

Tax Incentive Program Overview & Update



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History of the Tax incentive Program in Victoria

- Started in 1998
- **Goals:** Conservation, Downtown revitalization & seismic resiliency
- Project had to revitalize vacant or underused space on upper storeys
- 2012- included non-residential projects
- 2017- included buildings outside the downtown

Before



After



1420 Broad Street



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Results

- 34 projects approved, 43 heritage buildings seismically upgraded
- \$266 million in private investment
- 699 new residential units downtown
- No tax revenue loss to the city
- On average, property taxes double following the renovation
- 22 of 34 projects now paying full taxes
- 1-3 applications per year

BEFORE



AFTER

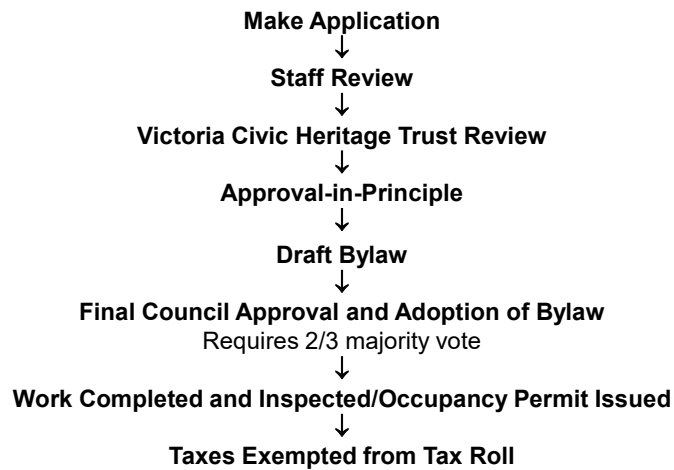


532 Herald Street



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TIP Process



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TIP Formula

Term of exemption = $\frac{\text{Cost of seismic upgrading}}{\text{Current taxes}}$
 (# of years)

Example:

- Project needs \$200,000 worth of seismic upgrading
- Currently pays \$20,000 per year in property taxes

Maximum term of exemption:

$$\frac{\$200,000}{\$20,000} = 10 \text{ Years}$$

BEFORE



AFTER



1401 Government



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Case Study- Dragon Alley (1998)

Before



After



- 10-year tax exemption (value: \$185,640), \$343,668 seismic upgrade
- Three tenement buildings derelict for 20 years
- 12 live/work townhouses construct behind exterior brick facades
- Won AIBC Lieutenant Governor's Award



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Case Study- Morley's Soda Factory (2009/2010)

Before



After



- 10-year tax exemption (value: \$89,031), \$410,399 seismic upgrade
- Required completely new structure inside after being empty for decades
- 9 residential condominiums constructed inside. One-storey rooftop addition added



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Case Study- The Janion 1612-1614 Wharf Street (2013)

Before



After

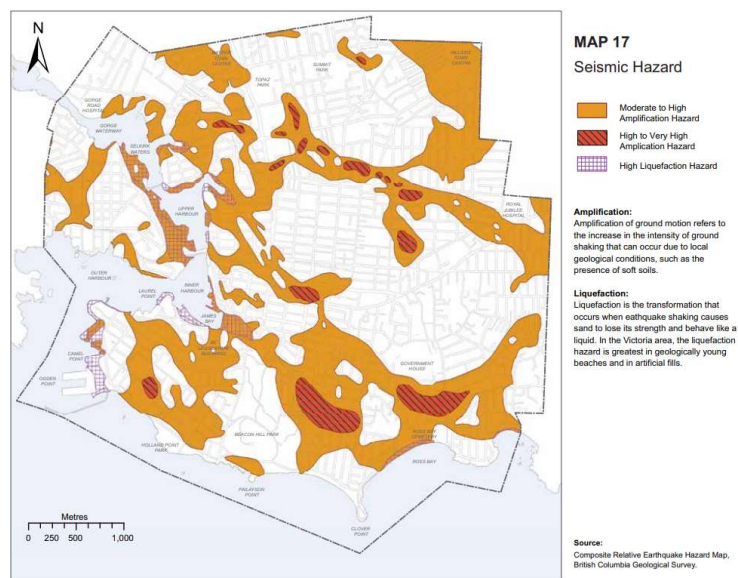


- 10-year tax exemption (value: \$640,033) \$1,135,322 seismic upgrade
- Empty for decades
- 26 residential units on the upper floors of the existing building, with commercial use on the ground floor
- Award-winning



