

Committee of the Whole Report For the Meeting of February 27, 2020

To:Committee of the WholeDate:February 13, 2020

From: Karen Hoese, Director, Sustainable Planning and Community Development

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

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.

LEGISLATIVE AUTHORITY

In accordance with Section 225 of the *Community Charter*, Council may exempt protected heritage property from taxation under Section 197(1)(a) to the extent provided in the bylaw and subject to conditions established by the exemption agreement.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations regarding an application for a ten-year partial tax exemption under the City's Tax Incentive Program to assist in the seismic upgrading of the property known as the Victoria Press Building at 2615-2629 Douglas Street. The 130,000 square foot Victoria Press Building is the subject of a concurrent application for heritage designation and a building permit application proposing a comprehensive renovation to convert it into a campus-style "destination office complex". In addition to the seismic upgrade, the applicant is planning a wide range of improvements, including exterior cleaning, architectural lighting, renovating the entrance to be barrier-free, and re-roofing the building. The total project budget is \$26,592,000 and the cost of seismic upgrading is estimated at \$5,558,451. The total value of the proposed property tax exemption over 10 years is less than the cost to seismically upgrade the building based on either current or projected property taxes after the renovation.

The tax exemption would include the footprint of the original 1971 Victoria Press Building and adjacent lands and exclude the print reel room at the southeast corner of the property and the large parking lot beyond it. The print reel room was an addition to the original building

constructed in 1991. It is not considered to have heritage value. Based on consultation with BC Assessment and the City Finance Department, staff are recommending that the tax exemption only apply to land and existing improvements on the front half of the property measured to a depth of 66.1 metres from the front property line. The City retained an independent consultant to evaluate the applicant's pro-forma, as required for non-residential heritage buildings applying for a tax exemption. The consultant concluded that without the tax exemption, the project would not be financially feasible.

The proposed rehabilitation project advances important policies outlined in the *Official Community Plan* (2012) and the *Downtown Core Area Plan* (2011) in relation to emergency management (seismic hazards), economic development, and heritage conservation. The application was reviewed by the Victoria Civic Heritage Trust at its meeting on December 18, 2019, and was recommended for approval (see attached letter, dated December 20, 2019).

BACKGROUND

The Victoria Press Building is a large, three-level, Late Modern style office building built in 1971. It is located on the east side of Douglas Street. The property is bounded by Douglas Street to the west, Kings Road to the south and Ross Lane to the east. The building occupies approximately half the lot, with the rear third of the property occupied by surface parking. It is located in the Douglas Street corridor in the Humber Green area of the Burnside Gorge Neighbourhood, which features mostly low-density auto-oriented land uses. The building is a cast-in-place concrete structure with three levels. The lower level is half below grade and accessible from Douglas Street through sunken courtyards extending to either side of the main entrance. The upper two-storeys feature a repeating series of white pre-cast concrete panels surfaced with aggregate stucco. Set within each panel is a tinted ("smoked") glass window. The building has a prominent main entrance structure that projects forward from the front façade. The sides of the entrance structure feature curved bays with double height windows that reveal a pair of site-specific cedar totem sculptures from 1973, which were designed by artist Godfrey Stephens.

The heritage Tax Incentive Program (TIP) began in March 1998 to provide tax exemptions of up to 10 years to assist heritage-designated building owners with the high cost of seismic upgrading. Initially, the program was focused on accelerating the conversion of underused or vacant upper storeys of downtown heritage buildings to residential uses; however, the program was expanded to included exclusively non-residential rehabilitation projects on a case by case basis, provided an independent financial analysis was carried out. The TIP has led directly to the creation of 699 residential units in 43 rehabilitated heritage buildings and attracted \$266 million in private investment primarily to the downtown.

Proposed Seismic Upgrade

The building's structure consists of concrete slabs supported by concrete columns distributed on a 24' grid. The columns connect to the slabs through a column capital and a lowered, square shaped panel of concrete called a "drop panel". The interior is partitioned with non-load-bearing masonry walls. The building was designed to meet the standards of the 1965 Building Code.

Since it was built, seismic upgrade requirements have increased significantly. The applicant's engineer has designed a new seismic force resisting system to meet the applicable seismic upgrade requirements for their current building permit under the British Columbia Building Code (BCBC, 2012). The engineer estimates that the existing building has less than 20% of the lateral force resistance required by BCBC 2012. The main issue is that the columns and walls

do not have enough capacity to resist forces exerted on them by the side to side motion of the floor and roof slabs during a seismic event. To correct this, the proposed seismic upgrade consists of the following:

- addition of two new concrete cores anchored to the underlying bedrock and additional concrete shear walls
- addition of new connections between the concrete cores and slabs to resist lateral forces
- addition of a new ring beam foundation capable of transferring the lateral forces from the structure to the surrounding soil
- restraining the existing pre-cast concrete panels around the exterior of the building
- bracing unreinforced masonry walls inside the building
- bracing the existing building's pre-cast concrete parapets.

The above seismic upgrade are designed to resist seismic ground motions with a probability of exceedance of 5% in 50 years. A magnitude 7 earthquake within 10 kilometres of the site or a magnitude 9 earthquake (The "Big One") occurring offshore are expected to result in shaking similar to this design level, according to the engineer.

Other Building Upgrades Proposed Under Building Permit No. 055060

The project includes a full scope of conservation work aimed at preserving and rehabilitating all of the building's Late Modern architectural components, including the historic association with the Times Colonist newspaper and the industrial character of the building's interior. Much of the remaining work is also eligible for heritage incentives:

Pre-cast Concrete Panels

- seismic restraint of the panels to the façade of the building
- thorough cleaning of the panels to restore their original brightness
- replacement of sealants on panel joints and replacement of window frames
- architectural lighting.

<u>Roof</u>

• existing roof to be stripped, with new insulation and waterproof membranes installed.

Douglas Street Entrance

- historic main entrance retained and enhanced
- access reconfigured to become barrier free, including removal of steps and installation of a wide and level entrance to the lobby
- architectural lighting.

Kings Road Alterations

- original double-height space reinstated through the removal of a steel framed second floor added in 1991 with the print reel room addition
- replacement of blank metal cladding with curtain wall glazing to reveal the full height of the original press hall
- new exterior lighting.

Other Exterior Work

• rehabilitation of sunken landscaped courtyards next to the main entrance

• new cladding and glazing added to the print reel room.

Interior

- lobby tiles, wall tiles and geometric hand railing in the lobby retained
- hazardous materials to be removed and new electrical and plumbing systems added
- building to be fully sprinklered
- light wells/skylights to be cut into existing floor slabs at all levels, bringing natural light to a central circulation spine
- reconfiguration of internal walls
- concrete frame structure retained and exposed
- masonry walls retained and braced.

ANALYSIS

Staff recommend that Council consider supporting the project by approving the proposed tax exemption, since it will contribute to the City's strategic objectives for the Humber Green area of the Douglas Corridor as set out in the Burnside Gorge Neighbourhood Plan. The Neighbourhood Plan envisions the area transforming through the construction of projects that are transit-supportive and contain commercial and mixed-uses. The Victoria Press Building project is the first phase in the applicant's plan to completely redevelop the site.

The proposed tax exemption is consistent with the following policies:

Official Community Plan

The proposal to grant the project a tax exemption is generally consistent with the *Official Community Plan* (OCP), which states in Section 18: Emergency Management, "there is a 32% likelihood of a damaging earthquake event in the City before 2054". Such a disaster is likely to require the demolition and extensive reconstruction of buildings and structures. As such, the OCP contains many policies urging the City's decision makers to prepare for such an event and incentivize the seismic upgrading of existing buildings. The proposal is consistent with policies under Section 8 - Placemaking: Urban Design and Heritage:

- 8.6 Conserve and enhance the heritage value, character and special features of areas, districts, streetscapes, cultural landscapes and individual properties throughout the city.
- 8.43 Encourage high quality architecture, landscape and urban design to enhance the visual identity and appearance of the City
- 8.50 Encourage new development to avoid the demolition of heritage property, or one or more of its façades.
- 8.51 Continue to give consideration to tools available under legislation to protect or conserve heritage property including, but not limited to: heritage designation bylaws.

