

## **BYLAWS**

### **5. Bylaws for Heritage Designation Application, Tax Exemption Application, and the Associated Housing Agreement for 506 Fort Street**

#### **Motion:**

It was moved by Councillor Thornton-Joe, seconded by Councillor Coleman, that the following bylaw **be given first, second, and third reading:**

- a. *Tax Exemption (506 Fort Street) Bylaw No. 17-105*
- b. *Housing Agreement (506 Fort Street) Bylaw No. 17-104*

**Carried Unanimously**

#### **Motion:**

It was moved by Councillor Thornton-Joe, seconded by Councillor Coleman, that the following bylaw **be given first and second reading:**

- c. *Heritage Designation (506 Fort Street) Bylaw No. 17-032*

**Carried Unanimously**



## Council Report

For the Meeting of October 12, 2017

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**To:** Council **Date:** September 21, 2017  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** **Heritage Designation Bylaw No. 17-032, Housing Agreement Bylaw No. 17-104 and Heritage Tax Exemption Bylaw No. 17-105 for 506 Fort Street**

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### RECOMMENDATION

That Heritage Designation Bylaw No. 17-032, Housing Agreement Bylaw No. 17-104 and Heritage Tax Exemption Bylaw No. 17-105 for 506 Fort Street be given introductory readings and advanced for consideration at Public Hearings and for final adoption pursuant to the requirements of the *Local Government Act*.

### EXECUTIVE SUMMARY

The purpose of this report is to update Council on the Heritage Designation Application, Tax Exemption Application and the associated Housing Agreement Bylaw for the property located at 506 Fort Street (Pacific Transfer Building) and to advance the necessary Bylaws for their introductory readings and Public Hearings and consideration of final adoption pursuant to the requirements of the *Local Government Act*. On May 25, 2017 Council passed the following motion instructing:

*the City Solicitor to prepare a Heritage Tax Exemption Bylaw for 506 Fort Street for four years, pursuant to Section 392 of the Local Government Act, with the following conditions:*

- 1. That a covenant identifying the tax exemption be registered on the title to the property and any possible future strata titles.*
- 2. That the final costs of seismic upgrading be verified by the Victoria Civic Heritage Trust.*
- 3. That Council reaffirm the City's Tax Incentive Program Policy (Program Conditions, 3.6) that states Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project.*
- 4. That staff work with the applicant to achieve a voluntary agreement that the units remain rental in perpetuity.*
- 5. That staff work with the applicant to achieve voluntary agreement that the units not be used for short term vacation rentals.*


These conditions have been addressed and the required Bylaws have been prepared.

Respectfully submitted,

  
Merinda Conley  
Senior Heritage Planner  
Development Services Division

  
Jonathan Tinney, Director  
Sustainable Planning and Community  
Development Department

Report accepted and recommended by the City Manager

  
Date: Oct. 4, 2017

#### List of Attachments

- Attachment A: Subject map
- Attachment B: Committee of the Whole Report of March 16, 2017
- Attachment C: Council Minutes of March 23, 2017
- Attachment D: Committee of the Whole Report of May 25, 2017
- Attachment E: Council Minutes of May 25, 2017
- Attachment F: Heritage Designation Bylaw No. 17-032
- Attachment G: Housing Agreement Bylaw No. 17-104
- Attachment H: Heritage Tax Exemption Bylaw No. 17-105.



ATTACHMENT A

YATES ST

BASTION SQ

FORT ST

BROUGHTON ST

506 Fort Street

506 Fort Street  
Heritage Designation Permit #000161  
Registered

Designated

Registered



**CITY OF  
VICTORIA**





## **Committee of the Whole Report**

### **For the Meeting of March 16, 2017**

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**To:** Planning and Land Use Committee                      **Date:** February 27, 2017  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** **Heritage Designation Application No. 000161 for 506 Fort Street**

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### **RECOMMENDATION**

That Council consider the following motion:

"That Council approve the designation of the property located at 506 Fort Street pursuant to Section 967 of the *Local Government Act* as a Municipal Heritage Site and that first and second reading of the Heritage Design Bylaw be considered by Council and a Public Hearing date be set."

### **LEGISLATIVE AUTHORITY**

In accordance with Section 611 of the *Local Government Act*, Council may designate real property, in whole or in part, as protected property.

### **EXECUTIVE SUMMARY**

The purpose of this report is to present Council with information, analysis and recommendations regarding an owner request to designate the exterior of the heritage-registered property located at 506 Fort Street.

The Application is consistent with the *Official Community Plan* (OCP) and the Statement of Significance supports its designation.

The Application was reviewed by the Heritage Advisory Panel at its February 14, 2017 meeting and was recommended for approval.

### **BACKGROUND**

#### **Description of Proposal**

The property located at 506 Fort Street, also referred to as the Pacific Transfer Building, is a three-storey Edwardian-era brick building built in 1902. An Application to designate the exterior of 506 Fort Street as a Municipal Heritage Site was received from the property owner, 506 Fort Street Holdings Ltd., on November 28, 2016.

## **Zoning/Land Use**

The proposed designation is consistent with the CA-3C: Old Town District zoning and surrounding land uses.

## **Condition/Economic Viability**

The exterior fabric appears to be in sound condition. The rear north side of the building facing Helmcken Alley has recently been renovated to include new floor-to-ceiling windows with exterior guardrails that project 0.10m from the building's surface. The third floor of the building was an addition made to the building circa 1970. The façade treatment of this addition at that time included aluminum windows and wood siding, which was deemed not appropriate for this building's heritage character and was later replaced with wood windows, a stucco finish and a decorative cornice in 2003. The viability of the property will be strengthened by the owner's intention to seismically upgrade, rehabilitate exterior features of the building, and convert the upper two floors from office use to nine residential apartment units.

## **ANALYSIS**

The following sections provide a summary of the Application's consistency with the relevant City policies and guidelines.

### **Official Community Plan**

This Application is consistent with the *Official Community Plan*, 2012 (OCP) because it contributes to the identification of the heritage value of districts and individual properties, it contributes to the goal of protecting and celebrating Victoria's cultural and natural heritage resources, and in accordance with the Downtown design guidelines, aims to conserve the historic character of Old Town.

The OCP encourages the consideration of tools available under legislation to protect heritage property such as heritage designation. The Application is consistent with the OCP where it considers the heritage value of individual properties.

### **Statement of Significance**

A Statement of Significance describing the historic place, its attributes, and history is attached to this report.

### **Resource Impacts**

The applicant has made enquiries to the Victoria Civic Heritage Trust in relation to its Tax Incentive Program.

### **Heritage Advisory Panel**

The Application was reviewed by the Heritage Advisory Panel at its February 14, 2017 meeting and was recommended for approval.

## **CONCLUSIONS**

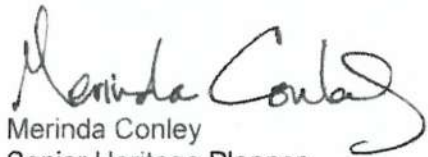
This Application for the heritage designation of the property located at 506 Fort Street as a Municipal Heritage Site is for a building that is a good example of Victoria's commercial and

industrial development from the early twentieth century. The building serves as a reminder of Victoria's role as one of the primary shipping hubs of western Canada. The architectural design of the building exemplifies the vernacular and utilitarian styling of many early twentieth-century commercial buildings that drove Victoria's gateway economy. The building is also valued for its association with the work of prominent British Columbia architect Thomas Hooper who designed many significant buildings throughout Victoria's Old Town and Chinatown districts. The building was renovated with a third storey addition over the course of its history; however, these renovations have kept the heritage integrity and character-defining elements intact. Staff therefore recommend for Council's consideration that Council approve Heritage Designation Application No. 000161 for 506 Fort Street.

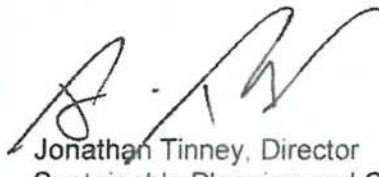
#### ALTERNATE MOTION

That Council decline Heritage Designation Application No. 000161 for the property located at 506 Fort Street.

Respectfully submitted,



Merinda Conley  
Senior Heritage Planner  
Development Services Division



Jonathan Tinney, Director  
Sustainable Planning and Community  
Development Department

Report accepted and recommended by the City Manager:



Date: March 9, 2017

#### List of Attachments

- Subject map
- Aerial map
- Photographs
- Statement of Significance
- Letter from the applicant, date stamped November 28, 2016.







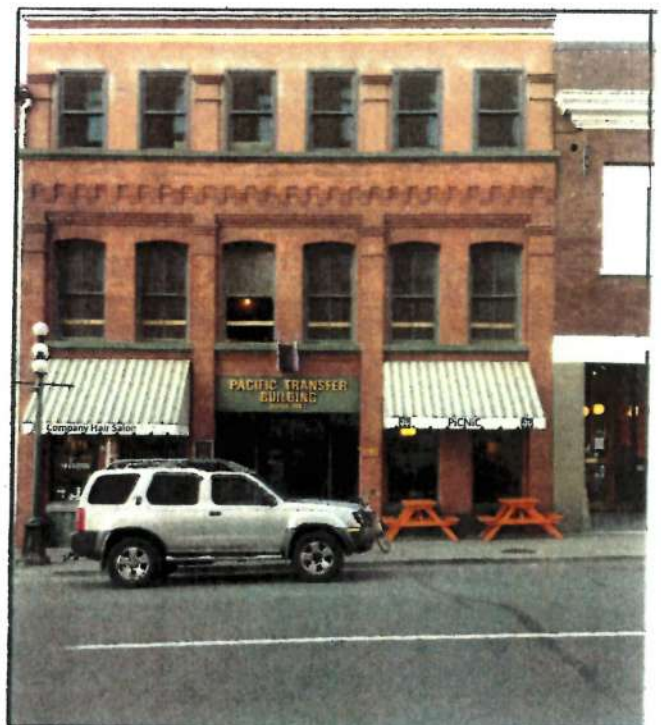




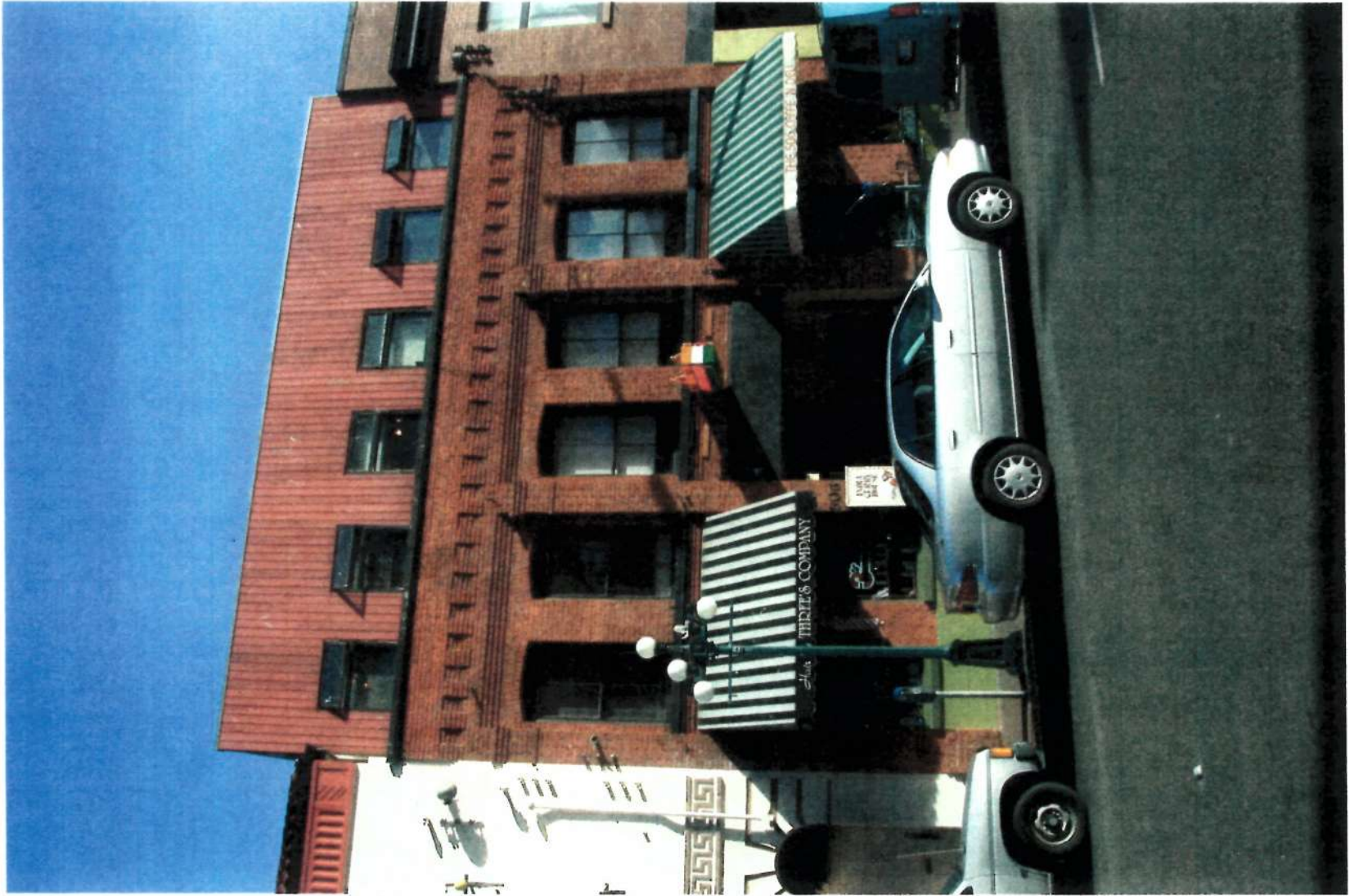


This building was constructed in 1907 for Arthur Kent, proprietor of Pacific Transfer – the equivalent of a modern day moving company.

Pacific Transfer utilized horse-drawn wagons. Motorized trucks were made use later by Victoria Baggage, which bought Arthur Kent's business in 1917

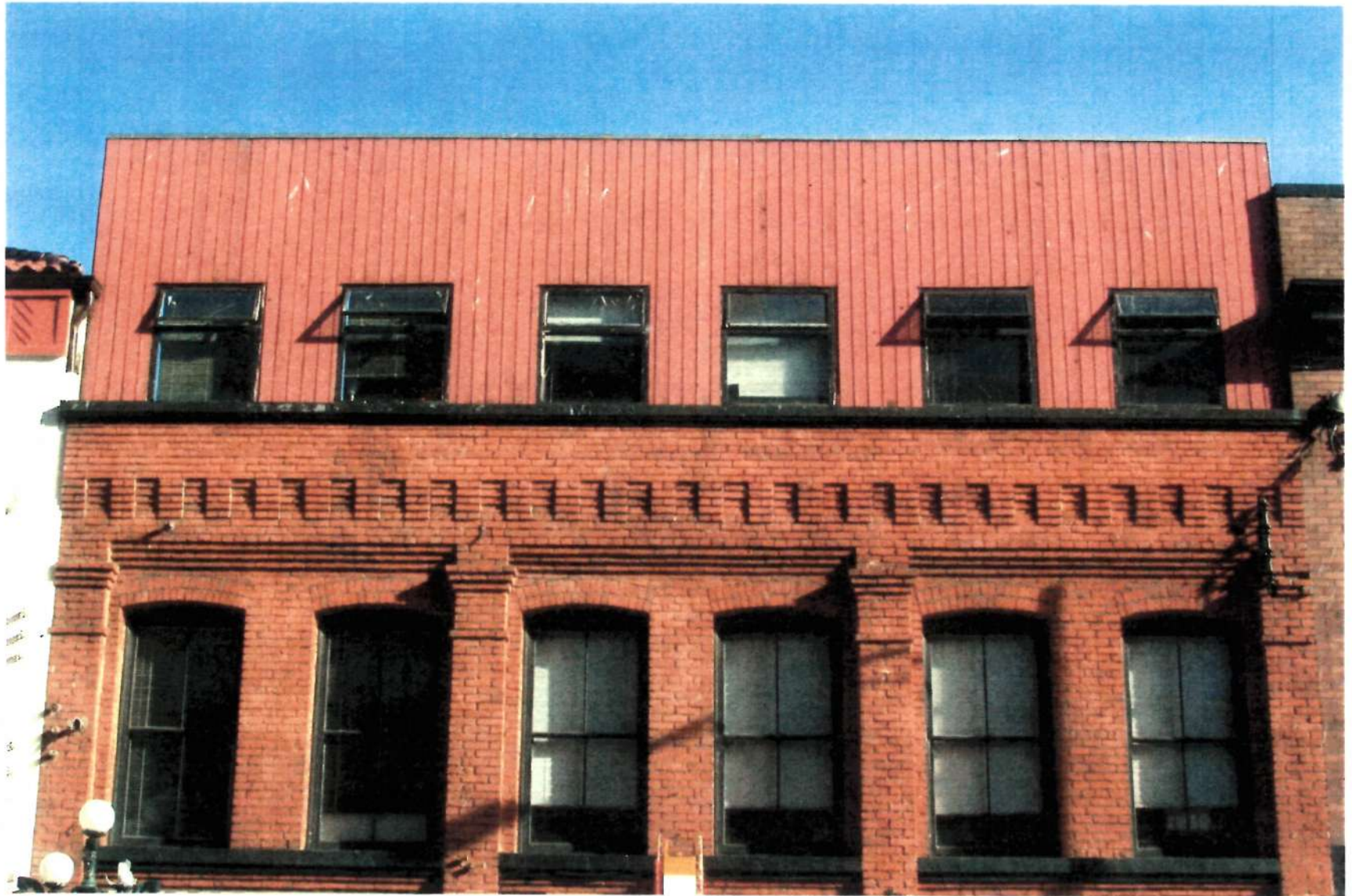






**506-508 Fort St**





**506-508 Fort St**





506 FORT STREET



**PACIFIC TRANSFER BUILDING, 506-508 FORT STREET**

**Owner:** Arthur E. Kent

**Architect:** Thomas Hooper, 1902; J.C.M. Keith, 1907

**Date:** 1902; additions in 1907

**Description of Historic Place**

The Pacific Transfer Building is a three-storey Edwardian-era, red brick building located mid-block on Fort Street, between Wharf Street and Langley Street, near the Inner Harbour in Victoria's historic Old Town. The utilitarian design of the symmetrical front façade features a large, central entryway, segmental-arched windows on the second floor and corbelled brick detailing. It is part of a grouping of smaller-scale buildings that line this block of Fort Street.

