downtown heritage buildings and to preserve Victoria's community heritage. Modelled on Civic Trusts in Britain that are financially supported by the local municipality, the VCHT is a widely recognized organization that has produced impressive results for the City of Victoria that would not otherwise have been achieved without these programs. To date some of these accomplishments include:

- **\$155.50 million** in private investment in **153 eligible heritage buildings** through **\$6,245,995** in 287 awards of **Building Incentive Program** funds through City Capital funding;
- Average factor of **\$24.90 private investment** for every **\$1** in BIP funds awarded;
- **82 Heritage Designations** directly related to funding applications, resulting in significantly increased protection of heritage buildings and an improved downtown environment;
- Numerous awards including: **Pinnacle Award** to the City of Victoria and VCHT by the International Downtown Association for the Tax Incentive Program; **Gold CARE Award** to the City of Victoria and VCHT by the Canadian Home Builders' Association for the Tax Incentive Program; **Prince of Wales Prize** to the City of Victoria for its heritage conservation programs; **Outstanding Achievement Award** from Heritage BC and **Communication Award** from the Hallmark Society for **Test of Time**; **BCBIA "Best in the West" Award** and \$125,000.00 funding from the Canada – BC Infrastructure Works Program for the Downtown Heritage Building Lighting Program; **Outstanding Achievement Award** and \$300,000 HARP funding from the BC Heritage Trust for the Broad & Yates Street area.

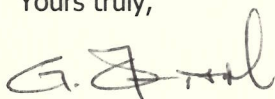
The VCHT is very proud of our strong relationship with the City of Victoria and our long record of distinguished service on behalf of the City and its residents. We look forward to continuing to work with the City of Victoria to further its strategic goals through incentive programs operated by the VCHT which successfully deal with significant community issues on multiple levels using highly cost-effective resources.

On behalf of our Board of Directors, I'd like to thank the City of Victoria for its ongoing financial commitment to Victoria's exceptional heritage programs. It is because of Council's foresight and consistent support that the City of Victoria is widely recognized as a leader in municipal heritage conservation in Canada.

More detailed program information will be available for 2018/2019 following the calendar year end.

We would be pleased to discuss our request with Council at any time.

Yours truly,



Greg Ovstaas
President

attachment

**2019 EXPENDITURE BUDGET
VICTORIA CIVIC HERITAGE TRUST**

Submitted to City of Victoria
15 October 2018

EXPENDITURES				REVENUE	
BUDGET ITEM	EXPENDITURE BUDGET			CITY OF VICTORIA	
	Priority / Explanatory Notes	APPROVED 2018 BUDGET	2019 BUDGET	OPERATING FUNDS 2% COL Increase	CAPITAL FUNDS
TOTAL BREAKDOWN		734,545.00	735,985.00	114,250.00	420,000.00
CORE OPERATIONS					
Core Management Contract (60%)	Contract	53,725.00	54,800.00	50,050.00	
Office & Equipment Rent	Contract	11,445.00	11,675.00	11,675.00	
Office Expenses	Contract	5,000.00	5,100.00	5,100.00	
Telephone / Internet	Core	145.00	725.00	725.00	
Computer / Communications	Core	1,000.00	1,200.00		
Catering & Meeting Costs	Core	3,300.00	3,400.00	3,400.00	
Travel	Core	500.00	500.00		
Miscellaneous Costs	Core	500.00	500.00		
Insurance	Core	2,200.00	2,050.00	2,050.00	
Audit Fees	Core	5,730.00	5,600.00	5,600.00	
Reserve for Projects	Core	5,000.00	6,000.00		
Bank Charges	Core	180.00	150.00	150.00	
Interest Earned	Core	-17,500.00	-20,000.00		
5% GST Cost Estimated	Core	7,000.00	7,500.00		
50% GST Rebate Estimated	Core	-3,500.00	-3,750.00		
ARCHITECTURAL CONSERVATION					
ACC Committee (40%)	Contract	35,820.00	36,535.00	35,000.00	
PROJECT MANAGEMENT					
INTERPRETATION PROJECTS					
Interpretation Committee	2	0.00	0.00		
Heritage Directory Website	2	500.00	500.00	500.00	
OTHER PROJECTS					
Special Events (as approved by Board)	3	3,500.00	3,500.00		
Total Operating Core & Projects		114,545.00	115,985.00	114,250.00	
CAPITAL INCENTIVE PROGRAMS					
Projected BIP Project Balance 31 Dec 2018	798,629.23				
2019 City Capital Contribution	420,000.00				
2019 Potential BIP Project Applications*	-1,695,406.37				
<i>* See attached list</i>					
Potential BIP DEFICIT for 2019	-476,777.14				
BUILDING INCENTIVE PROGRAM					
2019 Building Incentive Program Funds	Core	400,000.00	400,000.00		400,000.00
BIP Brochure / Banners	Core	4,000.00	4,000.00		4,000.00
Seismic Parapet Incentive Program (PIP)*					
<i>* \$500,000 BIP funds allocated in 2015</i>					
2019 Seismic PIP Budget - \$200,000	Core				
PIP & PIP-DAG Applications	Core	185,000.00	185,000.00		
Program Management / Expenses	Core	15,000.00	15,000.00		
Seismic/Downtn Promotion/Communications	Core	8,047.94	8,047.94		
Donation for Seismic/DT Promotion/Comm	Core	-8,047.94	-8,047.94		
TAX INCENTIVE PROGRAM	Core	12,000.00	12,000.00		12,000.00
BIP/TIP Promotion / Communications	Core	4,000.00	4,000.00		4,000.00
TOTAL Capital Incentive Programs		620,000.00	620,000.00		420,000.00
GRAND TOTALS		734,545.00	735,985.00	114,250.00	420,000.00
CITY DIRECT-AWARD REQUEST				534,250.00	