The proposal is consistent with policies under Section 14: Economy of the Official Community *Plan* including the following:

14.33 Continue to invest in the heritage character of the Downtown and other neighbourhoods through incentives for rehabilitation and seismic upgrades.

The recommended option is consistent with Section 18: Emergency Management of the Official Community Plan, including:

18.16 Continue incentives for seismic upgrades to owners of designated heritage property, and consider incentives for non-heritage properties.

Burnside Gorge Neighbourhood Plan

The conservation of the building through designation, seismic upgrading and other restorative measures is consistent with Section 4.1, "General Policies for Land Management and Development", and Section 8, "Heritage", which states:

- 4.1.6. Encourage the conservation of important heritage buildings: Burnside neighbourhood contains important heritage buildings and sites of the Coast Salish people, the neighbourhood's agricultural, residential, and industrial history, and the natural and recreational history of the Gorge Waterway.
- 8.1.2. Consider future additions to the City's Register of Heritage Properties in consultation with property owners...

Standards and Guidelines for the Conservation of Historic Places in Canada

The proposal is consistent with the *Standards and Guidelines for the Conservation of Historic Places in Canada* (the Standards and Guidelines). The applicant proposes to preserve and restore all character-defining elements on the primary elevations. The most significant proposed alterations to the building are to the 1991 print reel room addition, which is not a character-defining element of the building. The removal of the blank corrugated metal cladding of this portion of the building and the introduction of expansive glazing will give the building a presence on Kings Road that it currently lacks.

Resource Impacts

The project will rehabilitate approximately 130,000 square feet of underutilized commercial space at an estimated total construction cost of \$26.6 million. The following is a breakdown of the project budget with the print reel room costs separated. The reason that the print reel room is separated is because it will not be heritage designated and will not factor into the calculations for the tax incentive.

Victoria Press Building		Print Reel Room		
Renovation Cost	\$23,660,000	Renovation Cost	\$2,932,000	
Seismic Upgrade Only	\$5,324,483	Seismic Upgrade Only	\$233,968	

The value of the tax incentive is calculated based on the value of land and existing improvements to a depth of 66.1 metres from the front property line because this is the extent of the heritage designated portion of the building. In 2019, the current property taxes for all land and improvements were \$347,377, based on a total assessed value of \$20,285,000. In 2020, BC Assessment estimates that the heritage-designated portions of the property will comprise approximately \$11,300,000 of the total assessed value, which equates to annual taxes of \$194,407 when apportioned accordingly.

The formula to determine how many years the tax exemption will apply is the rate of the current year's property tax multiplied by the number of years required to reach an amount equal to or less than the estimated cost of seismic upgrading, up to a maximum of 10 years. The applicant has requested the full term of 10 years because the cost of the seismic upgrade (\$5,324,483) will exceed the maximum tax incentive calculation of \$1,944,075 ($$194,407 \times 10$).

Cost of Seismic Upgrading = \$5,324,483.00 > \$1,944,075 (\$194,407 x 10)

After the renovation, the assessed value of the property is estimated to increase from \$20,285,000 million to \$35,391,000 million. This means that the value of the tax exemption could be as high as \$452,489 per year in property taxes or \$4,524,896 over 10 years. This is still less than the \$5,324,483 cost of seismic upgrading.

Over the 10-year period, the City would redistribute the amount of the tax exemption to be covered by non-exempt tax payers, so there is no loss in tax revenue to the City.

Accessibility

The project will make all significant entrances to the building fully accessible. Upgrades include the reconfiguration and enlargement of the existing wheelchair ramp at the front to make the entrance accessible from a north or south direction. The main lobby of the building includes an elevator. The entrances to the print reel room and the press hall at the southeast corner of the building will be fully accessible from grade, without the need for any ramps.

CONCLUSIONS

The proposed tax exemption will facilitate the rehabilitation and seismic upgrading of over 130,000 square feet of commercial space within a building with significant heritage value as a symbol of over 150 years of print journalism in Victoria. The project will be a significant step forward in advancing the City's goals for the Humber Green area of the Burnside Gorge Neighbourhood. Staff therefore recommend that Council consider supporting the application.

ALTERNATE MOTIONS

That Council decline Tax Incentive Program Application No. 00030

Respectfully submitted,

John O'Reilly Senior Heritage Planner Development Services

Susanne Thompson Deputy City Manager/CFO Finance Department

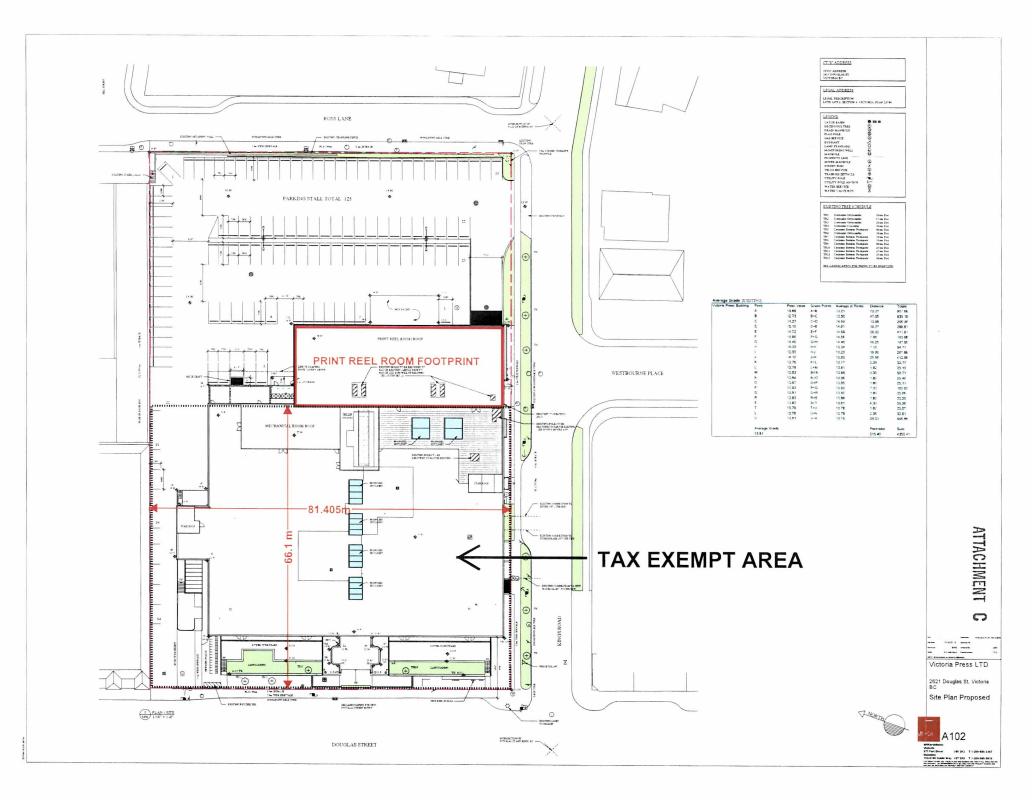
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Karen Hoese, Director Sustainable Planning and Community Development Department

Report accepted and recommended by the City Manager DCULL CUMM

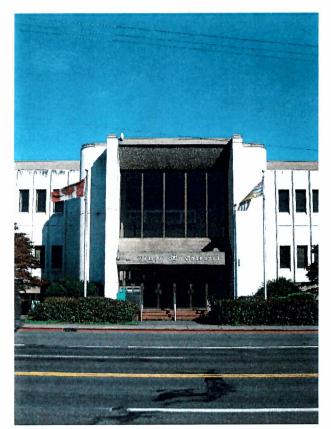
List of Attachments

- Attachment A: Subject Map •
- Attachment B: Aerial Map •
- Attachment C: Site Plan showing Tax Exempt Area
- Attachment D: Photos
- Attachment E: Architectural Plans, dated February 13, 2020 •
- Attachment F: Letter from Victoria Civic Heritage Trust, dated December 20, 2019
- Attachment G: 2019 Property Tax and Assessment Notices
- Attachment H: Heritage Conservation Rationale: Victoria Press Building
- Attachment I: Seismic Evaluation by RJC Engineers, dated December 13, 2019. •