**Heritage Value of Historic Place**

Constructed in 1902, the Pacific Transfer Building is valued as a vestige of Victoria's role as one of the primary shipping hubs in the Canadian West. During this period, Victoria's gateway economy was supported by a diverse mixture of commercial businesses, from merchants to manufacturers, and a wide variety of service industries, such as this transfer company. The close proximity of this building to the wharves and piers of the working waterfront of the Inner Harbour ensured that the Pacific Transfer Company was well positioned to meet the transshipment needs of the community. The Pacific Transfer Company, owned by English-born entrepreneur Arthur Edward Kent, offered express delivery within the City boundaries and served a key role in the distribution of goods arriving by ship and rail. Kent was one of the few non-Chinese business owners who maintained a good relationship with the Chinese community in Chinatown and was trusted to arrange shipment of the bones of deceased Chinese back to China for reburial in family plots; this was a common practice in overseas Chinese communities in the Canadian and American West. Victoria functioned as the central shipping point in Canada for all Chinese remains returning to China until as late as the 1940s.

The Pacific Transfer Building is also considered a significant example of the vernacular, utilitarian turn of the twentieth-century architecture that supported the commercial activities that drove Victoria's booming economy. This building dates from a time when horses were still used as a primary means of ground transport; it originally housed a livery stable at ground level and living quarters above. The large central entry originally accommodated horses and wagons. It is an example of the work of prominent British Columbia architect Thomas Hooper (1857-1935), whose many commercial buildings helped define the evolving character of Victoria's Old Town and Chinatown National Historic Site. Hooper had one of the province's longest running and most prolific architectural careers, designing hundreds of commercial, institutional and residential buildings. Illustrating the success of Kent's business, additions to the structure were made in 1907, designed by local architect J.C.M. Keith (1858-1940).

In recognition of the material and social values of the historic buildings of Old Town, the City of Victoria has established policies and incentives that encourage their adaptive re-use and improve their economic viability. Rehabilitated buildings such as this play a critical role in revitalizing the downtown economy, in providing commercial space and in environmental sustainability.

## CITY OF VICTORIA DOWNTOWN STATEMENTS OF SIGNIFICANCE 2009

### Character-Defining Elements

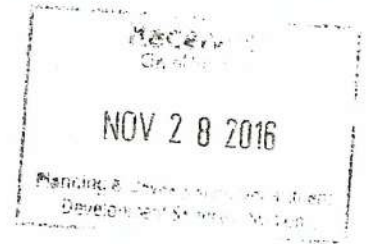
Key elements that define the heritage character of the Pacific Transfer Building include its:

- location on the north side of Fort Street, close to the Inner Harbour in Victoria's historic Old Town
- continuous commercial use
- commercial form, scale and massing as expressed by its three-storey height built to the property lines, rectangular, symmetrical plan, and flat roof
- masonry construction, including red-brick walls and heavy timber internal structure
- Edwardian-era architectural details such as its: symmetrical design with central entryway; symmetrical bays of segmental-arched window openings separated by brick pilasters with brick capitals at the second storey; and corbelled brick cornice and shadow lines
- regular fenestration such as double-hung wooden sash windows, 2-over-2 at the second storey





**506 FORT STREET HOLDINGS LTD.  
670 – 344 Burrard Street  
Vancouver, B.C.  
V6C 2G8**



November 27, 2016

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

Dear Mayor and Council

Re: 506 Fort Street - The Pacific Transfer Building  
Heritage Designation Application



I represent the owners of 506 Fort Street Holdings Ltd. the owners of the Pacific Transfer Building at 506 Fort Street near Wharf Street in Old Town.

This 1901 building is on the City of Victoria Heritage Registry (R/Com).

The current owners purchased the building in February 2016. At that time the upper two floors, previously used for office, had been vacant for almost 2 years with little to no prospect of being released for office use.



The owner has received a Building Permit to convert the upper floors to nine (9) residential rental apartments of sizes ranging from 380 to 1450 square feet. Studios, one and two bedrooms will be available.

The existing three independent retail tenants on the main floor (3's Company, Picnic and Little Jumbo) will remain in operation during the renovation and thereafter.

As part of the renovation of this important small scale building seismic upgrading will take place to meet current building code requirements for Heritage Buildings. There will also be improvements in life safety systems, environmental remediation and energy performance.

The owners, some of whom plan to live in the building, are passionate about heritage buildings and the protections offered by the City of Victoria. They are also very appreciative of the grant and tax abatement programs offered to qualifying heritage buildings.

The owner is now seeking Heritage Designation of the Property.

Kind regards.

506 Fort Street Holdings Ltd.

Jon Stovell

**REPORTS OF COMMITTEES**

**5. Heritage Designation Application No. 000161 for 506 Fort Street (Downtown)**

**Motion:**

It was moved by Councillor Thornton-Joe, seconded by Councillor Lucas, that Council instruct staff to prepare the necessary Heritage Designation Bylaw for consideration of first and second readings, which would authorize the designation of the property located at 506 Fort Street pursuant to Section 611 of the Local Government Act as a Municipal Heritage Site and a Public Hearing date be set.

**Carried Unanimously**



## Committee of the Whole Report For the Meeting of May 25, 2017

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**To:** Committee of the Whole **Date:** May 12, 2017  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** Tax Incentive Program Application No. 00027 for 506 Fort Street

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### RECOMMENDATION

That Council decline Tax Incentive Program Application No. 00027 at 506 Fort Street.

### 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 tax exemption under the City's Tax Incentive Program – Residential Uses (TIP) based on seismic upgrading costs related to the residential conversion of underutilized upper storey spaces of the Pacific Transfer Building at 506 Fort Street to nine unit rental apartments. The application is for a rehabilitation and seismic upgrading project for the creation of nine residential units on the upper floors of the existing building, with commercial use on the ground floor. The total estimated cost of the project, including interior improvements, is \$1,200,000.00 of which the cost of seismic upgrading is estimated to be \$267,349.45.

This Tax Incentive Program Application is unusual as the rehabilitation and seismic upgrading began prior to submission of the TIP application for technical review by the Victoria Civic Heritage Trust (VCHT), and tax exemption approval by Council. Tax Incentive Program Policy adopted by the City of Victoria on March 12, 1998, states: "*City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project.*" In mid-November City staff referred the TIP application for 506 Fort Street to the VCHT for technical review and recommendations to City Council, with a question of evaluation as to whether the application would have been recommended for a tax exemption if the work was not already done. To complete submission requirements that would enable the Victoria Civic Heritage Trust to complete a technical review, the applicant was asked to submit relevant seismic upgrading design and costing received prior to construction. The application was reviewed by the Victoria Civic Heritage Trust at its meeting on February 27, 2017, and it was determined that the project meets the technical cost formula established to determine the



legibility threshold for a tax exemption period of ten years. (See attached letter dated February 28, 2017.)

If the application had followed standard program policy, procedures and timelines, the project would be worthy of staff support as it contributes to the City's strategic objectives of strengthening the Downtown with additional residential development; assisting in the preservation and rehabilitation of heritage buildings; improving public safety through the seismic upgrading of the masonry building; and is located in a compact cluster of designated and registered heritage properties.

The alternate motion provided for Council's consideration supports the approval of the TIP Application regardless of the fact this application did not adhere to the policy related to completion of the work after Council approval is achieved.

## BACKGROUND

In March 1998, City Council approved the Tax Incentive Program to provide tax exemptions of up to ten years to assist heritage building owners with the high cost of seismic upgrading which was affecting the economic viability of converting the upper floors of heritage buildings to residential use. Not including the current project, the program has created 600 new residential units in 34 rehabilitated heritage buildings and attracted \$205 million in private investment in the Downtown Core.

This application is to assist the rehabilitation project involving the conversion of a heritage building at 506 Fort Street (Pacific Transfer Building) to residential use on its upper two floors. The total estimated cost of the project, including interior improvements, is \$1,200,000.00 of which the cost of seismic upgrading is estimated to be \$267,349.45.

A Building Permit was issued on July 19, 2016, for the change of use alteration on the 2<sup>nd</sup> and 3<sup>rd</sup> floors, however the applicant did not apply for a Heritage Alteration Permit as the change of use alteration was contained to the interior and was determined to not impact the exterior appearance of the building. A Heritage Minor Alteration Permit (HMA), now referred to as a Delegated Heritage Alteration Permit (DHAP), was issued for the addition of Juliette balconies on the rear north side of the building.

City staff received an incomplete Tax Incentive Program application for 506 Fort Street in late October of 2016. The incomplete application was referred to the Victoria Civic Heritage Trust to determine whether the application would have been recommended for tax exemption if the work was not already done, the application for 506 Fort Street was reviewed by the Victoria Civic Heritage Trust's Architectural Conservation Committee (ACC) on January 16, 2017. At the VCHT Board of Directors meeting on February 27, 2017, the following recommendation was approved:

*Subject to heritage designation, the residential conversion project at 506 Fort Street (Pacific Transfer building) meets the technical cost formula established to determine the eligibility threshold for a tax exemption period of Ten (10) Years subject to Council's approval and the project meeting all other City requirements, final site visit and verification of final costs. The project does not meet Tax Incentive Program Policy adopted by City of Victoria that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed projects." (see attached Program Conditions, 3.6)*



Further:

*If the Tax Incentive Program application for 506 Fort Street is approved, it is recommended the Council immediately pass a motion to prohibit any retroactivity Tax Incentive Program applications that do not meet the City of Victoria's policy that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." (Program Conditions, 3.6)*

And:

*If the tax exemption application for 506 Fort Street is not approved, it is recommended that council immediately pass a motion to reaffirm its Tax Incentive Policy that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." (Program Conditions, 3.6)*

The estimated value of the tax exemption is  $\$26,333.56 \times 10 = \$263,335.60$  over the ten year period. The estimated seismic upgrading costs for 506 Fort Street of \$267,349.45 exceed the technical cost formula for a ten year tax exemption period, thus meeting the technical cost formula. The value of the property after conversion increases its current assessed value of \$1,806,000.00 to \$3,624,000.00 with the new tax assessment of approximately \$35,151.60 a year over the ten year period.

## **ISSUES AND ANALYSIS**

### **Tax Incentive Program (TIP)**

Processing retroactive TIP applications is problematic as it preempts an important aspect of the review where cost estimates are vetted and analyzed to verify the work's value prior to Council considering approval. As noted in the previous section, the Tax Incentive Program application for 506 Fort Street is not consistent with this aspect of the policy which states: "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." Despite this inconsistency, all other aspects of the project comply. The alternate recommendation would advance potential approval of this TIP Application along with a recommendation that Council reaffirm the portion of the policy that does not support retroactive applications in order to make it clear to future applicants this is not acceptable as a normal practice.

### **Official Community Plan and Downtown Core Area Plan**

This Tax Incentive Program Application is consistent with numerous goals, objectives, policies and guidelines in the Official Community Plan and the Downtown Core Area Plan related to heritage resources and their conservation.

### **Resource Impacts**

The building rehabilitation has created nine new residential units on the upper floors of the heritage building. The total 2016 property tax for the property is \$26,333.56, with the municipal portion being \$15,534.98. The formula to determine the term of the tax exemption is based on the rate of the current year's property tax multiplied by the number of years (to a maximum of ten) required to meet the estimated cost of seismic upgrading. The term requested is ten years as the total tax incentive is estimated at \$263,335.60 ( $\$26,333.56 \times 10$ ) which is less than the estimated seismic upgrading costs of \$267,349.45. Upon completion, BC Assessment estimates the value of the property will increase to \$3,624,000.00 from the 2016 assessed value of \$1,806,000.00. Based on the proposed tax rates, the estimated value of the tax exemption will



be \$351,516.00 (\$35,151.60 x 10) over the ten year period, with the municipal portion being \$22,074.40.

	Assessment	Total Taxes	Municipal Taxes
Current	\$1,806,000.00	\$26,333.56	\$15,534.98
Proposed	\$3,624,000.00	\$35,151.60	\$22,074.40

The City will redistribute the \$351,516.00 tax exemption to non-exempt taxpayers over the ten year period. Although the exemption will reallocate the tax revenue, the City will receive additional tax revenue at the expiry of the ten year term. The net impact of additional residents living downtown and their support for downtown businesses will also be a positive economic benefit.

### CONCLUSIONS

The submission of this application was unfortunately received very late in the process after rehabilitation and seismic upgrading was well underway, which is not consistent with Program Policy. For this reason, it is recommended for Council's consideration that the project be declined.

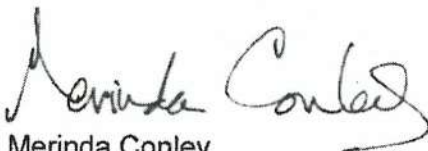
However, the building contributes to the heritage character of the street; benefits the Downtown Core; improves the seismic resistance of a hazardous structure and the safety of its occupants; rehabilitates a heritage building; and adds housing diversity, affordability and availability within the downtown. If the application had followed standard policy, procedures and timelines, staff would have supported the application with a recommendation for Council to consider the preparation of a Tax Exemption Bylaw.

### ALTERNATE MOTION

That Council instruct the City Solicitor to prepare a Tax Exemption Bylaw for 506 Fort Street for 10 years, pursuant to Section 392 of the *Local Government Act*, with the following conditions:

1. That a covenant identifying the tax exemption be registered on the title to the property and any possible future strata titles.
2. That the final costs of seismic upgrading be verified by the Victoria Civic Heritage Trust.
3. That Council reaffirm the City's Tax Incentive Program Policy (Program Conditions, 3.6) that states City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project.

Respectfully submitted,



Merinda Conley  
Senior Heritage Planner  
Community Planning Division



Jonathan Tinney, Director  
Sustainable Planning and Community  
Development Department

Report accepted and recommended by the City Manager:

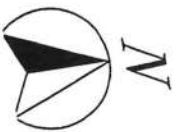


Date: May 18, 2017

#### **List of Attachments**

- Subject map
- Aerial map
- Photos
- Letter from the Victoria Civic Heritage Trust, dated February 28, 2017
- Tax Incentive Program Policy Conditions, as approved by Council on March 12, 1998
- Heritage Tax Incentive Program Application – Residential Uses Information
- Analysis by BC Assessment Authority
- Structural plans





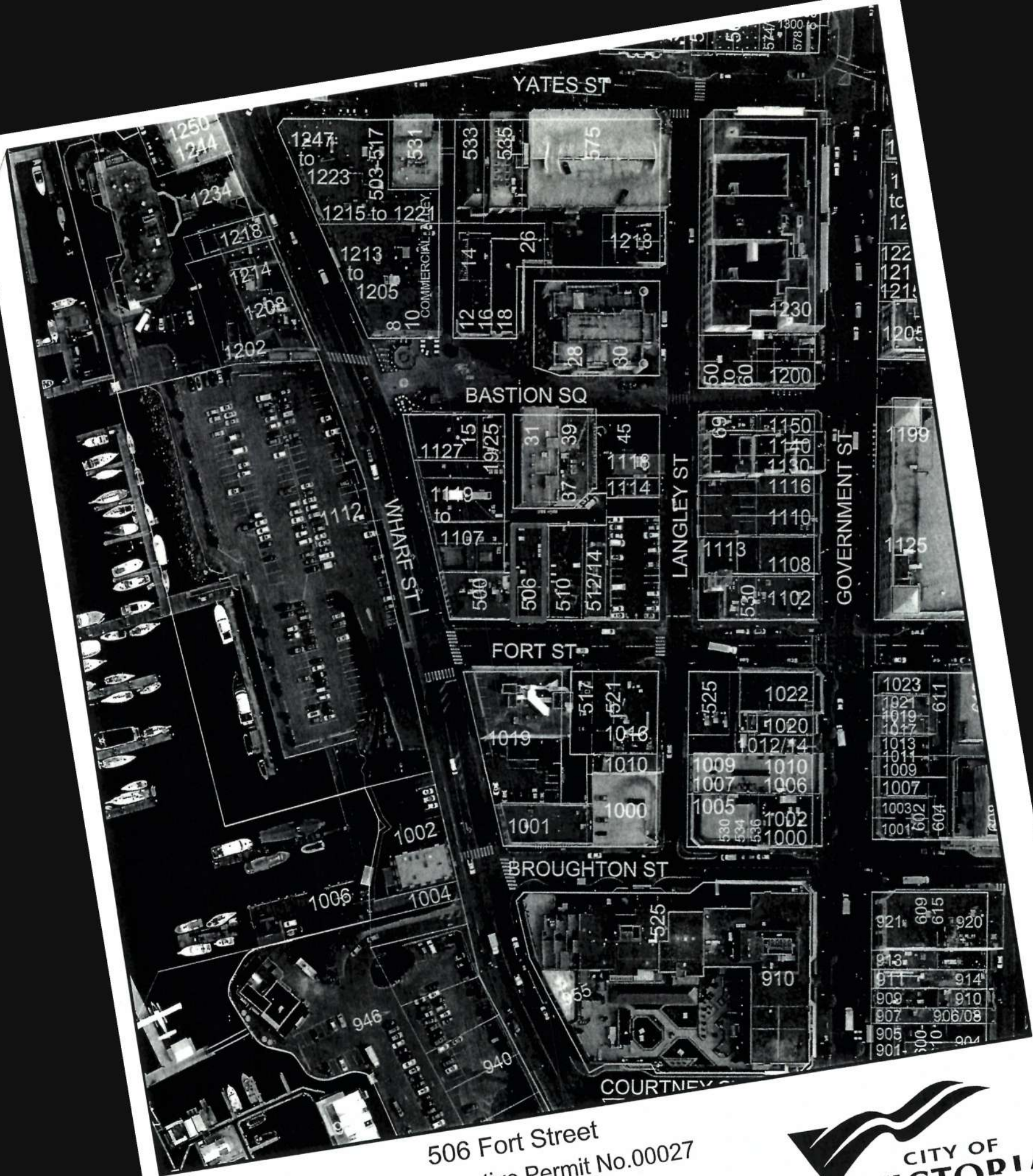
Heritage Tax Incentive Permit No.00027

Designated

Registered







506 Fort Street  
Heritage Tax Incentive Permit No.00027

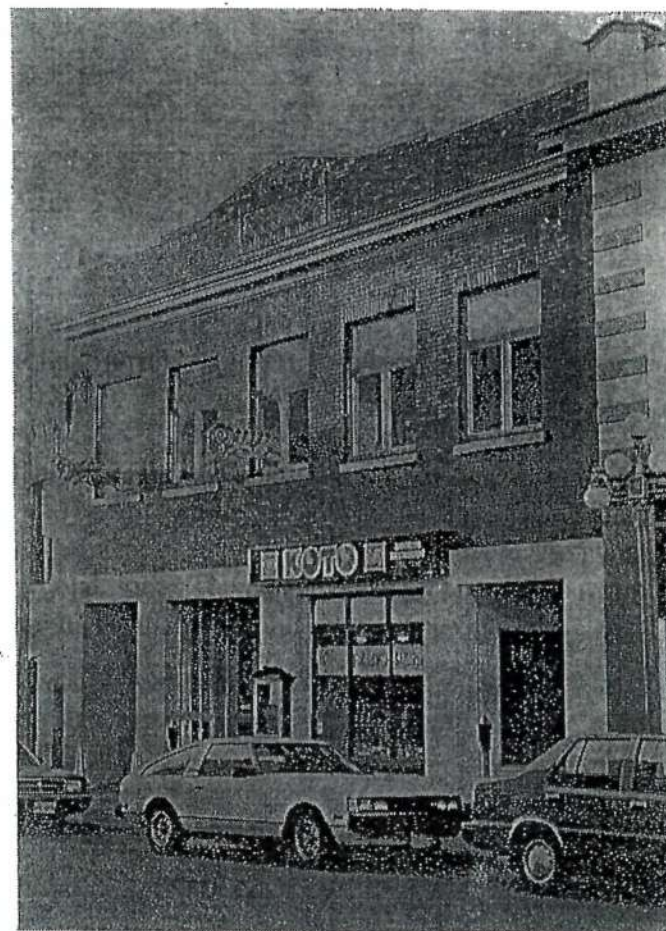






**PACIFIC TRANSFER BUILDING**  
 506-508 FORT STREET  
 Thomas Hooper, Architect, 1902  
 J.C.M. Keith, Architect, Additions 1907

Arthur E. Kent constructed this building as a stable for the horse-drawn wagons of his transfer company, with living quarters above. Kent was one of the few white businessmen who were respected by the Chinese of the city, and was often entrusted with the shipment of the bones of the deceased back to China for burial.