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Seismic Hazard Map-Victoria



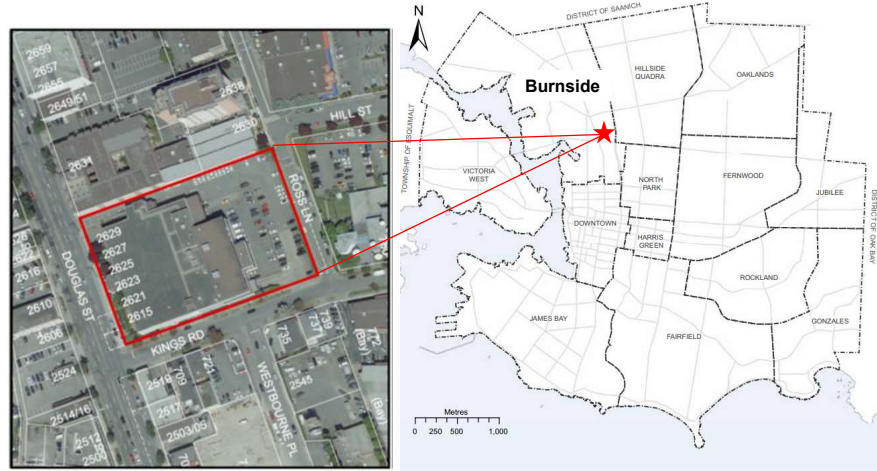
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Heritage Designation Application No. 000187 for 2615-2629 Douglas Street



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Location



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The Victoria Press Building

- Constructed in 1971, with a rear addition built in 1991
- A 130,000 sf, 2.5 storey building constructed for Victoria Press Ltd.
- Designed by Moody Moore Duncan Rattray Peters Searle Christie, Architects, Engineers and Planners



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Legislative Test Under Local Government Act

Heritage Property: Property with sufficient heritage value or heritage character to justify its conservation.

Heritage Value: historical, cultural, aesthetic, scientific or educational usefulness

Heritage Character: Key traits or features that give it a distinctive appearance



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Architectural Modernism in Victoria



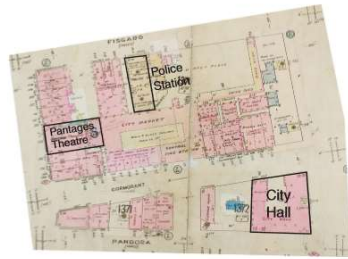
Barcelona Pavilion, 1929, Ludwig Mies Van Der Rohe & Lilly Reich

- Modernism was an attempt to create a rational, international design style free of culture and tradition and expressive of a new modern age of technology, industrial mass production and science
- In 2008, City Council voted to make modernist architecture built between 1945-1975 eligible for designation



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Architectural Modernism in Victoria



1934 Fire Insurance Plan- Conserved buildings outlined in black



1967 Fire Insurance Plan

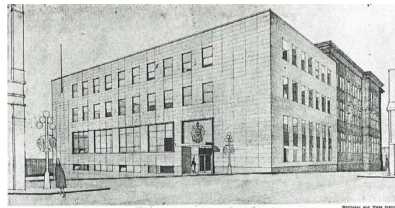
- Modernism proliferated in Victoria after WW2, when its population doubled between 1946 and 1966
- Victorian modernism was unique in emphasizing a balance between urban renewal and respect for context



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Architectural Modernism in Victoria

- Formalism was a variation of modernism
- Inspired by classical design, proportions and scale
- Favoured for high-profile cultural, institutional and civic buildings