ATTACHMENT D

2615-2629 Douglas Street



Main Entrance



Front (west) elevation

2615-2629 Douglas Street



Side (south) elevation



Side (south) elevation print reel room

2615-2629 Douglas Street

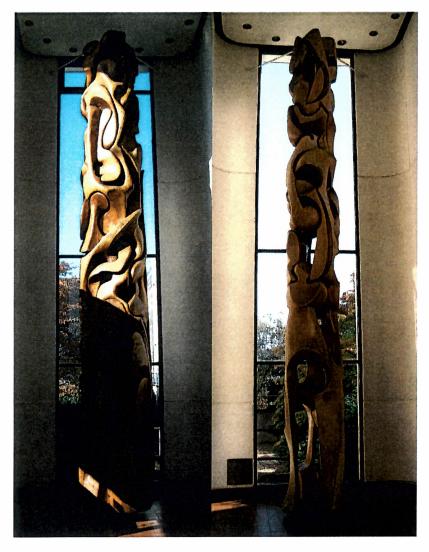


Rear (east) elevation



Rear (east) elevation

2615-2629 Douglas Street



Godfrey Stephens Sculptures in Main Lobby

ATTACHMENT EW

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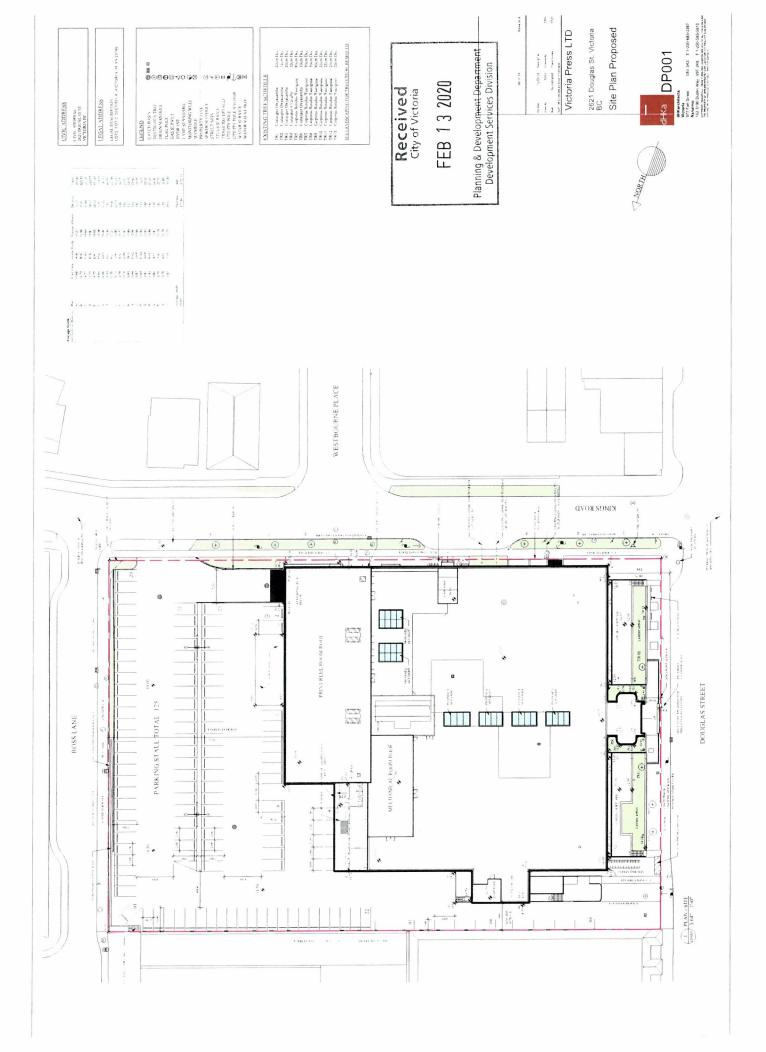