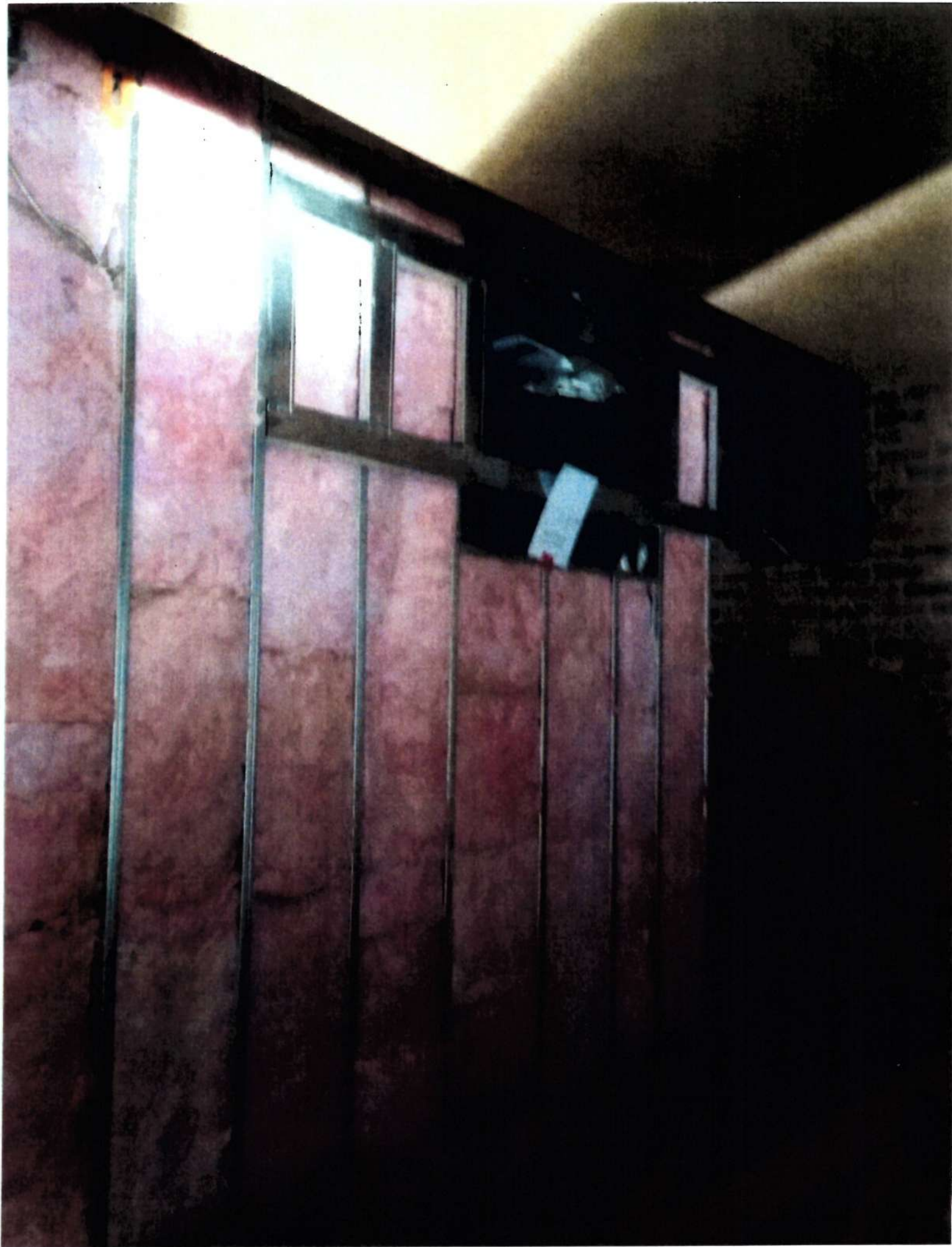
**VICTORIA BAGGAGE COMPANY BUILDING**  
 510 FORT STREET  
 Ralph Berrill, Architect,  
 1921

This building was built as offices for the Victoria Baggage Company, who had previously taken over the adjacent building, 506-508 Fort Street, from Pacific Transfer. There were also living quarters on the second floor. The detailing is very plain, but a curved parapet gives a subtle distinction to the building's profile.















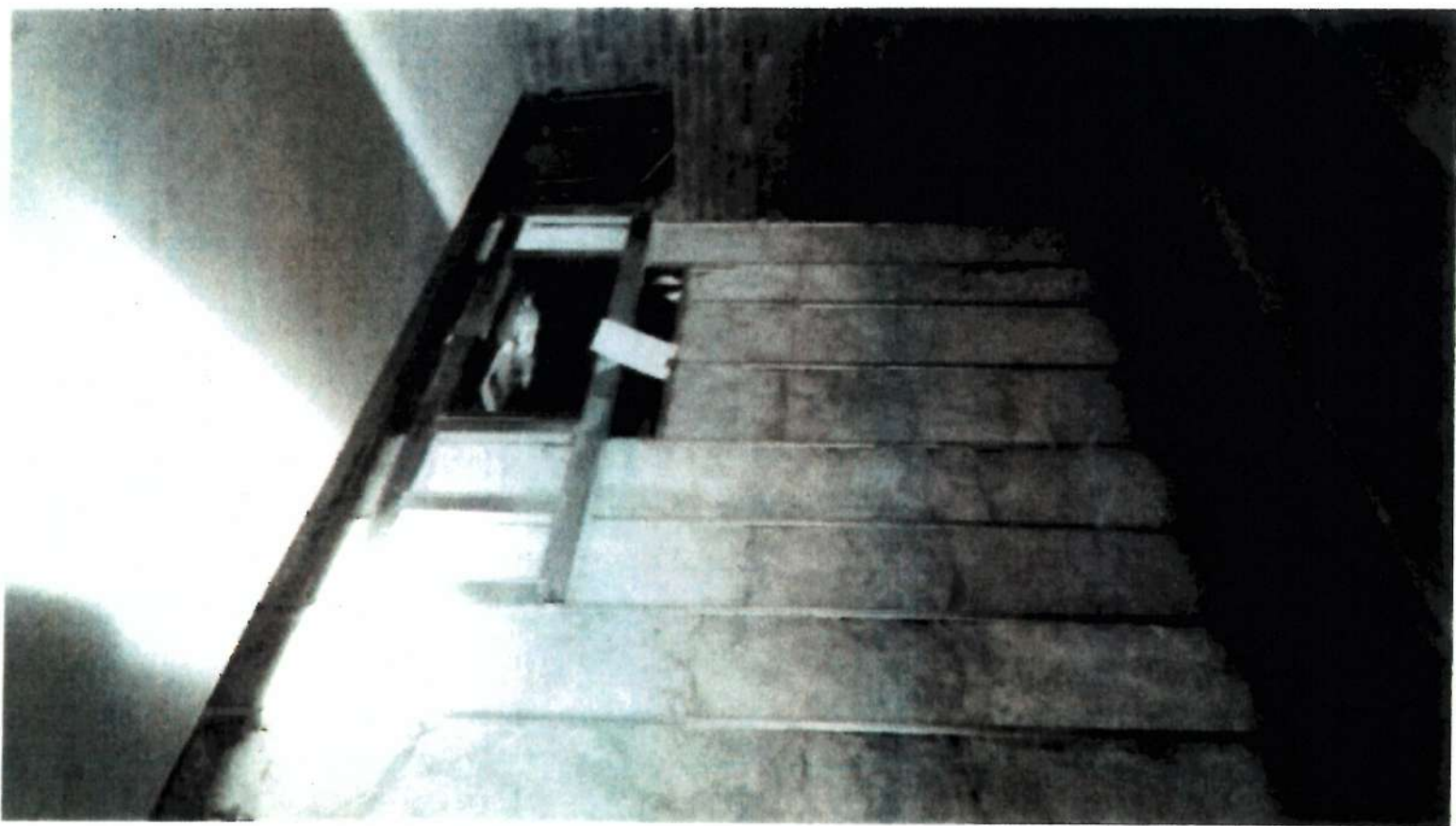
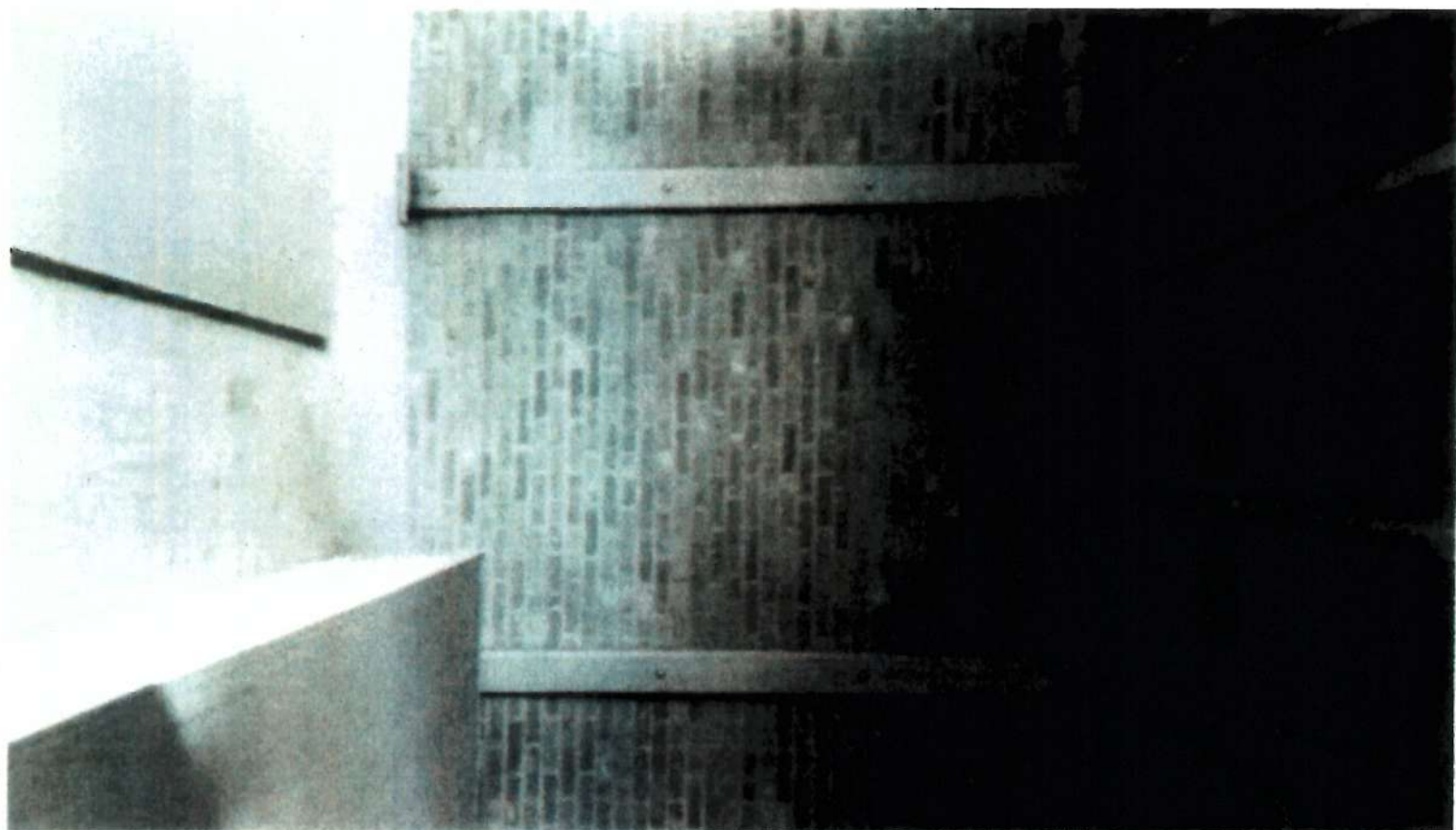