Federal Building and Customs House
1956-57, 816 Government Street



The Federal Building (c. 1948-1952)
1230 Government Street



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The Victoria Press Building



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The Victoria Press Building

Heritage Value

- The purpose built headquarters of the Times Colonist, which began printing in 1858 as the “British Colonist” and merged with the Victoria Daily Times in 1980
- TC is the oldest daily newspaper in Western Canada
- Formalist architecture

Heritage Character

- Form, scale, massing
- Symmetry, pre-cast panels, exposed aggregate stucco, full height entry with rounded walls
- Smoked glass windows



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Staff Recommendation

That Council approve the designation of the property located at 2615-2629 Douglas Street, specifically the original 1971 exterior of the historic building described in the attached Statement of Significance, in accordance with plans dated February 13, 2020, pursuant to Section 611 of the *Local Government Act*, as a Municipal Heritage Site, and that first and second reading of the Heritage Designation Bylaw be considered by Council and a Public Hearing date be set.



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Tax Incentive Program
Application No. 00030 for
2615-2629 Douglas Street



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Proposed Tax Exempt Area

Land and improvements located within 66.1 metres of the front property line

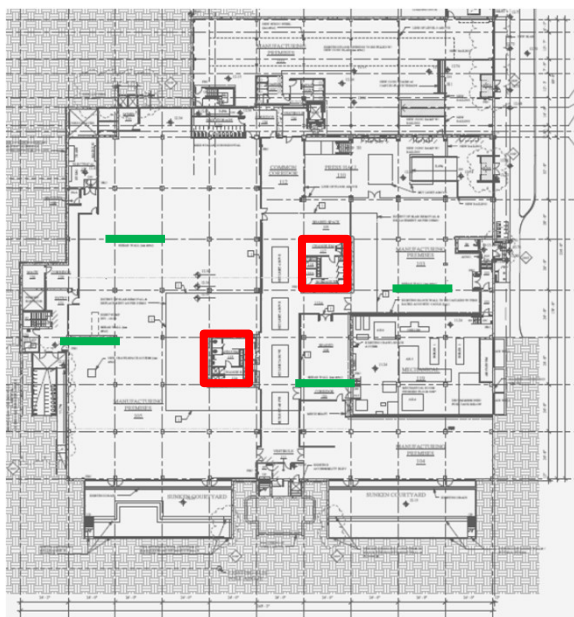


1991 Print Reel Room Excluded



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Seismic Upgrade



= CONCRETE CORE

= SHEAR WALL



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Proposed Upgrade Cost

Total Renovation Cost= \$26,592,000

Victoria Press Building Seismic Upgrade Cost= \$5,324,483

Total Property Taxes (2019) = \$347,377

Victoria Press Building Property Taxes Only (Estimated)= \$194,407

Exemption Value (Current Taxes) = \$1,944,075 (\$194,407 x 10)

Exemption Value (Estimated Future Taxes)= \$4,524,896 (\$452,489 x 10)



King Street Entrance



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Humber Green Transit-Oriented Development Area



Vision: “A denser, centrally located hub for employment as well as mixed use residential buildings, focused on a future rapid transit station...”. It will become the “northern edge of downtown”



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Planned Improvements

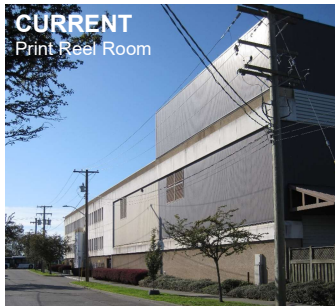


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Planned Improvements



CURRENT
Print Reel Room



PROPOSED
Print Reel Room



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Staff Recommendation

That Council instruct the City Solicitor to prepare a Tax Exemption Bylaw for 2615-2629 Douglas Street for land and improvements located within 66.1 metres of the front property line for 10 years, pursuant to Section 225 of the *Community Charter*, with the following conditions:

1. That the heritage designation of the property be completed.
2. That a covenant identifying the tax exemption be registered on the title of the property and any possible future strata titles.
3. That the final costs of seismic upgrading be verified by the Victoria Civic Heritage Trust.