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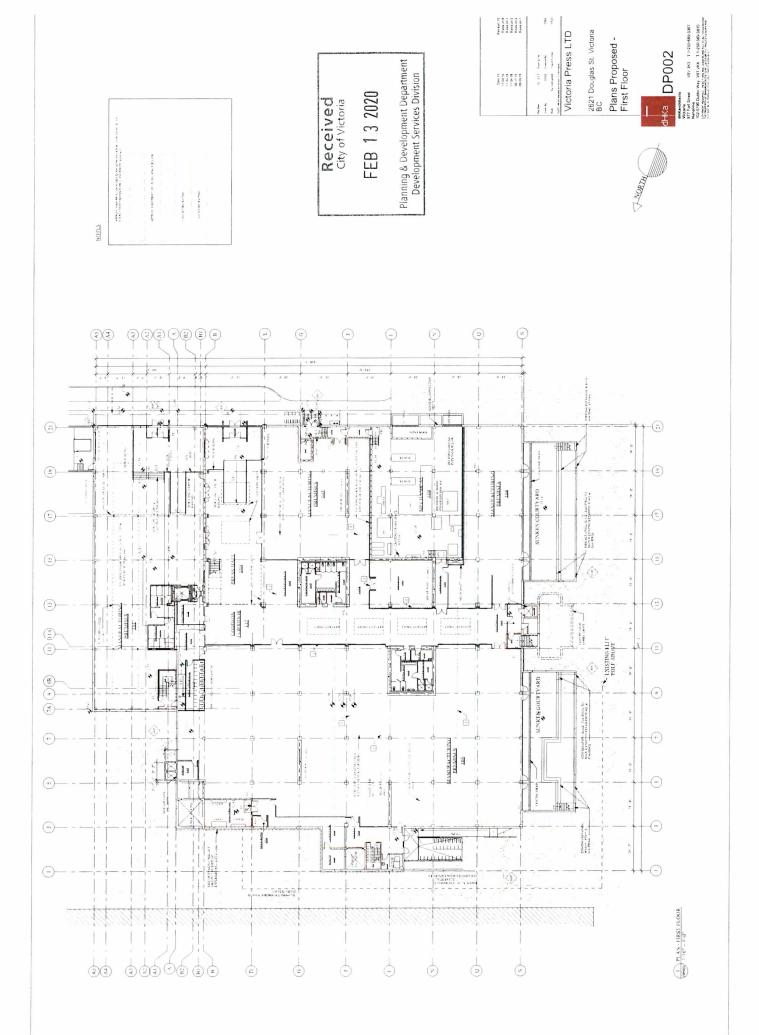
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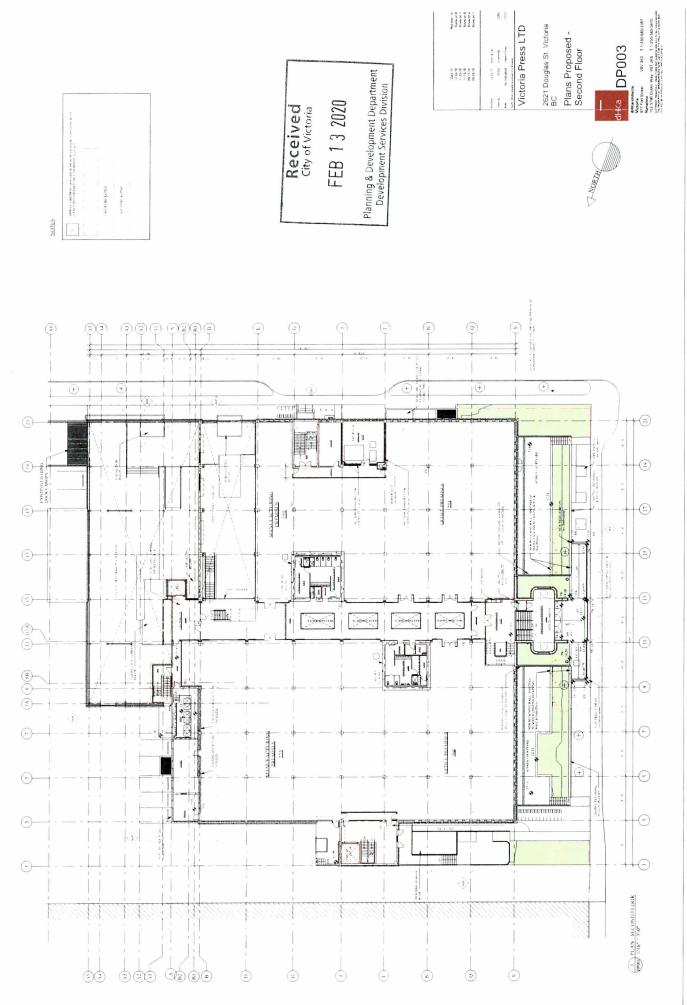
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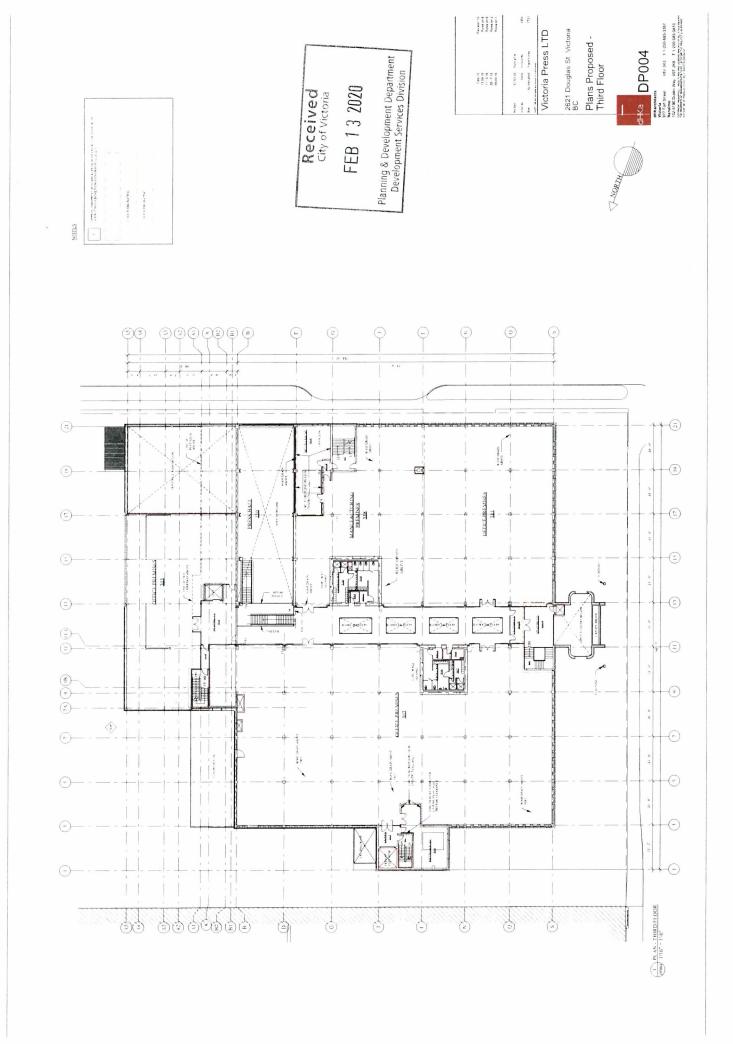
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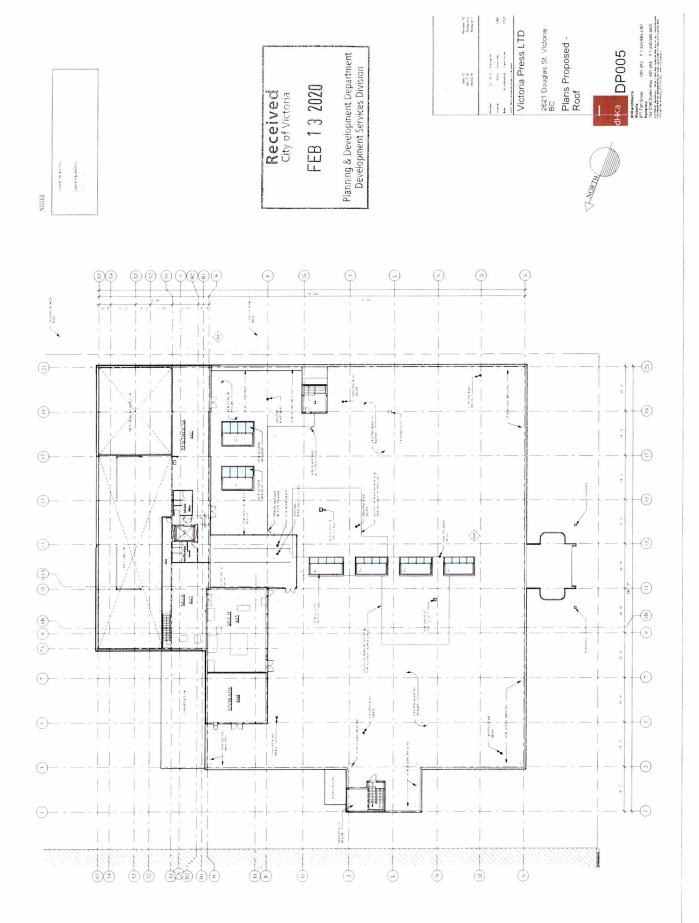
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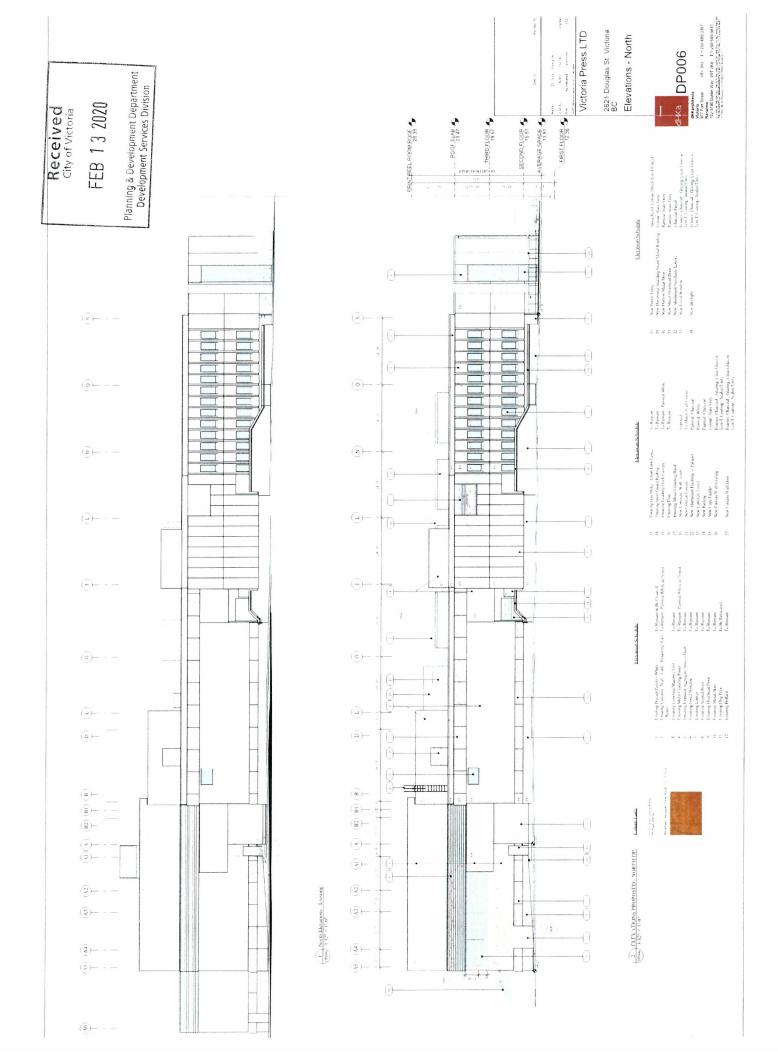