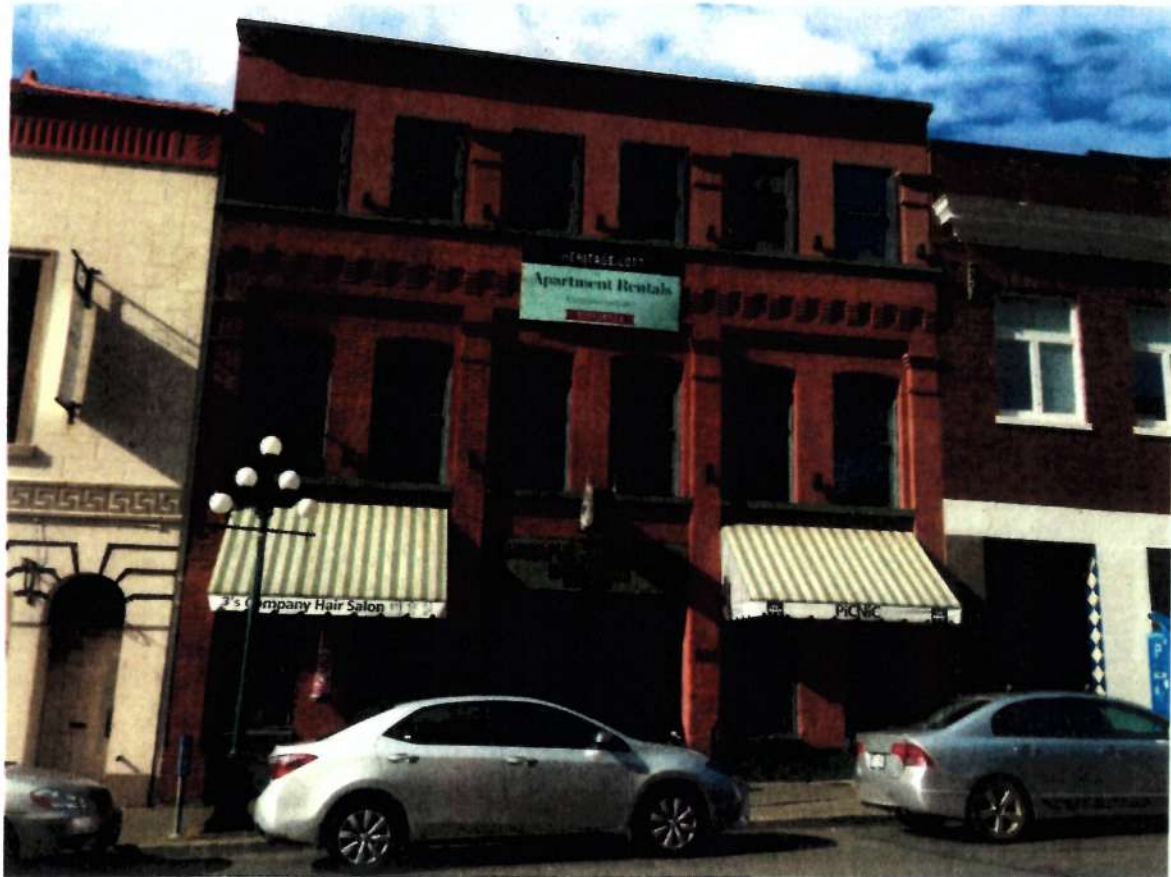


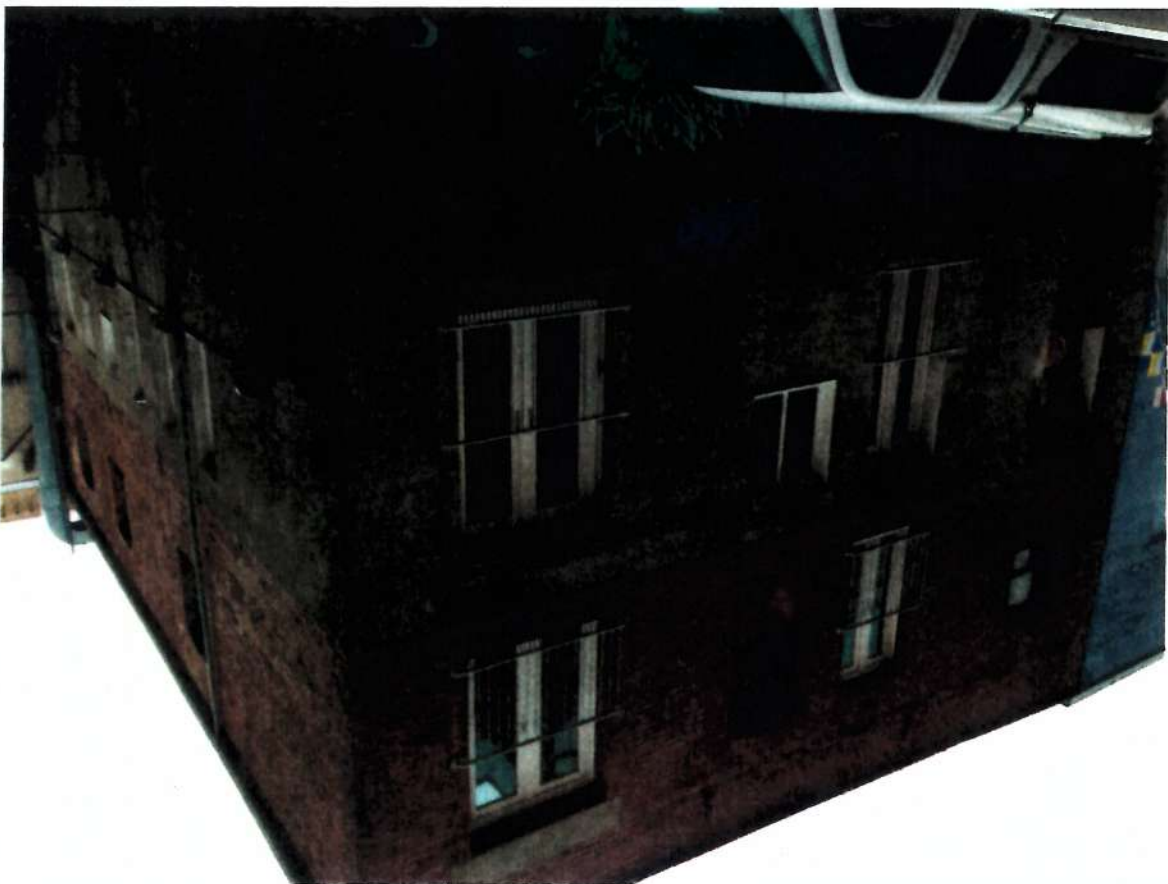






506 FORT STREET – May 12, 2017



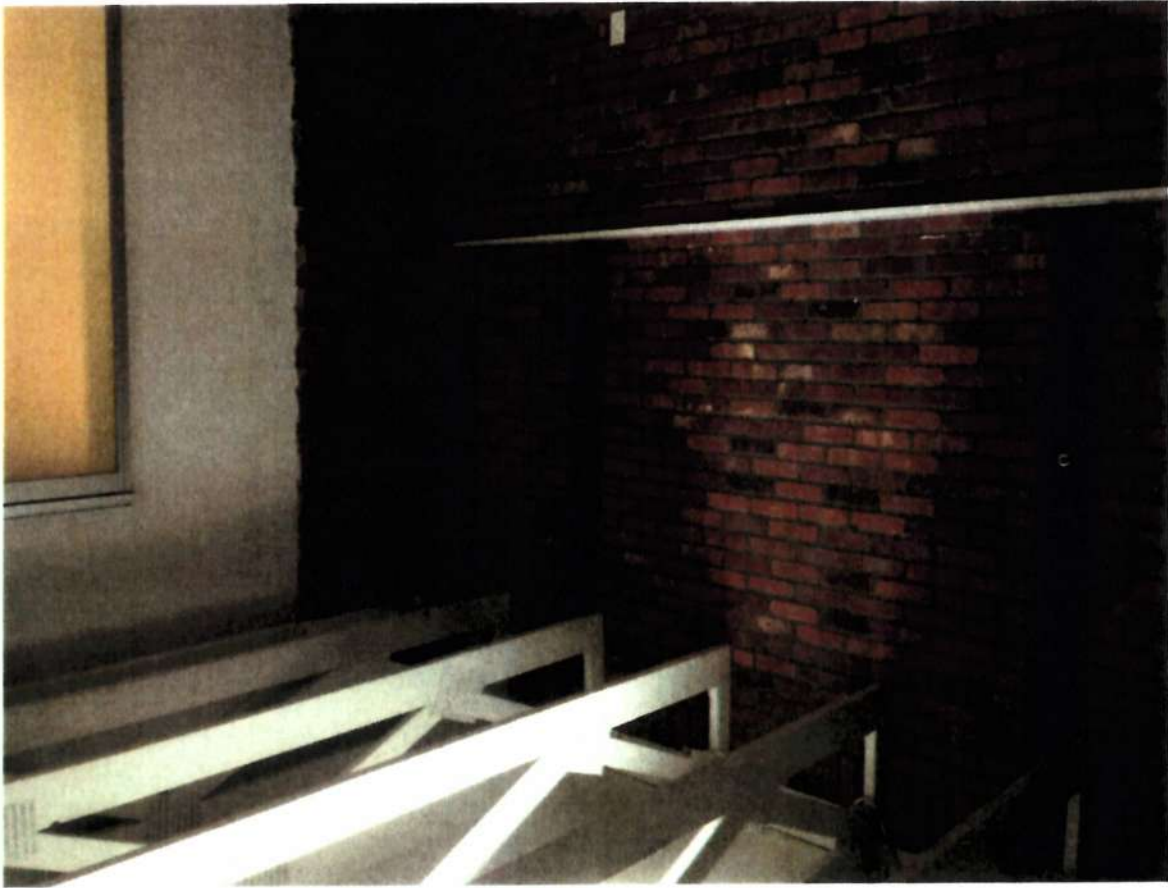


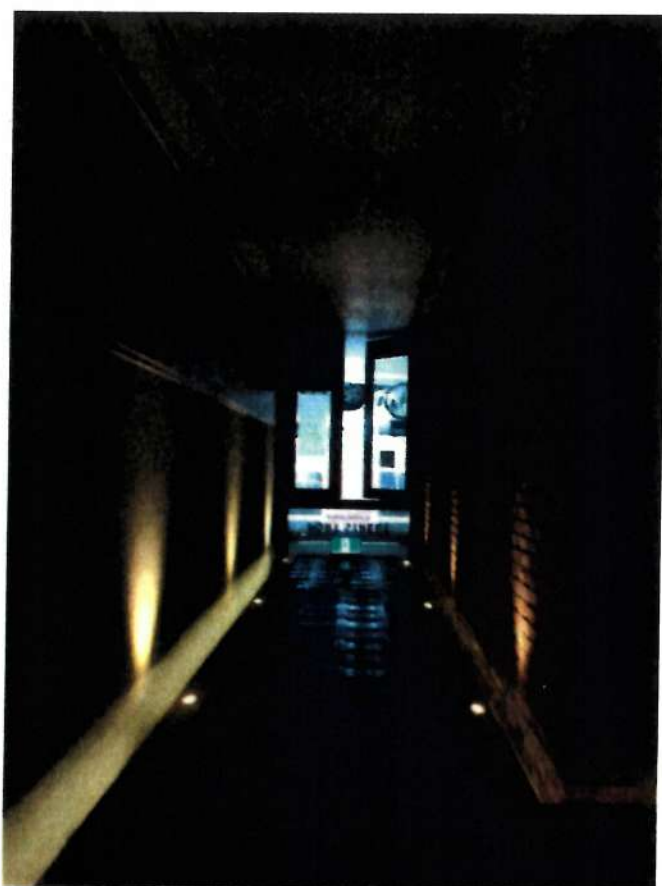




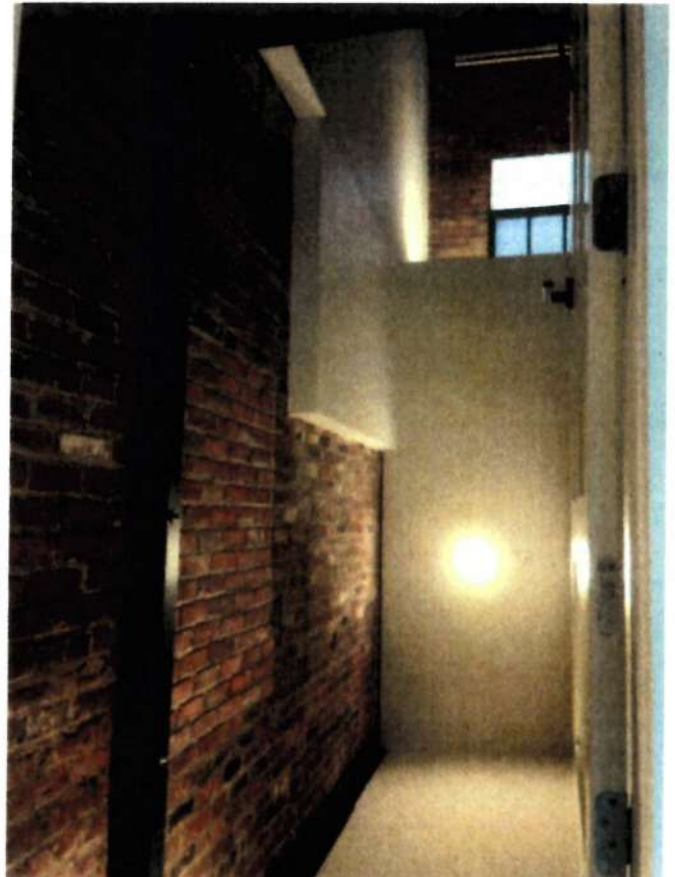
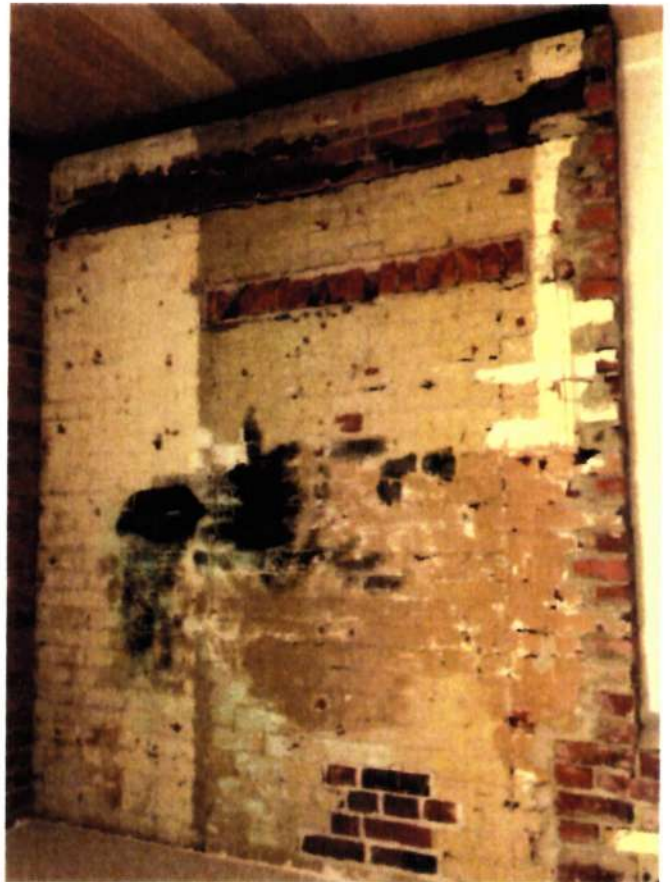
















Victoria  
CIVIC  
HERITAGE  
TRUST

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

28 February 2017

Attention: Mayor and Council

**Recommendations to City of Victoria  
Application for Ten Year Tax Exemption  
Downtown Heritage Tax Incentive Program for Residential Conversion**

**506 Fort Street (Pacific Transfer Building)  
Lot 1, Section 18, Victoria, Plan 29564; PID 001-375-547; Folio No 01067016**

Dear Mayor and Council:

The Board of Directors of the Victoria Civic Heritage Trust (VCHT) reviewed a Tax Incentive Program - Residential Uses (TIP) application submitted by 506 Fort Street Holdings Ltd for **506 Fort Street (Pacific Transfer Building)** at its meeting held on 27 February 2017.

Seismic upgrading construction began on 506 Fort Street prior to submission of a TIP application, technical review, and tax exemption approval by City of Victoria. Seismic upgrading work was completed and inspected on 4 January 2017. In mid-November City staff referred a TIP application for 506 Fort Street to the VCHT for technical review and recommendation to Council, with a question of evaluation being whether the application would have been recommended for tax exemption if the work was not already done. In this regard the applicant was asked to submit relevant seismic upgrading design and costing information received prior to construction.

The owner requests a ten-year tax exemption based on the scope of work for seismic upgrading as specified by the Project Engineer, Wade Griffin, P.Eng, LEED AP, Principal, Skyline Engineering Ltd, Victoria. Eligible seismic upgrading costs submitted in a stamped letter from Curtis P Miles Architect total **\$267,349.45** [Revised 31 Jan 2017]. A second seismic cost estimate submitted by the applicant from BTY Group (Vancouver) is \$322,800.00 [Revised 9 January 2017]. The total construction cost including interior improvements is estimated at **\$1,200,000.00**. See attached report revised 27 February 2017.

The 2016 Property Tax for 506 Fort Street is **\$26,333.56** including all municipal, school, and other regional taxes. The technical cost formula used to determine the eligibility threshold for a maximum ten year tax exemption is the number of years x property tax, or  $10 \times \$26,333.56 = \mathbf{\$263,335.60}$ . The estimated seismic upgrading costs for 506 Fort Street of **\$267,349.45** exceed the technical cost formula for a ten year tax exemption period.

A technical review of the project was undertaken by our Architectural Conservation Committee (ACC) on 16 January 2017. The VCHT Board of Directors accepted the ACC recommendation that the application be tabled pending clarification of heritage designation, as well as further clarification of costs and the TIP retroactivity policy. After lengthy consideration at its meeting on 27 February 2017 the VCHT Board of Directors approved recommendations to the City of Victoria:

**Subject to heritage designation, the residential conversion project at 506 Fort Street (Pacific Transfer Building) meets the technical cost formula established to determine the eligibility threshold for a tax exemption period of Ten (10) Years, subject to Council's approval and the project meeting all other City requirements, final site visit and verification of final costs. The project does not meet Tax Incentive Program Policy adopted by City of Victoria that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." (Program Conditions 3.6 - as attached)**

...2



Further:

**If the Tax Incentive Program application for 506 Fort Street is approved, it is recommended that Council immediately pass a motion to prohibit any retroactive Tax Incentive Program applications that do not meet the City of Victoria's policy that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." (Program Conditions, 3.6)**

and:

**If the tax exemption application for 506 Fort Street is not approved, it is recommended that Council immediately pass a motion to reaffirm its Tax Incentive Policy that "City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project." (Program Conditions, 3.6)**

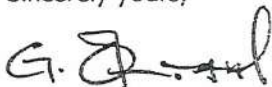
Based on nineteen years of effective policy, practice, and precedent for the City's award-winning Tax Incentive Program, the VCHT strongly cautions against the effects of approving retroactive application(s) or changes to the approved policy:

- Sets precedent for any TIP policies or guidelines to be challenged
- Sets precedent for future TIP applications to apply retroactively
- Sets precedent for any past seismic upgrading projects since 1998 to apply for retroactive application (as well as potential legal challenges if not approved)
- Unfair to other applicants who have gone through the process and have followed TIP policies
- Staff cannot work directly with applicants at the earliest stage to provide advice, expedite and minimize work, ensure accurate costing, maintain a fair, clear and transparent review process
- Opens the door to potential abuse and inaccurate or untrustworthy cost information
- Very costly in terms of significant extra time and expense to conduct the review process, for applicants, staff and VCHT volunteer time
- Unpredictable workload that is unnecessary, unwieldy, unmanageable and unsustainable
- May affect expansion of TIP if approved policies are not upheld

The VCHT Board wishes Council to be aware that the TIP application for 506 Fort Street was especially difficult and time consuming to review as it did not comply with the Program Conditions 3.6 and published TIP policy that **"the tax exemption will not be given retroactively and work must not commence before approval is given"** (Heritage TIP Application – Residential Uses Information, page 2).

Please do not hesitate to contact our office should you have any questions regarding our review and recommendations.

Sincerely yours,



Greg Ovstaas  
Vice-President  
per Bruce Johnson, President



John Knappett  
Past President  
Acting ACC Chair on 16 January 2017

*attachments*

*copy: Ms Merinda Conley, Senior Heritage Planner, City of Victoria*



COMMUNITY DEVELOPMENT and LEISURE SERVICES DEPARTMENT  
CITY PLANNING DIVISION

DATE: February 26, 1998

COMMITTEE OF THE WHOLE REPORT

TO: Mayor Cross and Members of Council

FROM: Len Vopnfjord, Director, Community Development & Leisure Services

SUBJECT: Property Tax Incentives for Residential Conversion of  
Downtown Heritage Buildings

1.0 Executive Summary

The 1997 Corporate Strategic Plan identifies as one of its key goals for the downtown core: "To develop a vibrant and healthy downtown core, which supports residential, business and leisure activities." It is therefore proposed that the City offer a tax incentive to assist the owners of downtown heritage buildings to convert under utilized or vacant upper storey space to residential use. Such conversions will assist the rehabilitation and preservation of Victoria's significant collection of turn of the century heritage commercial buildings concentrated in Old Town. It will also provide new uses for buildings, which have been affected by the recent withdrawal of government office tenants by the British Columbia Buildings Corporation. Residential use downtown will provide other desirable public policy benefits such as counteracting urban sprawl, increasing public safety downtown and making more efficient use of public infrastructure and services. Previous studies of the economics of building rehabilitation, such as the 1992 Downtown Heritage Building Housing Study, have demonstrated that public incentives are often required to make residential conversion give property owners an adequate economic return on equity.

In order to provide a simple and efficient mechanism to administer the program, the amount of the tax incentive will be a tax exemption from 1 to 10 years based on the cost of seismic upgrading required for the building. Previous studies have shown these costs to be between 21% to 35% of the total project costs. The program will be administered in cooperation with the Victoria Civic Heritage Trust.

2.0 Staff Recommendation

- 1) That City Council approve the Policy for Tax Incentives for Residential Conversion of Downtown Heritage Buildings.
- 2) That appropriate City staff be authorized to begin implementation of the program in cooperation with the Victoria Civic Heritage trust and in accordance with the attached program conditions.