BIP CASH PROJECTION - 2019

BIP PROJECT BALANCE 31 Oct 2018	1,090,512.80
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840 Fort Street Sawyer Block	-50,000.00
612 1/2 Fisgard Street Shon Yee Benevolent Assoc	-30,000.00
2006-10 Fernwood Rd Rennie & Taylor Apts	-7,883.57
532 Herald St Wilson Bros Warehouse	-50,000.00
536-538 Herald St Wilson Bldg	-50,000.00
2110 Store St National Electric Powerhouse	-52,000.00
502 Pembroke St Victoria Gas Co Bldg	-52,000.00
PROJECTED BIP BALANCE 31 Dec 2018	798,629.23

POTENTIAL BIP PROJECTS IN 2019

Likely:

2621 Douglas St Times Colonist Building	-52,000.00	TIP
1314-1324 Douglas / 645-651 Johnson Morgan Blk	-52,000.00	TIP
1314-1322 Broad St Duck Block	-50,000.00	TIP
727 Yates Street	-50,000.00	TIP
1400 Vancouver / 952 Johnson McCall's Funeral	-52,000.00	
825 Fort Street BC Hardware Building	-31,951.27	
900 Johnson St Victoria Conservatory of Music	-28,500.00	
554-562 Fisgard St Chinese Consolidated Ben Assoc	-25,000.00	
614 Fisgard St Lee's Benevolent Assoc Building	-52,000.00	
3 Fan Tan Alley Lim Ging Bldg	-52,000.00	
546 Pandora Ave Macdonald Bldg	-52,000.00	
554-562 Fisgard Street CCBA Building	-52,000.00	
159 Cook St Hampton Court	-2,000.00	
159 Cook St Hampton Court	-31,562.50	
1005-1009 Broad St Counting House	-35,392.60	
1108 Government St Royal Bank / Munro's	-50,000.00	
Subtotal	-616,406.37	

Possible:

1058 Pandora Avenue Wellburns	-52,000.00	
641 Johnson Street Victoria Building Co	-52,000.00	
1601-1609 Douglas St Fairfield Block	-52,000.00	TIP
251-253 Esquimalt Rd Roundhouse	-52,000.00	TIP-Ext
251-253 Esquimalt Rd Car Shop	-52,000.00	TIP-Ext
251-253 Esquimalt Rd Stores Building	-52,000.00	TIP-Ext
251-253 Esquimalt Rd Backshop Building	-52,000.00	TIP-Ext
251-253 Esquimalt Rd Turntable	-52,000.00	
816 Government St Customs House	-50,000.00	
819-823 Fort St	-50,000.00	
626 Blanshard St Church of Our Lord	-30,000.00	
1618-1628 Govt / 565 Fisgard St Lee Block	-52,000.00	
557-561 Fisgard St Lee Woy & Co / CCBA	-52,000.00	
1316-28 Government / 589 Johnson	-52,000.00	TIP
1314 Wharf St Northern Junk Building	-50,000.00	TIP
1316-18 Wharf St Northern Junk Building	-50,000.00	TIP
603 Pandora Ave Hotel Westholme	-52,000.00	TIP
1218 Wharf St	-25,000.00	
1713 Government St Yen Wo Society Building	-52,000.00	
923 Burdett St Mt St Angela	-50,000.00	
Unknown Applicants	-150,000.00	
Subtotal	-1,079,000.00	

Total Potential BIP Projects in 2019	-1,695,406.37
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PROJECTED BIP BALANCE 31 Dec 2019	-896,777.14
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