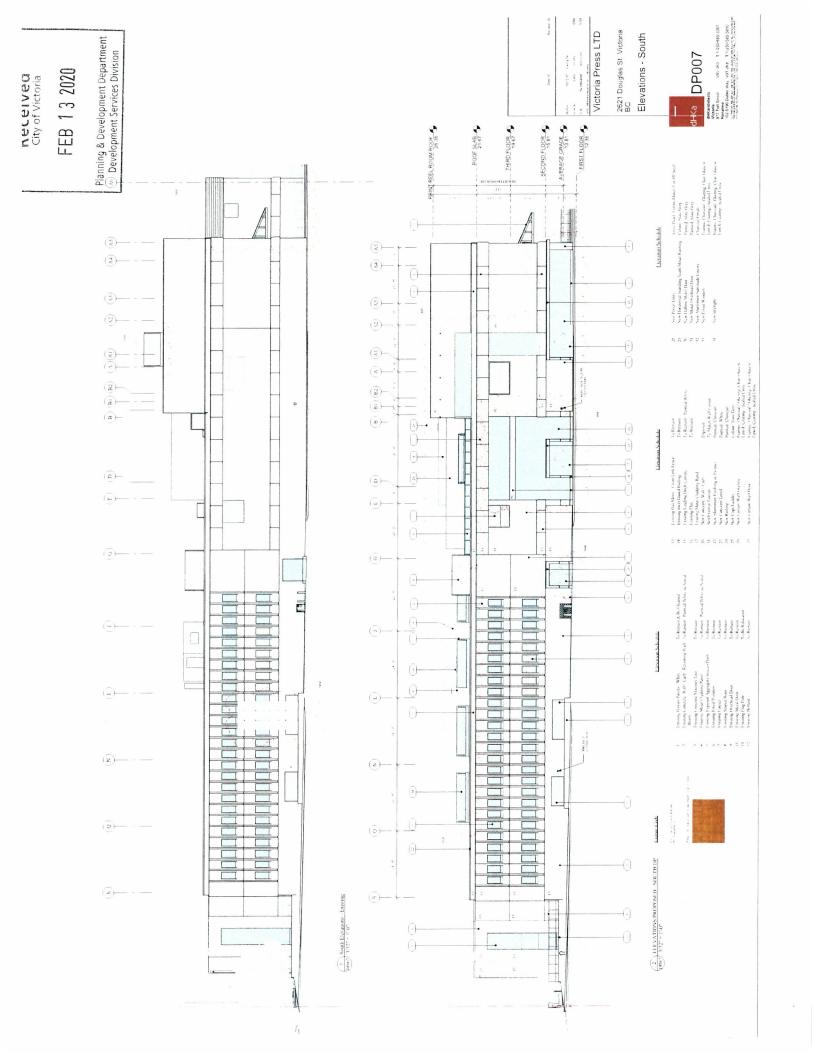


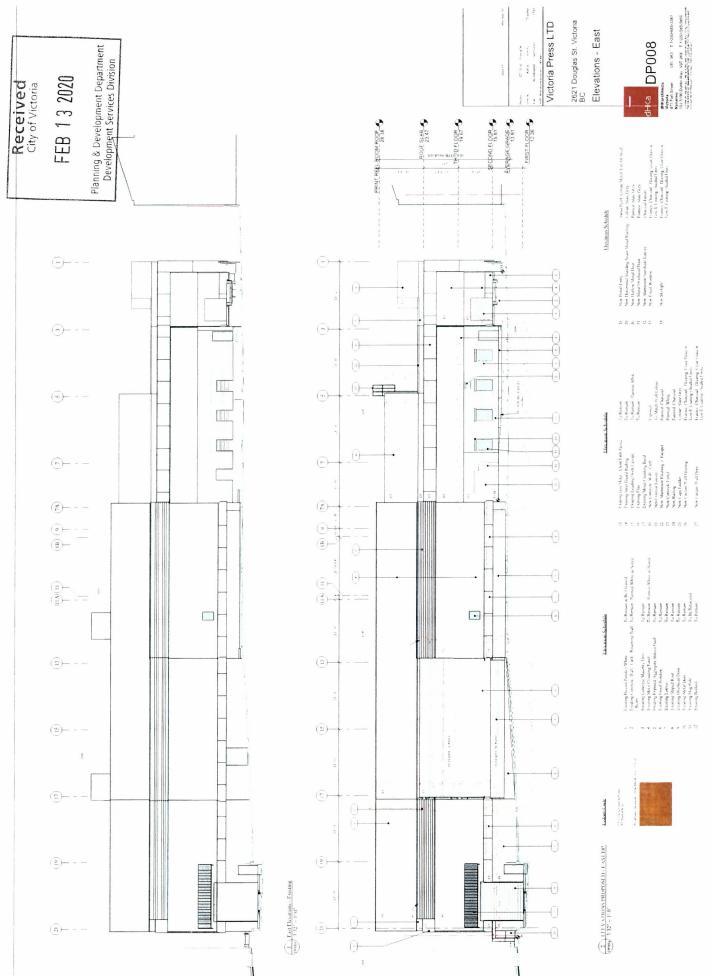


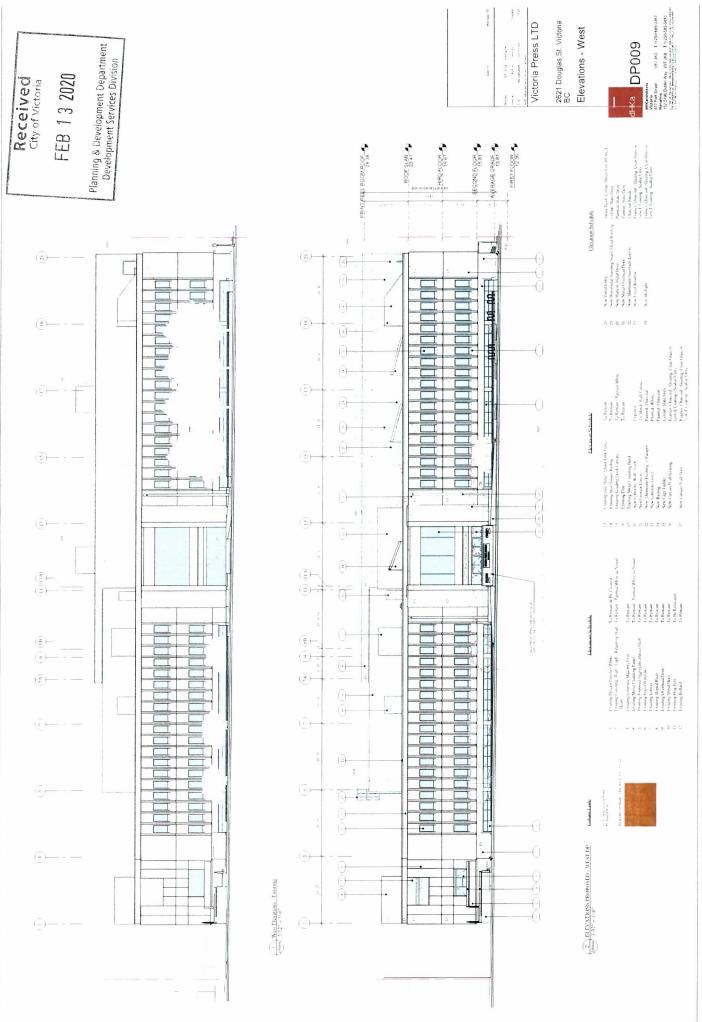


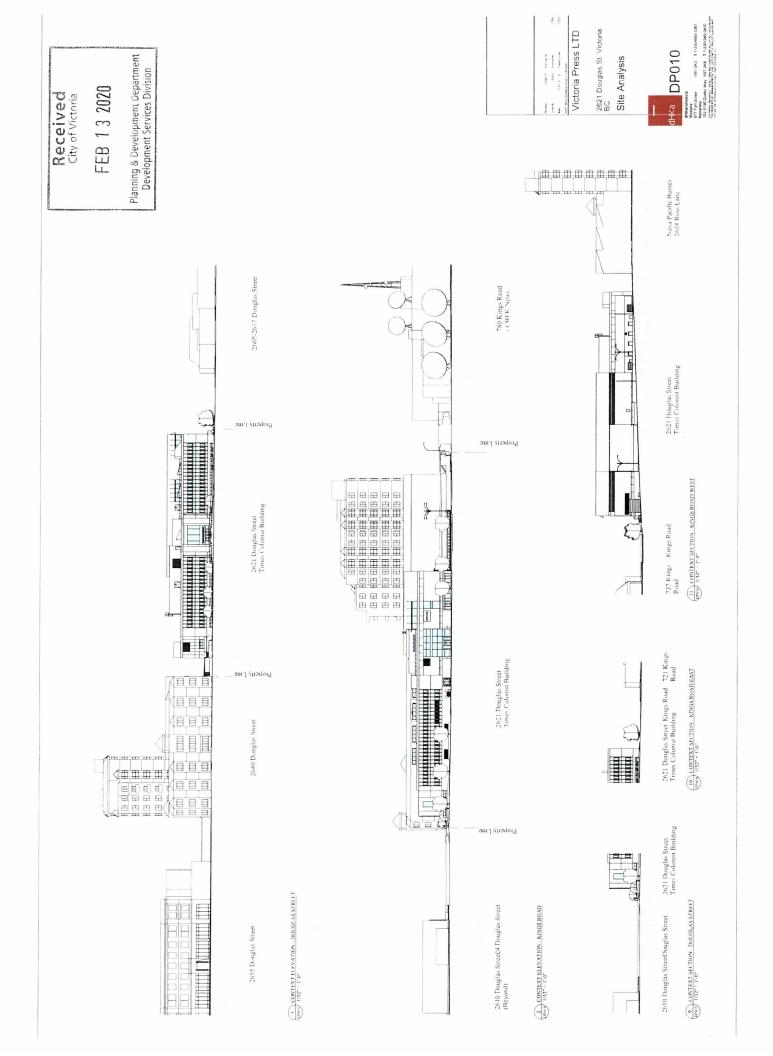
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ATTACHMENT F



Victoria CIVIC HERITAGE TRUST Received City of Victoria DEC 2 3 2019 Planning & Development Department Development Services Division

20 December 2019

City of Victoria 1 Centennial Square Victoria, British Columbia V8W 1P6

Attention: Mayor and Council

Downtown Heritage Tax Incentive Program for Non-Residential Buildings

Recommendation to City of Victoria for Approval of a Ten-Year Tax Exemption

2615-2621 Douglas Street Victoria Press Building / Times Colonist Building Lot 2, Section 4, Victoria, Plan 23740; PID 003-149-021; Folio Number: 09696034

Dear Mayor and Council:

At a meeting held on 18 December 2019, the Board of Directors of the Victoria Civic Heritage Trust reviewed a Tax Incentive Program (Non-Residential Use) application submitted by the property owner, **TC Evolution Limited Partnership** / **0922010 BC Ltd**, for the **Victoria Press Building** (aka **Times Colonist Building**) located on the property at **2615-2621 Douglas Street**.

The owner requests a ten-year tax exemption for the historically significant 1971 Late Modern architectural style Victoria Press Building at 2615-2621 Douglas Street, excluding the non-historic Print Reel Room addition built in 1991. The proposed work on the Victoria Press Building at 2615-2621 Douglas Street meets the criteria of the Tax Incentive Program – Non-Residential Uses for: 1) substantial rehabilitation; 2) new use for a vacant or an underutilized space; and 3) a new economic use of the building.

Proposed eligible work on the building includes: exterior preservation of the character-defining 1971 precast concrete panel system and rehabilitation of the main entrance and hard landscaping; interior retention, rehabilitation, and adaptive re-use of the original concrete building; Building Code improvements for fire protection including fire sprinklers; new electrical and mechanical systems; and, seismic upgrading to improve life safety compliant with the 2012 Building Code for seismic and wind force levels, including building two new large concrete shear wall cores anchored to rock below, adding diaphragm connections from the new concrete shear wall cores to the existing concrete slabs, adding a new ring beam concrete foundation, seismically restraining the existing exterior pre-cast concrete panels and concrete parapets, and bracing interior unreinforced masonry walls.

A City-appointed financial consultant, Coriolis Consulting Corp of Vancouver BC, conducted a financial review of the proposed project. The consultant recommendations were made directly to the City of Victoria in a report dated 26 November 2019. Total renovation costs for the heritage portion of the property only, excluding all work related to the 1991 addition, are estimated to be **\$23,660,000.00**. The current 2019 property tax for 2615-2621 Douglas Street is **\$347,376.61**.