Respectfully submitted,

*D. Attinson, for*

Len Vopnfjord, Director  
Community Development &  
Leisure Services

*Steve Barber*

Steve Barber, Heritage Planner  
Community Development &  
Leisure Services



### 3.0 Program Conditions

1. The property must be a Municipally Designated Heritage site pursuant to Section 967 of the Municipal Act, or subject to a covenant under Section 219 of the Land Title Act that relates to the conservation of heritage property.
2. Assistance will be provided to owners of taxable property in the form of a property tax exemption to a maximum of 10 years as approved by Victoria City Council in accordance with Section 342 of the Municipal Act (exemptions for heritage properties). The amount of tax relief will be equivalent to the cost of seismic up grading required for the project.
3. Projects eligible for a tax incentive must involve the conversion of under utilized or vacant upper floors to residential use. Significant upgrading of existing residential buildings will also be considered.
4. No abatement of outstanding or current taxes will be provided.
5. Heritage Designated buildings applying for a tax incentive will continue to be eligible for the Building Incentive Program grants available from the Victoria Civic Heritage Trust.
6. City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project.
7. For residential conversions of heritage buildings for condominium ownership, a special agreement will be negotiated with the owner regarding the beneficiary of the property tax incentive.
8. The tax exemption amount received by the owner will be repaid to the City if the Heritage Designated building is destroyed or altered with out proper authorization under the requirements of the heritage protection of the property (other than by a natural disaster), or if the designation bylaw is rescinded by Council at the request of the owner. (this condition will be subject to the owner's agreement).
9. The Finance Department will monitor and track the program in order to report to Council the total value of tax exemptions for residential conversions on an annual basis.
10. Projects will be reviewed by the Victoria Civic Heritage Trust for their recommendations prior to consideration by City Council.
11. Section 342 of the Municipal Act, "Exemptions for Heritage Properties" requires an approval bylaw for the tax exemption by at least 2/3 of votes cast and, for exemptions for more than one year, prior public notification 30 days before adoption of the bylaw.
12. The applicant will be required to provide projected construction costs including separate seismic upgrading costs certified by an architect and contractor.
13. In addition to the Property Tax Exemption Bylaw, the City Solicitor will prepare a legal agreement between the City and the property owner, specifying the conditions for the rehabilitation project.

**DOWNTOWN PROPERTY TAX INCENTIVES  
FROM RESIDENTIAL CONVERSIONS OF HERITAGE BUILDINGS  
PROPOSED APPROVAL PROCESS**

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<u>Organization</u>	<u>Task</u>
City of Victoria Staff	Application received and reviewed by City Staff
Victoria Civic Heritage Trust	Application of property owner reviewed by Victoria Civic Heritage Trust
City of Victoria Council	Committee of the Whole Approval in Principle
City of Victoria Staff	City Solicitor/Draft Bylaw/Legal Agreement
City of Victoria Council	City Council Final Approval (requires 2/3 majority)



#### 4.0 Background/Discussion

The results of a feasibility study by Clayton Research on the above subject were presented to Committee of the Whole on September 21, 1995. Subsequently, on September 28, 1995 Council adopted the following motion:

- (1) *The Final Draft Report relating to the Property Tax Incentive prepared by Clayton Research Associates, and as outlined in the memorandum dated September 15, 1995 from the Heritage Advisory Committee, be received as submitted for information.*
- (2) *The implementation of a tax incentive policy be approved in principle.*
- (3) *The Planning Department be requested to include the development of a detailed program and procedures for implementation as part of its 1996 work program.*
- (4) *The City write the Provincial Government urging it to continue with the study which had been commenced under Seismic Hazard Mitigation Project relating to relaxation of seismic upgrading requirements for heritage buildings.*
- (5) *The Final Draft Report also be referred to the Housing Advisory Committee for consideration.*

Staff reassignment in the Planning Division precluded further work on this policy until this time.

An analysis of past public incentives for heritage buildings provided through the Building Incentive Program of the Victoria Civic Heritage Trust demonstrates the financial benefits to the City through increased property tax revenues from increased building assessments (see tables attached) in Appendix A, Schedule A and B.

Similar successfully tax incentive programs for heritage buildings have been operating for a number of years in Regina and Edmonton, and most recently in Kitchener, Ontario.

#### Role of the Victoria Civic Heritage Trust

The Victoria Civic Heritage Trust already has a fairly effective grant approval system in place which reviews similar types of information that is required for the tax incentive programs of Edmonton and Regina. The grant applications for the building Incentive Program are received by Catherine Umland, the Victoria Civic Heritage Trust's Executive Coordinator, and then presented to the Architectural Conservation Committee which has a mix of architects, an engineer and a contractor. Their recommendation is forwarded for final approval to the monthly meeting of the Board of Directors. This system has been working quite well since 1990 under three different executive coordinators and has expended over \$750,000.000 in grants. The City would benefit from the expert advice of the Victoria Civic Heritage Trust's review committee. It is therefore proposed that residential conversion projects applying for a tax exemption be reviewed by the Victoria Civic Heritage Trust for their advice as part of the approval process. City of Victoria staff will control the administration of the program and prepare the final reports for Council's consideration.

#### Corporate Strategic Plan

This program responds to recommendations in the recent Urban Development Institute Study of Office Space Vacancy in Victoria (December 17, 1997). It is identified in the City's Strategic Plan under Goal #1 "to develop a vibrant and healthy downtown core, which supports residential business, and leisure activities." It also supports the City's economic development goals

through long term increases in the value of building assessment downtown. It increases public safety and advances heritage conservation goals by stimulating seismic upgrading of heritage buildings.

Official Community Plan

This proposed program is supported by the following recommendations in the 1995 Official Community Plan:

4.9 Toward a Viable Community

D. Downtown

D2) Old Town

Policies Viii) "Encourage use of upper floors in existing buildings."

- x) Promote the rehabilitation of older buildings and retention or return to façade appearance, which is consistent with the building's architectural style.

5.8 Toward An Affordable Housing Community

E. Downtown

Policies ii) "Provide incentives for downtown residential development, including Upper Storey Accommodation through land use, density and parking policies.



## HERITAGE TAX INCENTIVE PROGRAM APPLICATION – RESIDENTIAL USES INFORMATION



### ***Introduction to City Regulations***

In 1997, the City of Victoria endorsed the Corporate Strategic Plan. This Plan identifies as one of its key goals for the Downtown core: *To develop a vibrant and healthy Downtown core, which supports residential, business and leisure activities.* In 1998, Council approved a tax incentive program to assist in the conversion of Downtown heritage buildings for residential use. The intent is to assist the preservation, rehabilitation and seismic upgrade of designated heritage buildings in the Downtown. In 2017, Council approved the expansion of the tax incentive program beyond Downtown to include all eligible heritage designated buildings citywide.

### ***What is the Tax Incentive available?***

The Tax Incentive is a total exemption from property taxes for up to a ten-year period. The property owner is still liable for Local Improvement charges appearing on the property tax notice.



### ***What are the qualification requirements?***

- The subject building must be protected by a Heritage Designation Bylaw.
- The proposed work on the building must result in substantial rehabilitation and create new residential uses on the upper floors.
- The building must be privately owned. Government-owned properties are not eligible.

### ***What Work is Eligible?***

Eligible seismic upgrading costs specific to the conversion of existing space to residential uses, for example:

- Professional design and engineering reports, drawings, cost estimates and specifications as required for the project.
- Seismic upgrading of building components, including Code upgrading, bracing of walls, floors, and roof systems, masonry reinforcement, affixing of cornices or other exterior architectural features to the building structure, etc.

Seismic upgrading should conform to the "*Standards and Guidelines for The Conservation of Historic Places in Canada*". All proposed work must comply with:

- Existing *Building Code* requirements;
- City of Victoria permits and bylaws.

Owners must obtain a Heritage Alteration Permit for all exterior work undertaken (where required).

In cases where the applicant also applies for a Building Incentive Program Grant from the Victoria Civic Heritage Trust, staff will coordinate applications to ensure no duplication of incentives is provided for the same work.

Note that the tax exemption will not be given retroactively and work must not commence before approval is given.

#### ***What information do I need?***

The attached Application describes the information requirements. To provide appropriate building details, a Heritage Alteration Permit Application will be required in conjunction with the Heritage Tax Incentive Program for Non-Residential Use Application.

Please note that the information provided is considered public information and available for public viewing.

#### ***Supplementary Information Sources***

To view the City's Heritage Registry, go to:

[http://www.victoria.ca/cityhall/departments\\_plnpln\\_hrtinv.shtml](http://www.victoria.ca/cityhall/departments_plnpln_hrtinv.shtml)

Information on the City's Heritage program and rehabilitation guidelines:

- City of Victoria Heritage Program – Building Our Past – Relevant documents and information available on-line at:  
[http://www.victoria.ca/cityhall/departments\\_plncmm\\_hrt.shtml](http://www.victoria.ca/cityhall/departments_plncmm_hrt.shtml)
- Standards and Guidelines for the Conservation of Historic Places in Canada – available on line at [http://www.pc.gc.ca/docs/pc/guide/nldclpc-sgchpc/index\\_E.asp](http://www.pc.gc.ca/docs/pc/guide/nldclpc-sgchpc/index_E.asp)

#### ***What is the process for approval?***

The Planning Process involved in dealing with the Heritage Tax Incentive Program is provided in the attached flowchart. It is essential that all steps be undertaken. Note that a Heritage Alteration Permit application is also required for the project. The timing of this Heritage Alteration Permit in relation to this application should be discussed with staff.



### ***Who gets a say?***

The Victoria Civic Heritage Trust will review the application at its monthly Architectural Conservation Committee and Board of Director's meetings. Their recommendations are provided to City Council. City Council is the final authority in granting eligibility to the program. Applicants are advised to submit a copy of this application and all relevant plans to the Executive Director, Victoria Civic Heritage Trust at Box 8388, Victoria, B.C. and arrange an appointment to review the application. Telephone 250-727-8482.

### ***How long will the process take?***

It is estimated that the approval process will take approximately three months. A complex application may require more time. Planning Staff will advise you of meeting dates. The Victoria Civic Heritage Trust generally meets the 3<sup>rd</sup> Monday of the month.

The Planning Process involved in dealing with a Heritage Tax Incentive Program Application is provided in this handout. It is essential that all steps be undertaken.

### ***What happens after the application is approved?***

You can submit your building plans prior to final approval by Council. However, no work can be undertaken without a building permit in place.

Upon completion of the project, representatives from the Victoria Heritage Civic Trust will confirm that the work has been carried out as proposed before qualifying for the tax exemption. In addition, a certification of costs and compliance by the project engineer must be provided.

The term of the tax exemption will commence in the year following the year in which the final occupancy permit is issued for the project.

### ***Term of Exemption***

The *Municipal Act* allows a municipality to exempt taxes for heritage projects. Projects eligible for the City of Victoria Tax Incentive Program will be subject to the following calculation:

$$\begin{array}{lcl} \text{Term of exemption} & = & \frac{\text{Cost of seismic upgrading}}{\text{current taxes}} \\ (\# \text{ of years}) & & \end{array}$$

Following project completion, the project will be exempt from taxes for the specified number of years. The actual value of the exemption will be determined by the revised assessment determined by the B. C. Assessment Authority and the current year's tax rate for each year.

### ***Example:***

A building being proposed for rehabilitation needs \$200,000 worth of seismic upgrading. It currently pays \$20,000 per year in property taxes. The maximum eligible term of exemption, which City Council may approve, is therefore:

$$\begin{array}{lcl} \frac{\text{Seismic Upgrade Cost}}{\text{Current Annual Taxes}} & \frac{\$200,000}{\$20,000} & = \quad 10 \text{ Years} \end{array}$$

The B. C. Assessment Authority provides an estimate of the increased property assessment resulting from the rehabilitation which results in a potential increase in annual taxes to \$42,000 per year.

The **actual** value of the exemption may amount to (estimate) \$42,000 x 10 years = \$420,000.

***Who can I talk to?***

General Applicant services are provided by the City of Victoria Planning & Development Department staff located on the 2<sup>nd</sup> floor of City Hall. The Heritage Planner and the Heritage Secretary will advise you on how to keep your permit application moving smoothly. The business hours of the Planning & Development Department are 8:00 am to 4:30 pm, Monday to Friday, except statutory holidays.

<p><b>City of Victoria</b> Heritage Secretary 1 Centennial Square Victoria, BC V8W 1P6 Phone: (250) 361-0384 Fax: (250) 361-0386</p>
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## HERITAGE TAX INCENTIVE PROGRAM / RESIDENTIAL USE PLANNING PROCESS

<i>STAGES</i>	<i>WHO</i>	<i>WHAT</i>
<b>First Steps</b>	Applicant	Confirm with City Staff that the project qualifies for the program.
<b>Make the Application</b>	Applicant	Submit 3 copies of the application with all the supporting materials and fee.  Note that a Heritage Alteration Permit may also be required.
<b>Evaluation</b>	BC Assessment Authority	Review by Assessment Authority for an estimate of an increase of property values.
	Victoria Civic Heritage Trust	Review by Victoria Civic Heritage Trust.
	Applicant	Attend Victoria Civic Heritage Trust meeting to answer questions.
<b>Committee Review</b>	Staff	Staff recommendations are presented to the Committee of the Whole.
	Committee of the Whole	Committee of the Whole reviews application and may recommend changes, approval, rejection, referral or tabling.
	Applicant	Be present at the Committee of the Whole meeting to answer any questions.
<b>Refinements</b>	Applicant/Staff	As a result of the Committee of the Whole review, refinements resulting from referrals or requests for clarification may be required.
<b>Development Agreements</b>	Staff/Applicant/City Solicitor	Preparation of any covenants, as required.
<b>Bylaw Preparation</b>	Staff/City solicitor	If the Committee recommendation is to approve, then a draft bylaw will be prepared by the City Solicitor and proceed to Council for 1 <sup>st</sup> and 2 <sup>nd</sup> readings.
<b>Council Decision</b>	Council	Final voting on the tax exemption bylaw requires a 2/3 majority vote by Council for final approval.

**HERITAGE TAX INCENTIVE PROGRAM –  
/ RESIDENTIAL USE - APPLICATION**

Address \_\_\_\_\_



Name of Owner: \_\_\_\_\_

Address of Owner: \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Agent (if different from owner): \_\_\_\_\_

Address of Agent: \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Architect: \_\_\_\_\_

Address of Architect: \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Engineer \_\_\_\_\_

Address of Engineer: \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Contractor \_\_\_\_\_

Address of Contractor: \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Land

Surveyor \_\_\_\_\_

Address \_\_\_\_\_

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Contact info



**HERITAGE TAX INCENTIVE PROGRAM –  
- APPLICATION**

Address \_\_\_\_\_



Existing occupancy/use of building: \_\_\_\_\_

Proposed occupancy/use of building: \_\_\_\_\_

Heritage Designation Number of Property \_\_\_\_\_ Zoning: \_\_\_\_\_

List of Eligible Improvements \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Total Value of All Eligible Work \_\_\_\_\_ Total Project Cost \_\_\_\_\_

Project info

**To support my Application, I have attached three copies of the following:**

**Building Information**

The Heritage Alteration Permit application describes the building project information requirements. The Heritage Alteration Permit application should be submitted in conjunction with this application. In addition, an architect's report is to be provided which describes the following:

- A detailed description of the proposed development highlighting new repairs and capital improvements
- The heritage conservation rationale describing the approach to preserve the heritage elements of the structure
- A construction schedule
- When applicable, an engineer's report on the structural improvements and costs

**Conditions**

1. Residential accommodation created under this program must continue to be used for residential or live/work purposes for the duration of the tax exemption period.
2. A covenant identifying the term of the tax exemption and use of the upper stories must be registered on the land title and future strata titles.
3. Final costs of seismic upgrading will be verified by the Victoria Civic Heritage Trust.
4. The term of the tax exemption will commence **in the year following** the year in which a final occupancy permit is issued for the residential portion of the building. (This is due to provincial legislation governing the BC Assessment Authority, the agency responsible for implementing the exemption.)
5. Applicants must receive Committee of the Whole approval in principle of the Tax Incentive Bylaw prior to commencing work. (Note: Heritage Alteration and Building Permit approvals are still required.)
6. Strata titling may require approval of an encroachment by Council.

**Strata Titling and Encroachments**

If the applicant is planning to strata title the residential apartments created by the proposed project and there are encroachments, such as overhanging cornices, underground sidewalk basements or bay windows, the Provincial Land Titles Office requires the City to approve an encroachment agreement before the strata title plan will be registered. Applicants must submit a survey plan and file an application with the City's Property Manager in parallel with this application.

**Declaration**

- ☐ I hereby submit this Application with the Heritage Alteration Permit as required.
- ☐ I hereby declare that all the above statements and the information contained in the supporting documents are to the best of my belief true and correct in all respects.
- ☐ Upon completion, I will provide a certification of costs and compliance with approved plans by the project engineer.
- ☐ I understand that if the project is strata titled, I am required to submit an application for an encroachment agreement, if applicable.
- ☐ I have read and understand the conditions.

**HAVE YOU ATTACHED THE FOLLOWING?**

1. Certificate of Title
2. Seismic upgrading cost estimates (Note: Two contractor quotes or Quantity Surveyor estimates are required) and architectural drawings
3. Structural Engineer's Certificate of Seismic Upgrading Cost Estimates
4. Survey Plan (showing all above/below ground encroachments)

\_\_\_\_\_  
Signature of Registered Owner/  
Authorized Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date



From: Wright, Cynthia BCA:EX [<mailto:cynthia.wright@bcassessment.ca>]  
Sent: March 30, 2017 3:16 PM  
To: Merinda Conley <[mconley@victoria.ca](mailto:mconley@victoria.ca)<<mailto:mconley@victoria.ca>>>  
Subject: ACTION: 506 Fort St Request for Heritage Tax Incentive

Hi Merinda,

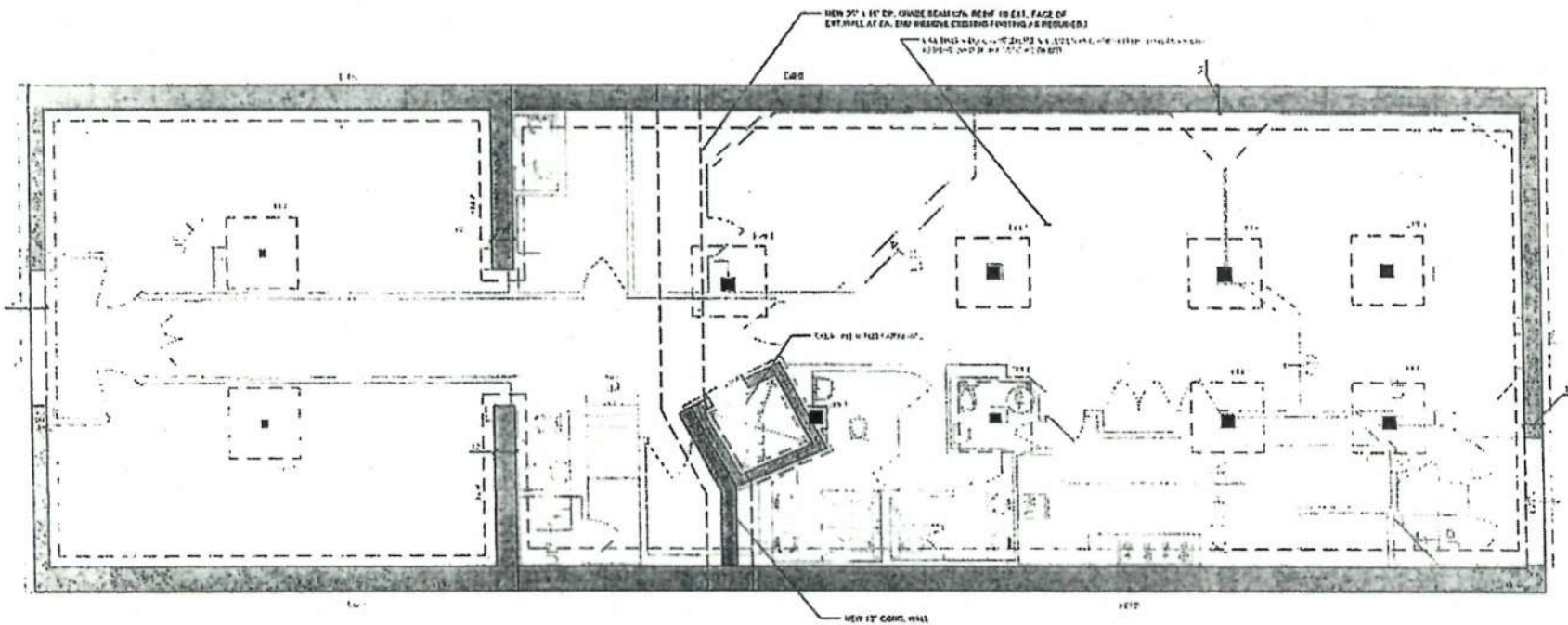
BC Assessment has reviewed the valuation for 506 Fort Street, Victoria. If we were to value the property as of July 1, 2016 with the updates and changes in effect currently, the Assessment would increase from \$1,806,000 to \$3,624,000.

This is an estimate is based on market conditions as of July 1, 2016 and may be different for the 2018 Assessment Roll as the market value may have changed over the past year. This estimate is also based on limited information which may not reflect the condition or quality of the building when inspected once the work is complete.

This information is provided on a without prejudice basis and may not reflect the Assessed value of the property for 2018 Assessment Roll with a valuation date of July 1, 2017.

Please let me know if you have any questions regarding this matter.

Cynthia Wright, AACI, P.App.  
Deputy Assessor, Vancouver Island Region

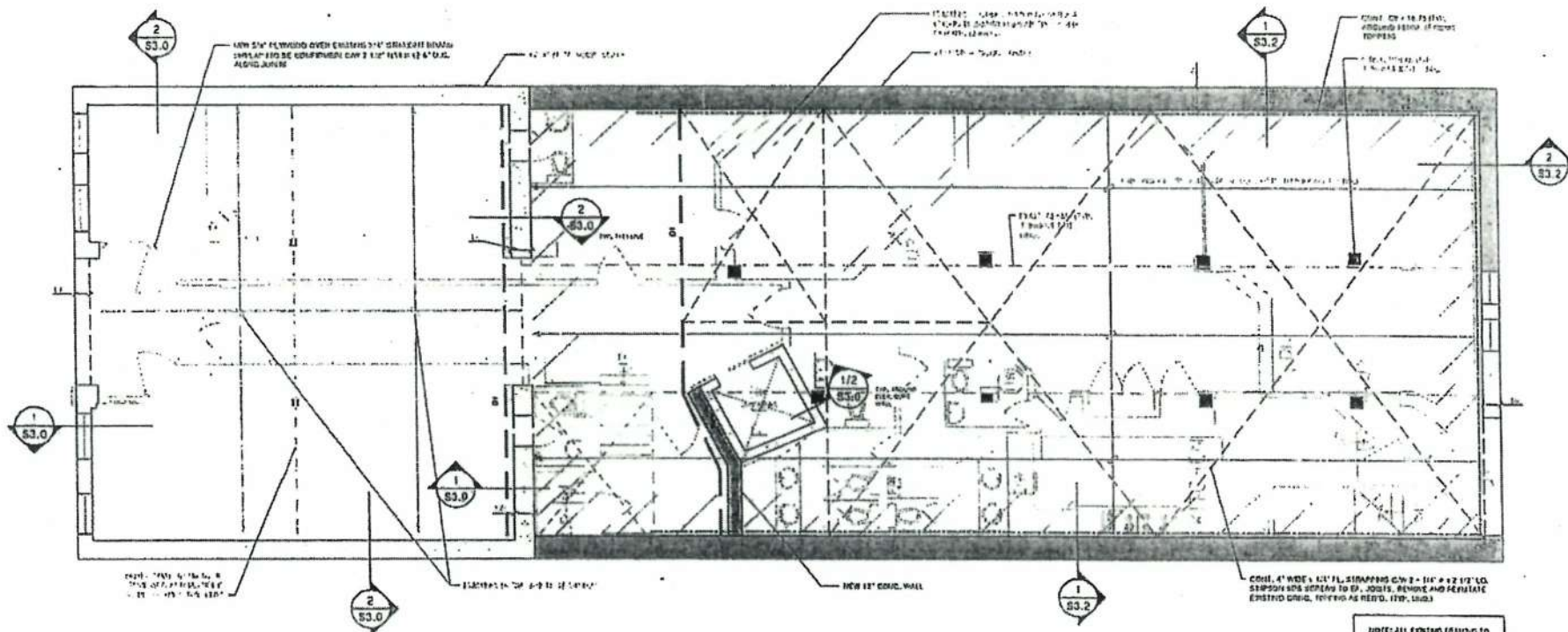


1 FOUNDATION PLAN  
S2.0 SCALE = 1/8" = 1'-0"



PROJECT NAME	506 FORT ST.
SHEET TITLE	FOUNDATION PLAN
PROJECT NO.	#10332.02
DATE	2016/04/13
SCALE	AS NOTED
DRAWING NO.	S2.0





1 MAIN FLOOR PLAN SHOWING SECOND FLOOR FRAMING OVER  
S2.1 SCALE = 1/8" = 1'-0"

01 - 12" x 16" DRAG STRUT W/VIEW TO FUTURE STRUCTURE IN 2 FLOOR OF 4-4' SPACING @ 4' O.C. STD. CONNECT TO CONCRETE WALLS W/ 3/4" x 6" LG. HELIXES STUBS @ 6" O.C. CHARGED TO BRICK WALLS TO 24" x 48" HOLE @ 2' INT. CONC. FILLER W/ NON-VOLATILE EPS @ 8" O.C.

NOTE: ALL EXISTING FRAMING TO BE REVERSED IN USE



PROJECT NAME:

506 FORT ST.

SHEET TITLE

MAIN FLOOR PLAN

PROJECT NO. #10332.02

DATE 2015/04/13

SCALE AS NOTED

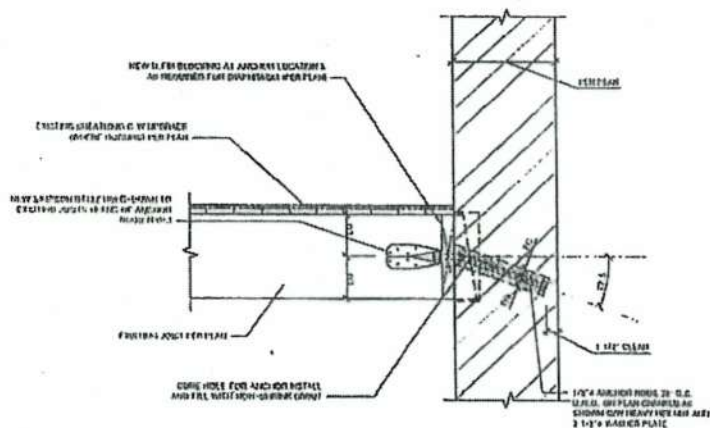
CRAWN NO.

S2.1

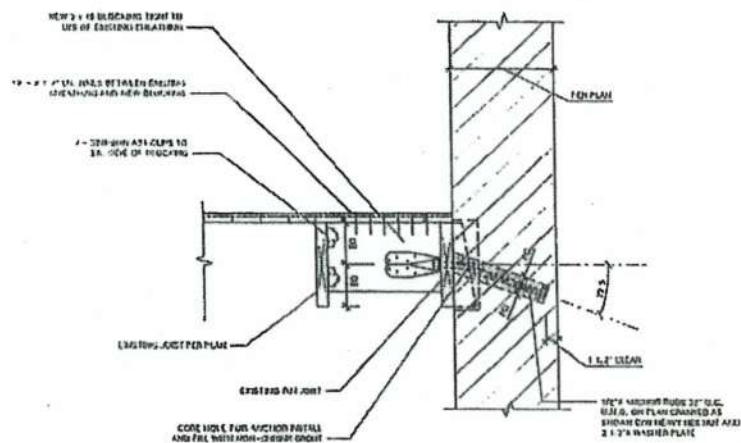








1 SECTION @ PERPENDICULAR TO JOISTS  
S3.0 SCALE = 3/4" = 1'-0"

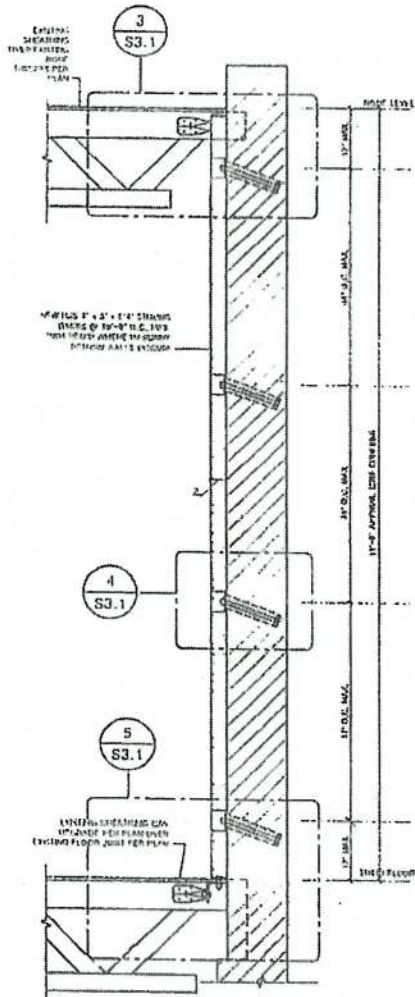


2 SECTION @ PARALLEL TO JOISTS  
S3.0 SCALE = 3/4" = 1'-0"

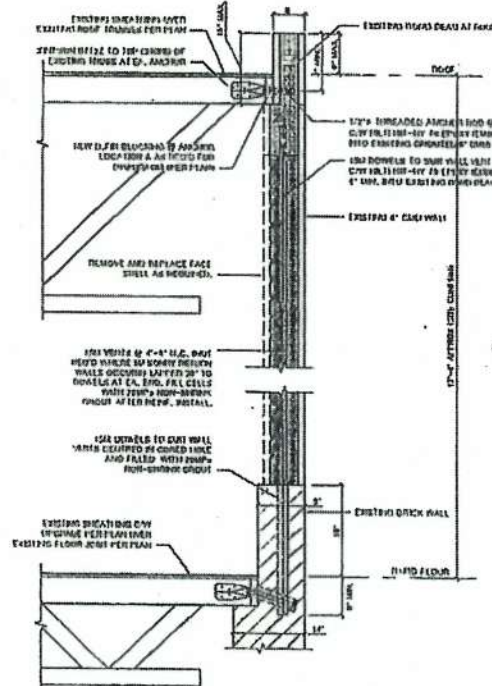


PROJECT NAME	506 FORT S1
SHEET TITLE	SECTIONS
PROJECT NO	#10332.02
DATE	2016/04/13
SCALE	AS NOTED
DRAWING NO	S3.0

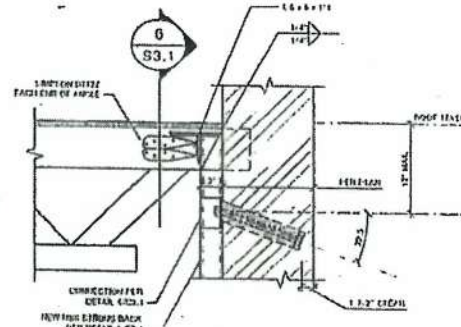




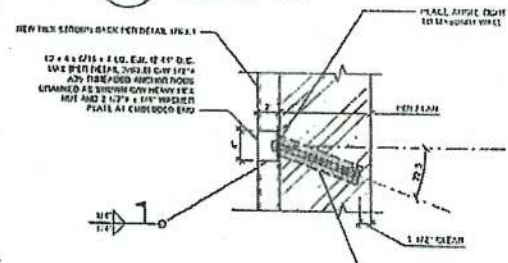
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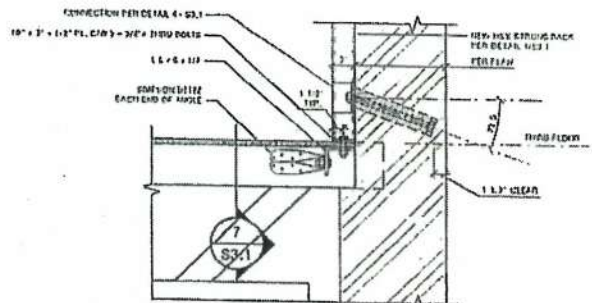
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S3.1 SCALE = 1/2" = 1'-0"



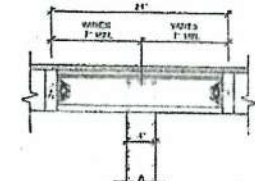
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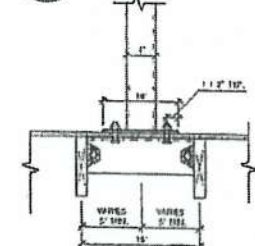
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5 DETAIL  
S3.1 SCALE = 3/4" = 1'-0"



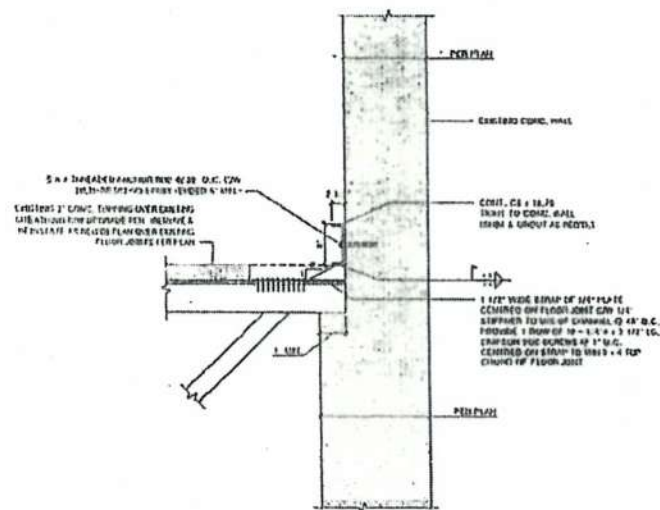
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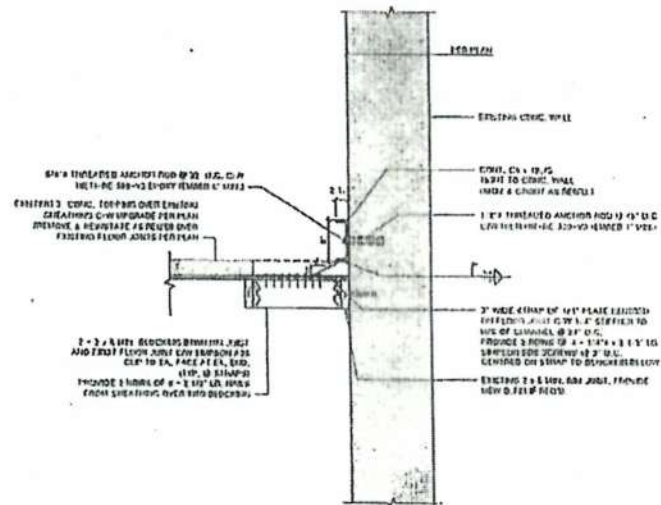
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PROJECT NAME	506 FORT ST.
SHEET TITLE	SECTIONS / DETAILS
PROJECT NO.	#10332.02
DATE	2016/04/13
SCALE	AS NOTED
DRAWING NO.	S3.1



1 SECTION  
S3.2 SCALE = 1/2" = 1'-0"



2 SECTION  
S3.2 SCALE = 1/2" = 1'-0"



PROJECT NAME

506 FORT ST

SHEET TITLE  
SECTIONS / DETAILS

PROJECT NO: 10332.02

DATE: 2016/04/13

SCALE: AS NOTED

DRAWING NO:

S3.2



# CODE REFERENCE

## CODES

### SCBC 2012

### CONSTRUCTION

#### Building, Fire Dept

#### Building, Fire Dept

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#### Building, Fire Dept

# ARCHITECTURAL

## A1 - Site Plan & Cover

## A2 - 1st Floor Plan

## A3 - 2nd Floor Plan

## A4 - 3rd Floor Plan

## A5 - 2nd Floor Schedules

## A6 - 2nd Floor Schedules

## A7 - 2nd Floor Recessed Ceiling Plan

## A8 - 2nd Floor Recessed Ceiling Plan

## A9 - Elevation

## A10 - Sections

## A11 - Details

## A12 - Details & Schedules

# STRUCTURAL

## S1.0 - General Notes

## S1.1 - General Notes

## S2.0 - Foundation Plan

## S2.1 - Main Floor Plan Showing Second Floor Framing Over

## S2.2 - Second Floor Plan Showing Third Floor Framing Over

## S2.3 - Third Floor Plan Showing Roof Framing Over

## S3.0 - Sections / Details

## S3.1 - Sections / Details

# MECHANICAL

## M1.0 - Plumbing First Floor Plan

## M1.01 - Plumbing Second Floor Plan

## M1.02 - Plumbing Third Floor Plan

## M1.03 - HVAC Second Floor

## M1.04 - HVAC Third Floor

# ELECTRICAL

## E1.0 - Legends and Schedules

## E2.0 - Level 2

## E3.0 - Level 3

# ARCHITECT

## Curtis Paxton Miles - architect

## 10924 Inwood Road - North Saanich B.C. V8L 5H9

## 250 454 2229

## curtis@paxtonmiles.ca

## Curtis P. Miles Architect AIBC Assoc. AIA

# STRUCTURAL ENGINEERING

## Skyline Engineering Ltd

## 280 - 4245 Glenford Ave

## Victoria B.C. V8Z 4B9

## 250 590 4133

## sgill@skyline.ca

## WADE GRIFFIN P.ENG

# MECHANICAL ENGINEERING

## Avalon Mechanical Consultants Ltd

## 300 - 1245 Esplanade Road

## Victoria B.C. V8A 3P2

## 250 344 4178

## mike@avalonmechanical.com

## MIRK DEMIDOW P.ENG

# ELECTRICAL ENGINEERING

## AES Engineering

## 309 - 1815 Blanshard Street

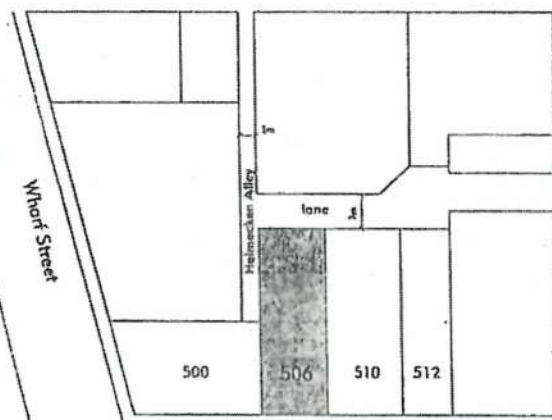
## Victoria B.C. V8T 5A4

## 250 381 6121

## Jay.Sing@AESengr.com

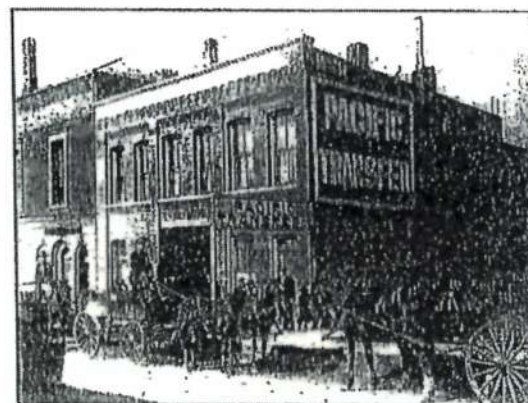
## JAY SING

# Boston Square



# Fort Street

# SITE PLAN



The original building was constructed in 1907. Pacific Transfer operated as a moving company and utilized horse-drawn wagons as service vehicles.

RENOVATIONS  
TO  
506 FORT ST.

SITE and  
COVER

curtis  
paxton  
miles

ARCHITECT AIBC Assoc. AIA  
10924 Inwood Rd North Saanich

ph 250.454.2229

fax 250.454.2229

email curtis@paxtonmiles.ca

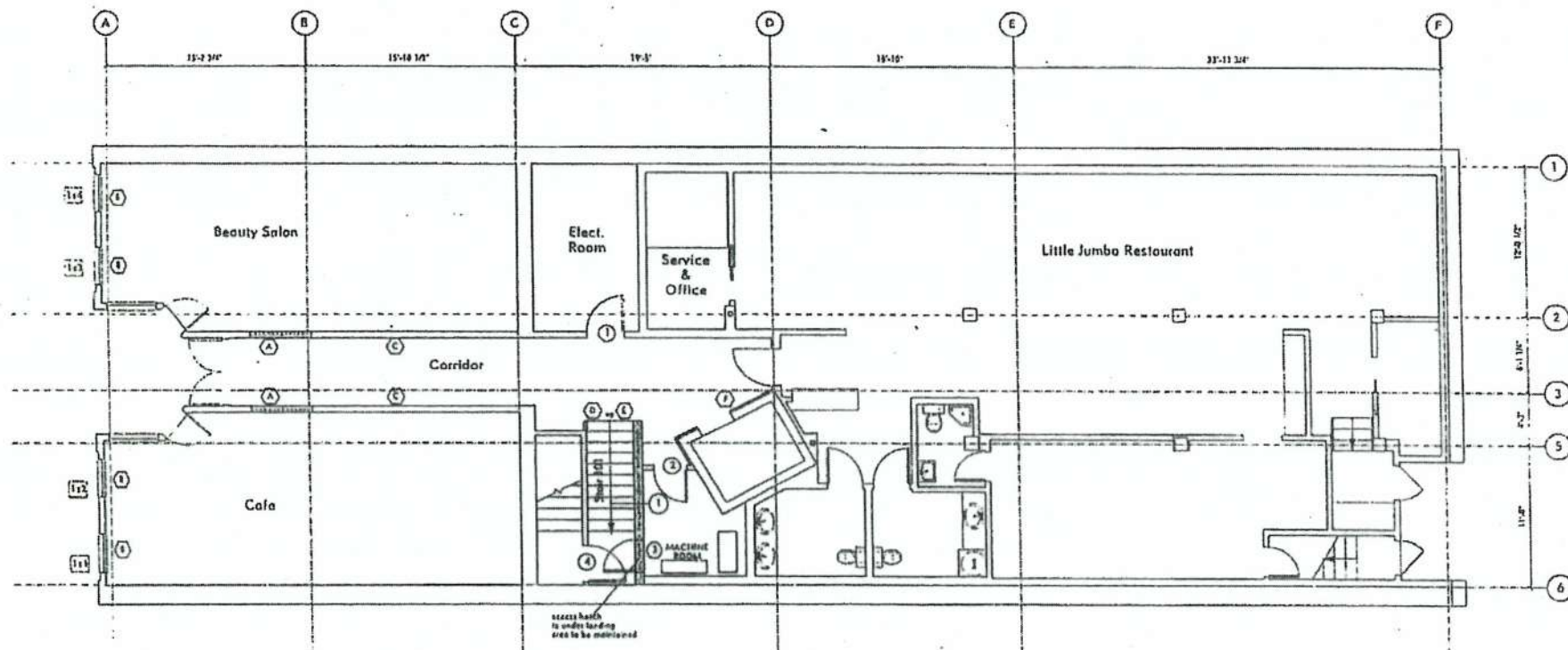
status

created

date

date

A1



#### DOOR SCHEDULE -- 1st floor

- DOOR 1**  
REPLACE EXISTING DOOR WITH 1 HOUR RATED HEAT RISE PROTECTED FIRE DOOR IN UL LABELED FRAME BUTTS, LOCK SET AND CLOSURE. HEAT RISE RATING TO BE 250deg. C AFTER 30min. WEATHER STRIPPING REQUIRED.
- DOOR 2**  
20" x 30" 1 HR FIRE DOOR IN UL LABELED FRAME. 1 HOUR RATED HEAT RISE PROTECTED FIRE DOOR IN UL LABELED FRAME BUTTS, LOCK SET AND CLOSURE. HEAT RISE RATING TO BE 250deg. C AFTER 30min. WEATHER STRIPPING REQUIRED.
- DOOR 3**  
20" x 30" 1 HR FIRE DOOR IN UL LABELED FRAME BUTTS, LOCK SET AND CLOSURE.
- DOOR 4**  
20" x 30" 1 HR FIRE DOOR IN UL LABELED FRAME BUTTS, LOCK SET AND CLOSURE. MAGNETIC LOCK OPERATION BY CALL PANEL AT FORT STREET ENTRY DOORS.

#### WALL CODE

- WALL 1**  
REMOVE EXISTING 1/2" AIR SHUTT WALL. NEW 5/8" CONC. WALL CONTIGUOUS TO SECOND FLOOR. SEE STRUCTURAL. OUTWALL FACE ON STAIR SIDE (DIRECT GLUED TO CONC.)
- WALL 2**  
3" x 4" STUDS WITH GIPS AND SOUND INSUL. 5/8" TYPE X BOTH SIDES.

#### NOTES

SEE FLOOR PLAN FOR LOCATIONS

- NOTE (A)**  
REMOVE EXISTING WINDOWS AND FRAME. FILL IN OPENING WITH NEW STUDS. SILENT AND SOUND INSUL. 5/8" TYPE X BOTH SIDES. REPAIR TENANT'S AREA TO MATCH EXISTING.
- NOTE (B)**  
REPAIR EXISTING WINDOWS. RETAIN EXISTING FRAME. SEE FORT STREET ELEVATIONS FOR NEW WINDOW STYLE.
- NOTE (C)**  
REMOVE EXISTING PANELING AND PANEL TRIM. FILL AND SAND EXISTING OUTWALL READY FOR PAINT. INSERT ANCHORS FOR NEW GLASS WALL PANELS. (Details by Architect. Glass by owner).
- NOTE (D)**  
NEW STAIR RISER AND TREAD FINISH - ALL LEVELS (SEE ROOM FINISH SCHEDULE).
- NOTE (E)**  
NEW ALUM. HAND RAIL.
- NOTE (F)**  
NEW ALUMINUM PANELING ON ELEVATOR WALL FACE.

RENOVATIONS  
TO  
505 FORT ST

1ST FLOOR  
PLAN

curtis  
paxon  
miles

ARCHITECT JIBC ARCH. A\*  
1000 E. 10th St. N. S.W.

PH. 708-450-2361  
FAX. 708-450-2361

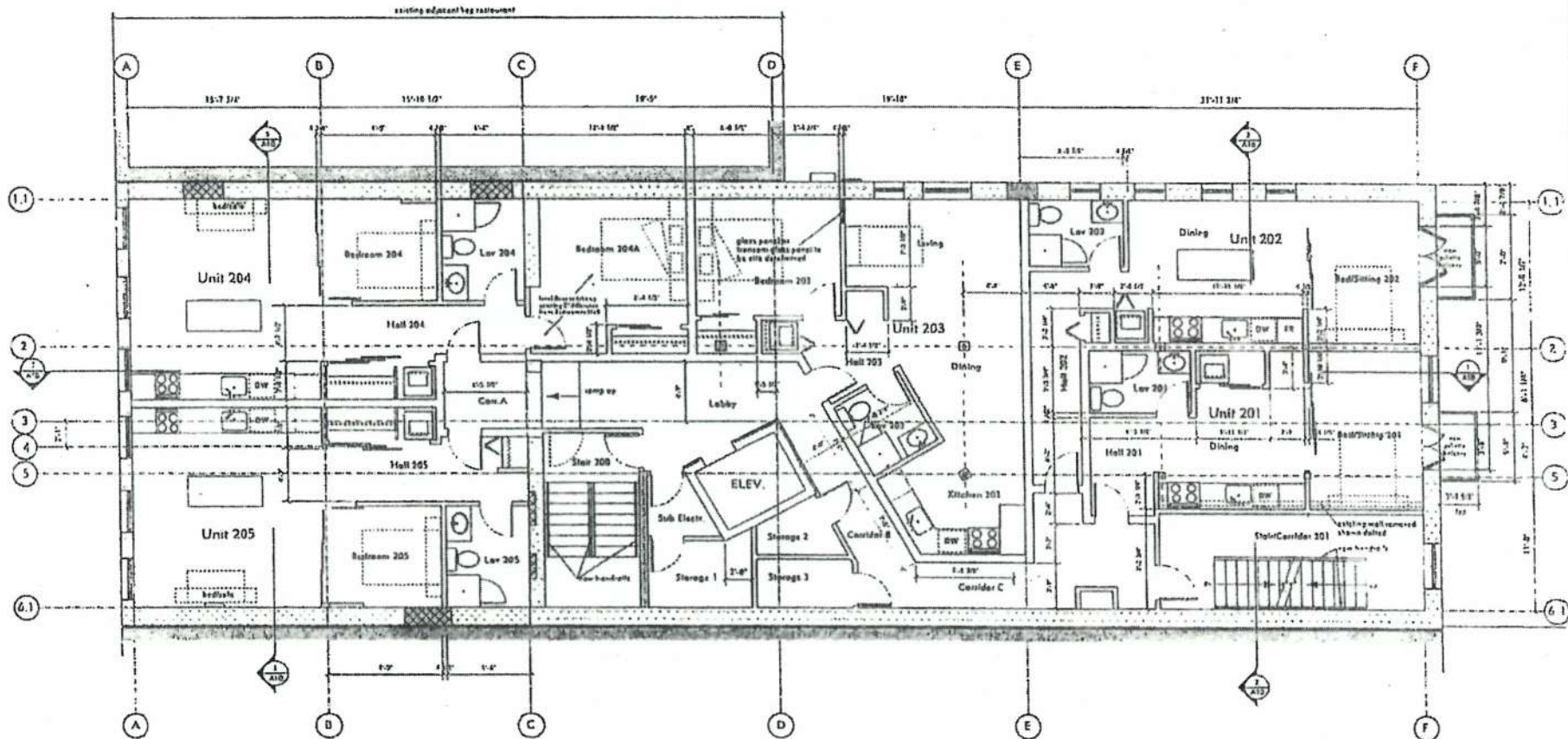
10/02 10/02 10/02

10/02 10/02 10/02

10/02 10/02 10/02

A2





# WALLS KEY

- existing concrete wall - add brick veneer to all rooms walls on Grid 1.1, 1.3, 1.5, & 1.7 (except no brick on walls in Storage 1 & 2 Units 204 & 205)
- existing brick wall
- new brick with concrete block below behind
- concrete block

- NOTE
- All walls at wall of locations to have listing for unit measuring. See manufacturer's specifications.
  - All wall-mounted handrails to be profiled wood with 90 degree metal mounting brackets.
  - 1.5 in. profiled wood handrails (2 1/2" x 4" x 1/2" and main verticals @ 48" c/c. Rail to be continuous from post to post).

RENOVATIONS  
TO  
506 FORT ST

2ND FLOOR  
PLAN

curtis  
paxon  
miles

ARCHITECT AHC inc. A/C  
10034 Emerald Rd. N. Seattle

1730 6th Ave. S.E.  
Seattle, WA 98104

DATE  
10/1/00  
A3











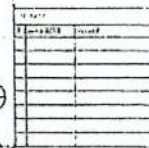










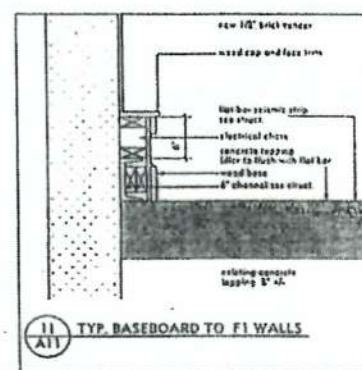
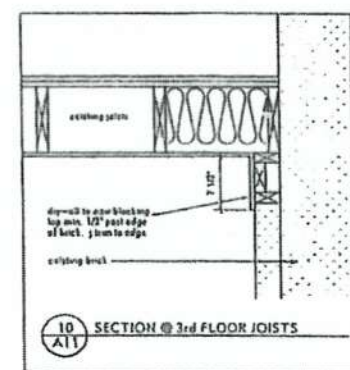
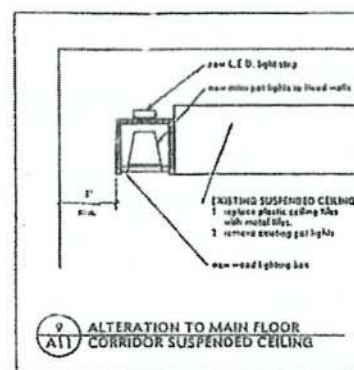
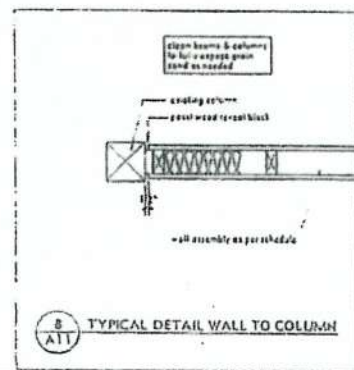
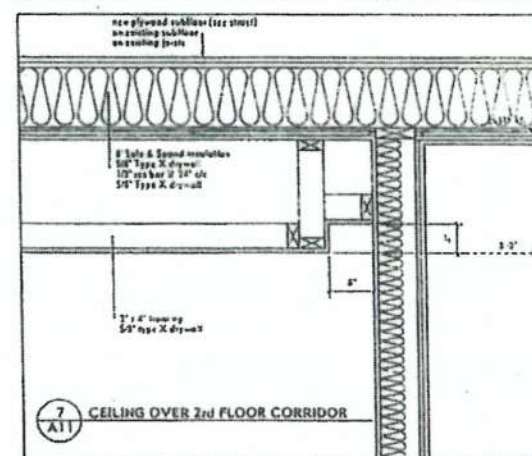
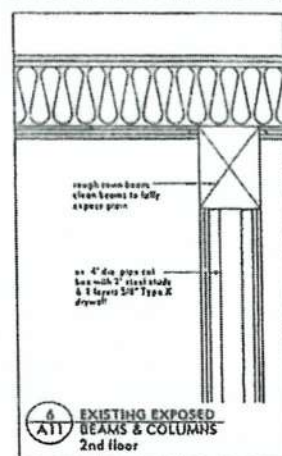
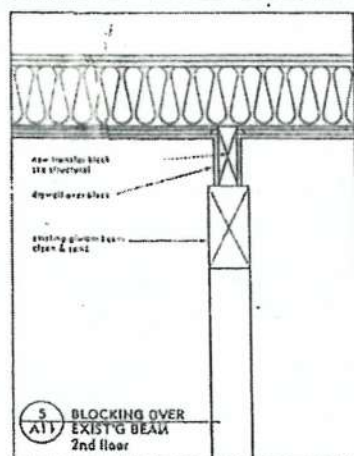
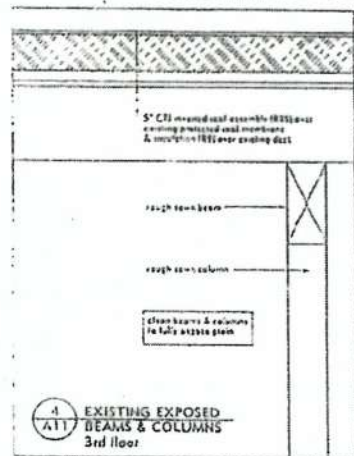
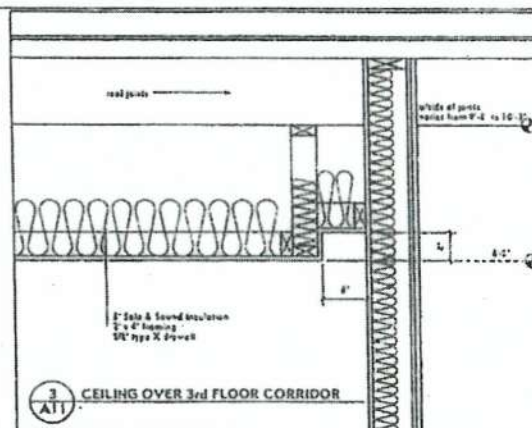
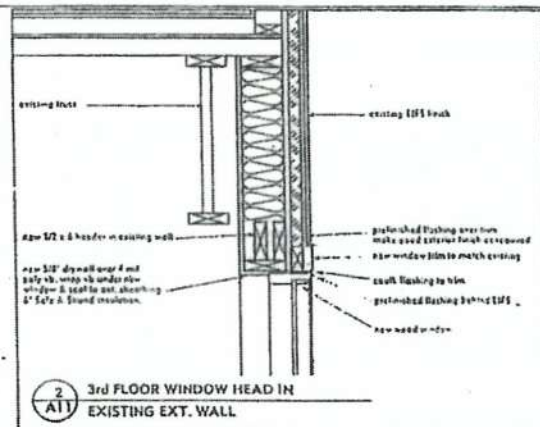
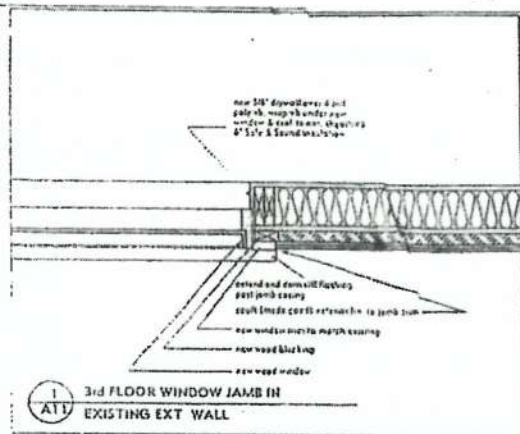