A technical review of the project was undertaken by our Architectural Conservation Committee (ACC) on 18 December 2019. The ACC forwarded its recommendation to the Board of Directors for consideration. Subject to Heritage Designation and a required site visit following completion of the project, the Board passed a motion of recommendation to the City of Victoria on 18 December 2019:

Subject to Council's approval and the project meeting all other City requirements, and verification of final costs, 2615-2621 Douglas Street is eligible and recommended for a <u>tax exemption period of Ten (10) Years</u>.

We are pleased to support this project and to submit our recommendation to Council. Please do not hesitate to contact our office should there be any questions regarding our review.

Sincerely yours,

Clive Townley President

copy: John O'Reilly, Senior Heritage Planner, City of Victoria

1 Centennial Square Victoria, BC V8W 1P6 T 250.361.0228 F 250.361.0214 www.victoria.ca Office Hours: Monday – Friday: 8 a.m. – 4:30 p.m.

2019 PROPERTY TAX NOTICE

DUE DATE: Tuesday, July 2, 2019

26964

10% PENALTY IF NOT PAID OR GRANT NOT CLAIMED BY JULY 2, 2019

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IF ELIGIBLE YOU CAN CLAIM YOUR HOME OWNER GRANT ONLINE AT www.victoria.ca OR REMIT APPLICATION FORM BELOW. INTEREST TO THE DUE DATE IS INCLUDED IN THE AMOUNT SHOWN FOR ARREARS AND DELINQUENT TAXES.

A - NO GRANT	B - UNDER AGE 65	C - AGE 65+&OTHER	
\$347.376.61	\$347.376.61	\$347.376.61	



IMPORTANT INFORMATION FOR PROPERTY IDENTIFICATION

Area:01-CapitalJurisdiction:234-City of VictoriaRoll:09-696-034

CONFIDENTIAL PIN: 0007868734

Class

Light Industry

Business/Other

Light Industry

Business/Other

School District: 61-Greater Victoria Neighbourhood: 091

2019 PROPERTY ASSESSMENT NOTICE

Property Location & Description

BC ASSESSMENT

2615 DOUGLAS ST

Assessed Value

Taxable Value

Less Exemptions

2019 Assessed Value

2019 Taxable Value

1 and

Buildings

LOT 2, PLAN VIP23740, SECTION 4, VICTORIA LAND DISTRICT PID: 003-149-021

2019 Assessment - represents your property value as of July 1, 2018

· On a budget? Prepay your taxes monthly and earn interest too! Details

and application form at www.victoria.ca or call 250-361-0228.

Value

4,286,000

8,131,000

2,719,000

5,159,000

Municipal

10,000

\$20,295,000

\$20,285,000

This is **not** a tax notice. Tax notices are issued by your local government.

This notice contains important information about your property. Please review & keep for your records. No action is required unless you disagree with your assessment.

YOUR PROPERTY VALUE HISTORY

2019	+11%	ຊັ່ງຊີ້ທີ່ອຸຊີວັຽງເຮັງສາຣ໌,
2018	+1%	\$11: 12 (. T
2017	+12%	Sugar, Das
2016	+1%	S16575,000

Visit **bcassessment.ca/propertytax** & refer to the back page to learn how your value change relates to your property taxes.



July 1, 2018

Assessed value is estimated for most types of properties as of this date.

October 31, 2018

Assessed value reflects property's physical condition & permitted use as of this date.

JAN DEADLINE FOR FILING A NOTICE OF COMPLAINT (APPEAL) IS JANUARY 31, 2019

Important information about the appeal process can be found on the back page.

The Assessment Office for this property is:
1

Important messages about your Assessment

Victoria Assessment Office 102-3350 Douglas St Victoria BC V8Z 7X9 01-61-234-09-696-034

The Owner/Lessee of this property is:

29854

s-oi 0922010 BC LTD PO BOX 8087 STN CENRAL VICTORIA BC V8W 3R7

CONTACT US

For more information about your Assessment Notice go to **bcassessment.ca**

From our website you can search for your property, compare your assessment, & update your mailing address.

Call us at **1-866-valueBC** (1-866-825-8322) or 604-739-8588.

Before using information in this Notice for non-assessment purposes please verify records with your Land Title Office



HERITAGE CONSERVATION RATIONALE VICTORIA PRESS BUILDING, 2621 DOUGLAS STREET, VICTORIA B.C. Wednesday, October 3, 2018

The intent of this rehabilitation project is to adapt the existing Victoria Press Building for compatible contemporary uses, while protecting its identified heritage values and character-defining elements, as defined in the Victoria Press Building Statement of Significance prepared by Donald Luxton & Associates Inc. in February of 2018.

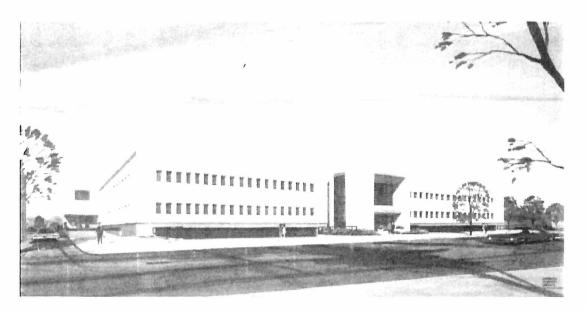
The Heritage Value of the site may be summarized as follows:

The Victoria Press Building is significant for its direct association with the Times Colonist newspaper, as its purpose built headquarters, as well as the evolving nature of the newspaper industry, in particular during the mid to late twentieth century. Built in 1971, the building is additionally valued for its eclectic Late Modern architectural style, as designed by the architectural firm of Moody Moore Duncan Rattray Peters Searle Christie.

The elements that define the heritage character of the Victoria Press Building itself that will be retained include its:

- location on Douglas Street in Victoria's Burnside neighbourhood;
- commercial form, scale and massing as expressed by its symmetrical rectilinear form, two-storey height, with full-basement level, and prominent central entryway;
- characteristics of the Late Modern style including its pre-cast concrete panels, exposed aggregate stucco cladding at the entry, roof and foundation lines, and its full-height central entryway with rounded pre-cast concrete walls, suggesting the influence of Formalism, which features a bellcast stucco covered entry, red-tiled steps, and geometric metal handrails, which are also featured in the interior of the building;
- original smoked-glass recessed fixed-pane window assemblies designed to fit one per pre-cast panel across all elevations.





HERITAGE CONSERVATION STRATEGY

The Parks Canada *Standards & Guidelines for the Conservation of Historic Places in Canada* is the nationally recognized reference used to determine the approach of intervention to historic properties. In general, the project may be defined as a *Rehabilitation*, with overall *Preservation* of the majority of the historic building fabric. The architectural plans are being prepared by de Hoog & Keirulf Architects, and include the retention of the robust industrial character in some of the interior spaces.

Rehabilitation: the action or process of making possible a continuing or compatible contemporary use of a historic place or an individual component, through repair, alterations, and/or additions, while protecting its heritage value.

Preservation: the action or process of protecting, maintaining, and/or stabilizing the existing materials, form, and integrity of a historic place or of an individual component, while protecting its heritage value.

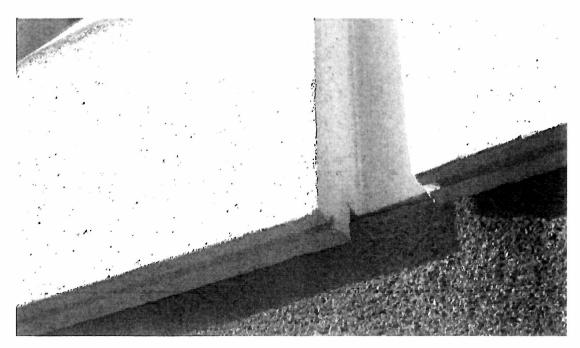
The proposed interventions have been assessed against the *Standards*, and their impact on the historic place has been assessed as follows.

GENERAL STANDARDS FOR ALL PROJECTS	2621 DOUGLAS STREET
 Conserve the heritage value of a historic place. Do not remove, replace, or substantially alter its intact or repairable character- defining elements. Do not move a part of a historic place if its current location is a character-defining element. 	The proposed work conforms and is acceptable. Heritage character- defining Elements (CDEs) have been determined in the Statement of Significance, and their heritage value is maintained by the proposed interventions.

Conserve changes to a historic place, which over time, have become character-defining elements in their own right.	The proposed work conforms and is acceptable.
3. Conserve heritage value by adopting an approach calling for minimal intervention.	The proposed work conforms and is acceptable. The proposed use allows retention of CDEs and a sensitive adaptive reuse.
 4. Recognize each historic place as a physical record of its time, place and use. Do not create a false sense of historical development by adding elements from other historic places or other properties or by combining features of the same property that never coexisted. 5. Find a use for a historic place that requires minimal or no 	The proposed work conforms and is acceptable. Proposed new interventions are contemporary in appearance and do not mimic the historic character (refer to Standards 10 and 11) The proposed mixed-use conforms to
 change to its character-defining elements. 6. Protect and, if necessary, stabilize a historic place until any subsequent intervention is undertaken. Protect and preserve archaeological resources in place. Where there is potential for 	the historic nature of the building and is acceptable. The proposed work conforms and is acceptable. There are no known archaeological resources.
disturbance of archaeological resources, take mitigation measures to limit damage and loss of information. 7. Evaluate the existing condition of character-defining elements	The proposed work conforms and is
to determine the appropriate intervention needed. Use the gentlest means possible for any intervention. Respect heritage value when undertaking an intervention.	acceptable. Further investigation will occur prior to the commencement of construction. Conservation specifications will be prepared for each category of material, and proposed intervention, stabilization and cleaning methods will be assessed.
8. Maintain character-defining elements on an ongoing basis. Repair character-defining element by reinforcing the materials using recognized conservation methods. Replace in kind any extensively deteriorated or missing parts of character-defining elements, where there are surviving prototypes.	The proposed work conforms and is acceptable. Further investigation will occur prior to the commencement of construction, which will determine the condition of historic materials.
9. Make any intervention needed to preserve character-defining elements physically and visually compatible with the historic place and identifiable upon close inspection. Document any intervention for future reference.	The proposed work and level of documentation conforms and is acceptable.
ADDITIONAL STANDARDS RELATING TO REHABILITATION	2621 DOUGLAS STREET
10. Repair rather than replace character-defining elements. Where character-defining elements are too severely deteriorated to repair, and where sufficient physical evidence exists, replace them with new elements that match the forms, materials and detailing of sound versions of the same elements. Where there is insufficient physical evidence, make the form, material and detailing of the new elements compatible with the character of the historic place.	All proposed work will be reviewed and monitored to ensure that all interventions comply. The original plans are available and provide information that will guide overall conservation.

11. Conserve the heritage value and character-defining elements when creating any new additions to a historic place and any related new construction. Make the new work physically and visually <i>compatible</i> with, <i>subordinate</i> to and <i>distinguishable</i> from the historic place.	The proposed work conforms and is acceptable. The proposed interventions will be contemporary in nature. <i>Compatibility</i> will be ensured through the use of appropriate materials. The interventions will be <i>subordinate</i> by stepping back as required. New interventions will be <i>distinguishable</i> through the use of contemporary materials and detailing.
12. Create any new additions or related new construction so that the essential form and integrity of a historic place will not be impaired if the new work is removed in the future.	The proposed work conforms and is acceptable. Interventions can be considered removable in the future as required.
ADDITIONAL STANDARDS RELATING TO RESTORATION	2621 DOUGLAS STREET
13. Repair rather than replace character-defining elements from the restoration period. Where character-defining elements are too severely deteriorated to repair and where sufficient physical evidence exists, replace them with new elements that match the forms, materials and detailing of sound versions of the same elements.	The proposed work conforms and is acceptable.
14. Replace missing features from the restoration period with new features whose forms, materials and detailing are based on sufficient physical, documentary and/or oral evidence.	The proposed work conforms and is acceptable.