② EAST WEST SECTION



A10





RENOVATIONS  
TO  
506 FORT ST.

DETAILS

curtis  
paxton  
miles

ARCHITECT ABC 12345, INC.  
12345 12345 12345 12345

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A11





1. "CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."
2. "THE CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."
3. "THE CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."
4. "THE CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."
5. "THE CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."
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7. "THE CONSTITUTIONAL AND LEGISLATIVE PROVISIONS FOR THE PROTECTION OF THE RIGHTS OF THE INDIVIDUAL."

F. IF THE NUMBER OF RECORDS IS NOT SATISFIED WITH CONCEPT WORKING UNDER THE CURRENT EXEMPTION, THE COMMISSION SHALL REQUEST AS MUCH AS IT DEEMES TO BE WORTHY.

4028 J. Neurosci., September 24, 2008 • 28(39):4022–4030

4038

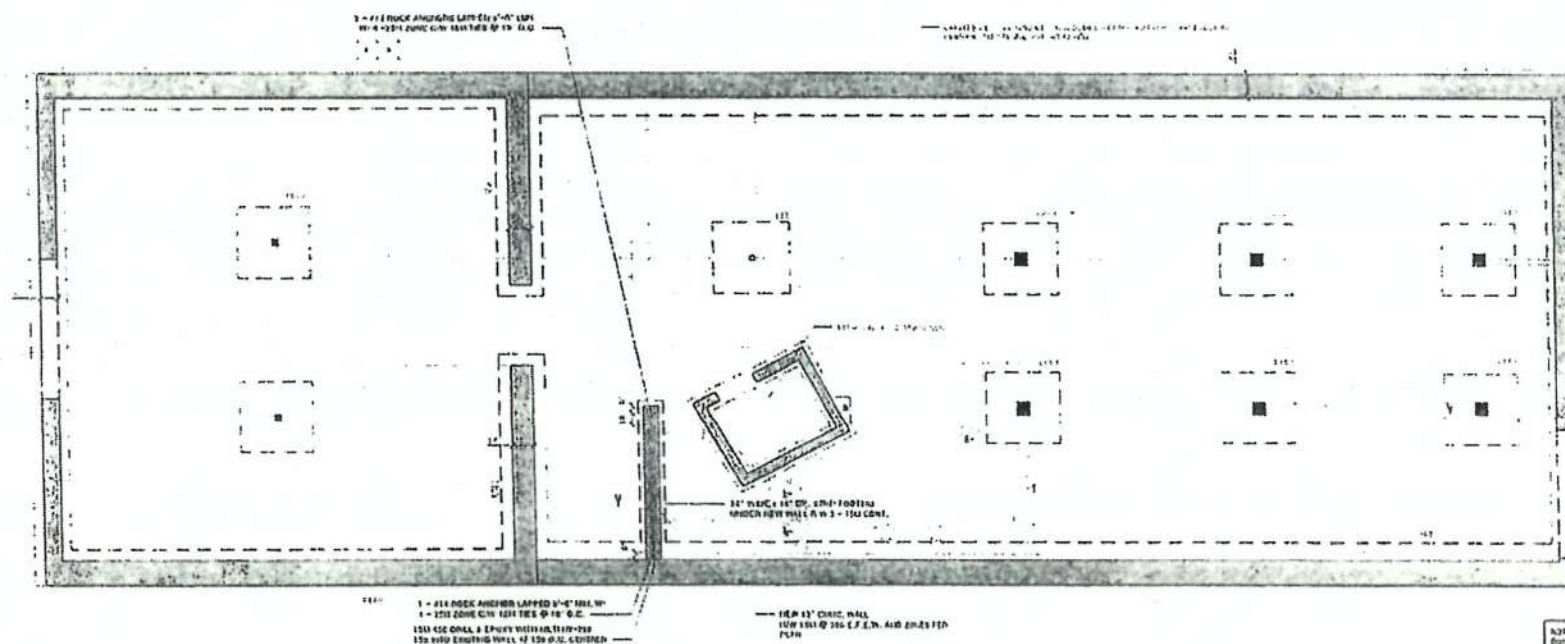
FOUNDATION  
PLAN

curtis  
paxton  
miles

ARCHITECT AIBC ASSOC  
110724 Inwood Rd. N. #1111

2025-05-20 10:10  
 2025-05-20 10:10

DATE	S2.
TIME	



**FOUNDATION PLAN**

NOTE: \*Pulsation. Exceeding 10%  
from full capacity means no pulse  
full capacity is temporary and  
discontinuing study of process.

EXIST. PAD FOOTING SCHEDULE	
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[112]	6"0" x 4"0" x 10"0"	1 x 10"0" 0.00

NOTE: ALL DIMENSIONS ASSUMED AND TOLERANCES AND MATERIALS AS SHOWN.

.....

EXIST. STRIP FOOTING SCHEDULE	
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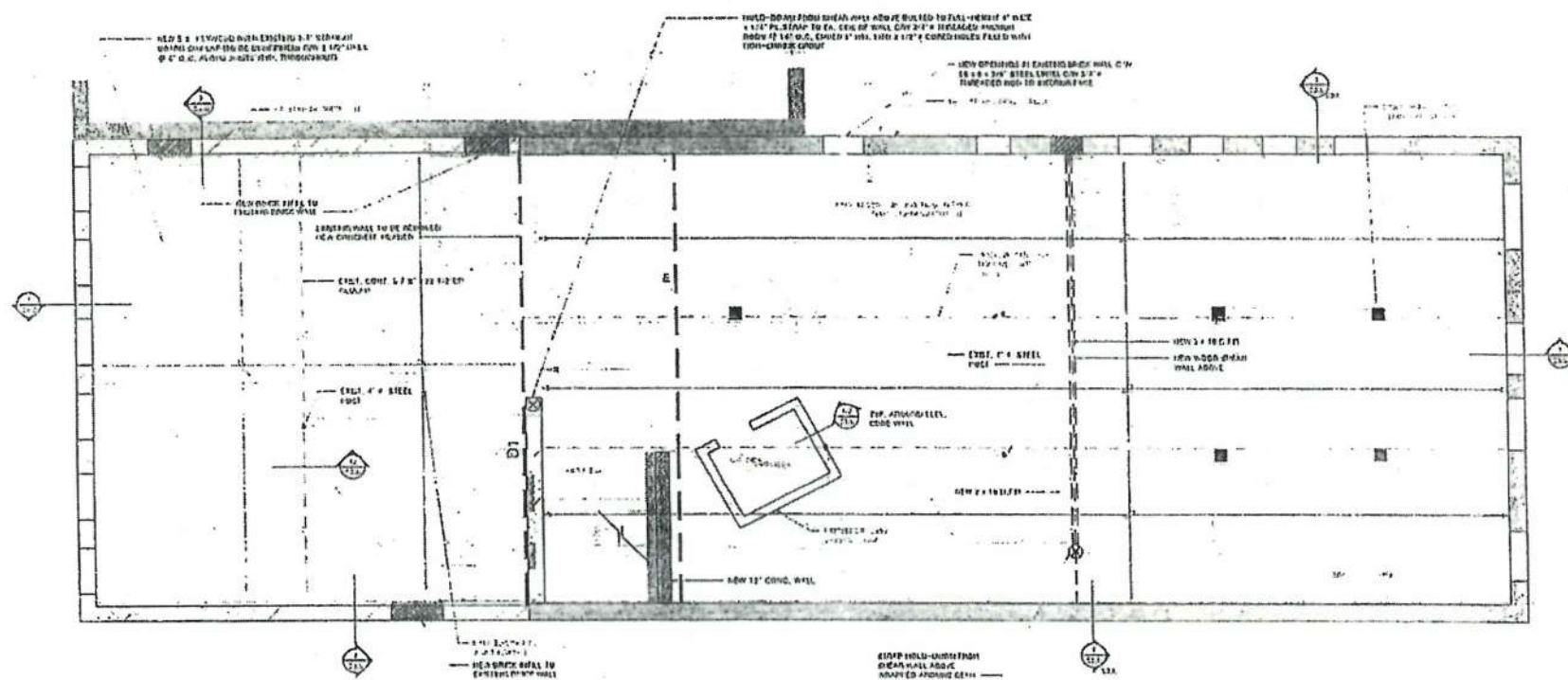
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ESP4	2" x 12" x 24" CONC.	NONE
ESP5	2" x 12" x 24" CONC.	2 # 4 @ 12" LONG, 18" DIA.

NOTE: ALL FOOTINGS SHOWN HEREIN ARE TO BE REINFORCED AND CONFINED AS SHOWN.

NOTE: ALL INFORMATION FURNISHED HEREON IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE BY THE FBI.

S2.





1 SECOND FLOOR PLAN SHOWING THIRD FLOOR FRAMING OVER  
S2.2

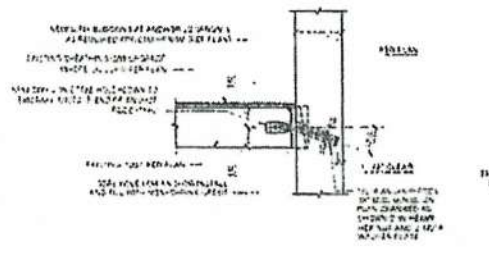
NOTES: ALL EXISTING FRAMING TO BE RE-CONCRETE

1. 14\"/>

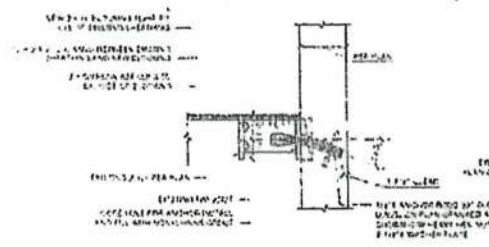




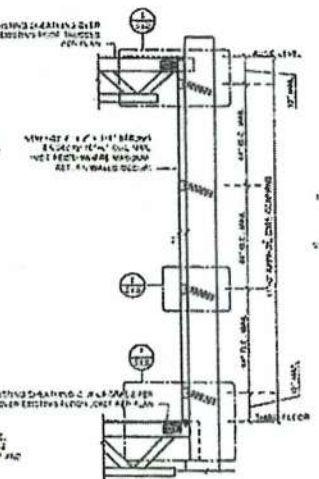




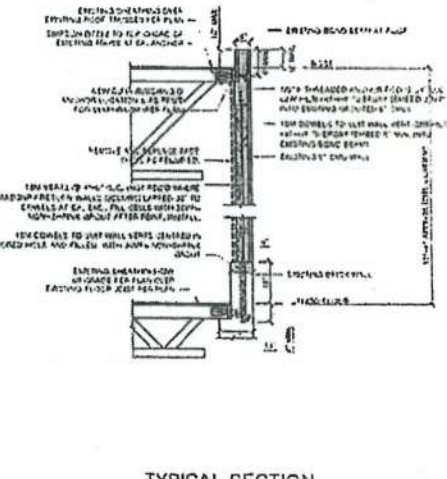
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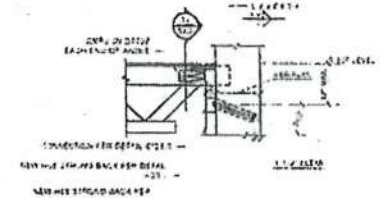
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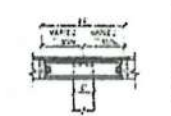
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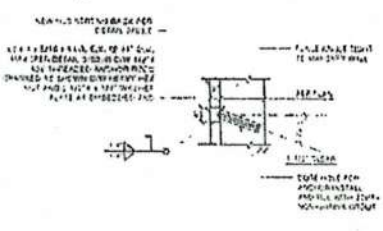
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SCALE: 1/4" = 1'-0"



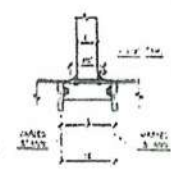
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SCALE: 1/4" = 1'-0"



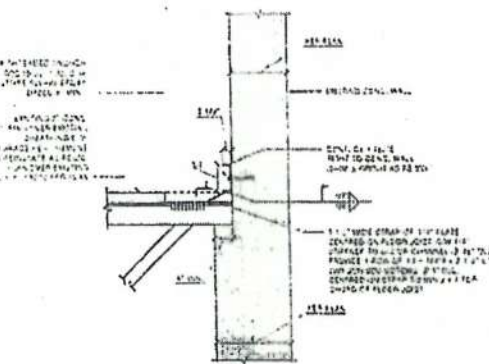
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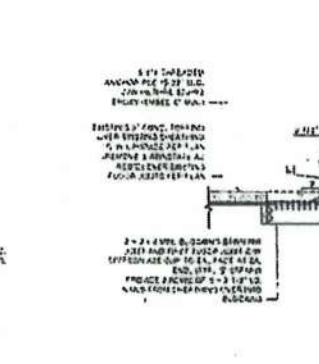
6 DETAIL  
SCALE: 1/4" = 1'-0"



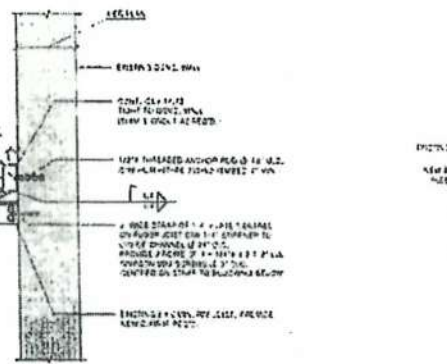
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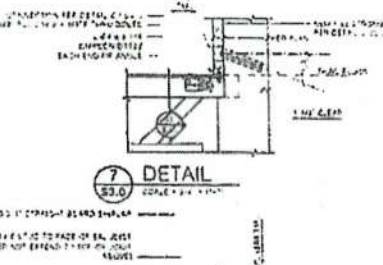
8 SECTION  
SCALE: 1/4" = 1'-0"



9 SECTION  
SCALE: 1/4" = 1'-0"



12 DETAIL  
SCALE: 1/4" = 1'-0"



7 DETAIL  
SCALE: 1/4" = 1'-0"



11 SECTION  
SCALE: 1/4" = 1'-0"

SKYLINE  
ARCHITECTS

RENOVATIONS  
TO  
506 FORT ST.

SECTIONS/  
DETAIL

curtis  
paxton  
miles

ARCHITECT AIBC A5502  
10524 - 10524 10524 10524

DATE: May 18, 2014

S3.1



## ATTACHMENT E

### 2. Tax Incentive Program Application No. 00027 for 506 Fort Street (Downtown)

**Motion:**

It was moved by Councillor Alto, seconded by Councillor Coleman, that Council instruct the City Solicitor to prepare a Tax Exemption Bylaw for 506 Fort Street for 4 years, pursuant to Section 392 of the *Local Government Act*, with the following conditions:

1. That a covenant identifying the tax exemption be registered on the title to the property and any possible future strata titles.
2. That the final costs of seismic upgrading be verified by the Victoria Civic Heritage Trust.
3. That Council reaffirm the City's Tax Incentive Program Policy (Program Conditions, 3.6) that states City Council approval of the tax exemption must occur prior to the commencement of any work on the proposed project.
4. That staff work with the applicant to achieve a voluntary agreement that the units remain rental in perpetuity.
5. That staff work with the applicant to achieve voluntary agreement that the units not be used for short- term vacation rentals.

**Carried**

**For:** Mayor Helps, Councillors Alto, Coleman, Thornton-Joe, and Young

**Opposed:** Councillors Loveday, Lucas, and Madoff