Based on this assessment, the proposed interventions to the Victoria Press Building have been determined to be in conformance with *Conservation Standards*.



CHARACTER-DEFINING ELEMENTS

As outlined in the Statement of Significance, the following character-defining elements of the building itself have been determined. Proposed interventions to the CDEs have been assessed as follows.

CONSERVATION ASSESSMENT	PROPOSED IN CONVENTION
CHARACTER-DEFINING ELEMENT	2621 DOUGLAS STREET
Location on Douglas Street in Victoria's Burnside neighbourhood.	The proposed interventions will maintain the current site relationship and appearance to the main streets.
Commercial form, scale and massing as expressed by its symmetrical rectilinear form, two-storey height, with full- basement level, and prominent central entryway.	The proposed mixed-use maintains the heritage value of the site, enabling minimal interventions for adaptive reuse.
Characteristics of the Late Modern style including its pre-cast concrete panels, exposed aggregate stucco cladding at the entry, roof and foundation lines, and its full-height central entryway with rounded pre-cast concrete walls, suggesting the influence of Formalism, which features a bell-cast stucco covered entry, red- tiled steps, and geometric metal handrails, which are also featured in the interior of the building.	The proposed mixed use maintains the heritage value of the site, enabling minimal interventions for adaptive reuse.
Original smoked-glass recessed fixed-pane window assemblies designed to fit one per pre-cast panel across all elevations.	The fenestration pattern will be maintained.

Based on this assessment, the character-defining elements of the Victoria Press Building will not be significantly impacted by the proposed interventions, and the heritage value of the structure will be maintained.

Please do not hesitate to contact us if you have any questions, or wish to discuss any aspects of this heritage assessment.

Sincerely,

maller.

Donald Luxton, FRAIC Principal, Donald Luxton & Associates Inc.



December 13, 2019

David Fullbrook TC Evolution Limited Partnership PO Box 8087 Victoria, BC V8W 3R9

Dear David,

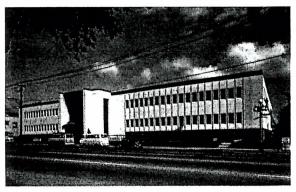
RE: Victoria Press Building - 2615 Douglas Street, Victoria, BC Seismic Evaluation

RJC No. VIC.117156.0003

As requested, we have completed an overview of the existing Victoria Press building at 2615 Douglas Street. Our review is based on our observations on site, available original construction drawings, and measurements completed on site.

1.0 Building Description

The existing Victoria Press building was built in 1971 to house the printing presses and offices of the Times Colonist Newspaper Company. In 1988, a steel building was added to the east side of the building for larger printing presses. The addition will not be discussed or incorporated in this report. The original three-storey building was designed and built of castin-place concrete and non-loadbearing masonry interior partition walls. The printing presses sat within the original building surrounded by offices for the



paper company and other tenants. The building is clad with precast concrete panels with built-in windows. The structural system consists of concrete slabs with capitals and drop panels, supported by concrete columns on a 24' grid. The original Victoria Press building and its façade will be preserved for its historic character.

2.0 Seismic Review

This structure was designed in accordance with the National Building Code of Canada (NBCC) 1965. Since this time, there have been significant developments to the seismic requirements of the Canadian Building Code. The seismic load resisting capacity of the existing structure will be compared to the requirements of the British Columbia Building Code 2012 (BCBC 2012 or the "Code"). The lateral force resisting system for

645 Tyee Road, Suite 220 Victoria BC V9A 6X5 tel 250-386-7794 fax 250-381-7900 email victoria@rjc.ca web rjc.ca Victoria Press Building - 2615 Douglas Street, Victoria, BC Seismic Evaluation December 13, 2019

RJC No. VIC.117156.0003 page 2



the Victoria Press building was not clearly defined on the original drawings but we presume the engineers relied on a combination of concrete shear walls and moment frame connections between the slabs and columns.

The lateral loads imparted on the building by seismic accelerations or wind forces are currently transferred to the walls through the roof and floor diaphragms. The connections from the walls and columns to the floor and roof are required to resist in-plane shear forces and out-of-plane tension forces in order to stabilize the columns and walls and transfer shear loads. Although the diaphragms are able to transfer these forces to the columns and walls, the columns and walls themselves do not have adequate capacity to resist current Code specified force levels.

RJC has not provided an in depth review of the buildings seismic capacity as the existing structure will be upgraded to provide a new seismic force resisting system. However, based on our experience and limited review of the existing structure, it appears the existing building has less than 20% of the lateral force resistance required by current Code.

The existing precast façade connections to the base building do not have the required capacity or ductility to move with the building or resist the Code specified lateral forces or deformations.

3.0 Seismic Upgrading

There is no requirement in the BCBC 2012 to upgrade existing buildings to resist current seismic loading criteria. However, the NBCC 2015 provides guidelines for upgrading existing structures, and the City of Victoria has the authority to require upgrades when a major renovation or change in use is planned. These guidelines were followed using the seismic hazard levels from the BCBC 2012, which was the Code in force at the time of Building Permit submission, with reference to the enhanced upgrade guidance in the NBCC 2015 commentary. The guidelines indicate that for a building such as the Victoria Press building, the upgrading must be designed for the forces associated with the NBCC ground motions with a 5% probability of exceedance in 50 years.

The current development plan will provide seismic upgrades to the existing building and restraint to the heritage facade to meet or exceed the 5% in 50 years seismic hazard level as per the 2012 Building Code for seismic and wind force levels. This work includes the following:

- Addition of two new concrete cores, consisting of shear walls anchored to rock below;
- The addition of sufficient diaphragm connections from the new concrete shear walls to the existing concrete slabs to resist both in-plane and out-of-plane seismic forces;
- Addition of a new ring beam concrete foundation that is capable of transferring the lateral forces from the structure to the surrounding soil;
- Restraint of the existing precast panels façade;
- Bracing of unreinforced masonry walls inside the building; and,
- Bracing of the existing building precast concrete parapets.

Victoria Press Building - 2615 Douglas Street, Victoria, BC Seismic Evaluation

December 13, 2019

RJC No. VIC.117156.0003 page 3



4.0 Gravity Load Review

The Victoria Press development plan is to preserve the existing building and façade. Therefore, the existing structure was analyzed to determine if the gravity components were adequate for the intended loading. The existing building was originally designed for two additional floors; therefore, the gravity columns and foundations have significant capacity for their intended loading. The entire existing building relies on concrete caissons that bear on the bedrock below. The existing structural drawings show reinforcement in the slabs that meet the current Code for strength requirements under the intended loading. The new concrete cores require demolition of existing columns within the structure. These columns load transfer will be reinstated by the new concrete core walls.

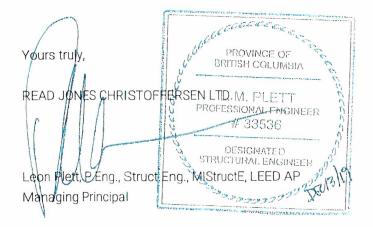
5.0 Probable Cost

The cost estimate, provided by Farmer Construction, to perform the above listed work is \$5,381,460, which is, in our opinion, reasonable for the scope of work.

6.0 Summary and Recommendations

The seismic capacity of the existing building is significantly less than that required by the current BC Building Code and upgrades will be required to meet the Code. The planned upgrades will bring the building's lateral capacity up to the level required by BCBC 2012 and the NBCC 2015 commentary. RJC's base building structural drawings (included for reference) indicate all upgrade and seismic restraint details for the renovations to the Victoria Press building. The cost estimate provided appears reasonable.

We trust this meets your requirements at this time. Please let us know if you have any questions or comments.



CG/LP/lm

Encls. RJC drawings dated November 15, 2019 and Issued for Steel Tender