



Victoria
CIVIC
HERITAGE
TRUST

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

5 December 2017

Attention: Mayor and Council

**Recommendation to City of Victoria
Approval of a Ten-Year Tax Exemption
Heritage Tax Incentive Program - Residential Use
727 Johnson Street - Garesché Stables & Offices
Lot 33, Victoria City
PID 005-137-993 / Folio No 01021005**

Dear Mayor and Council:

The Board of Directors of the Victoria Civic Heritage Trust reviewed a Tax Incentive Program application for **727 Johnson Street** at its meeting held on 4 December 2017.

The owner requests a ten-year tax exemption period for 727 Johnson Street based on the scope of work for seismic upgrading as specified by the Project Engineer, John Bryson, MSc, PEng, StructEng, Bryson Markulin Zickmantel Structural Engineers, Vancouver.

The lowest total seismic upgrading cost is **\$1,053,616.60** as estimated by Brenton Construction Corp in a revised submission received on 14 November 2017. The second total seismic cost is **\$1,095,992.53** as estimated by a registered quantity surveyor, Aidan Kelly PQS of Beacon Construction Consultants Inc, in a revised submission dated 18 November 2017. Please note that ineligible contingency costs were removed from the above seismic cost estimates, therefore the totals differ from the documents submitted by the applicant. Total construction cost is estimated by Brenton Construction Corp to be **\$5,723,800.00**.

Total 2017 property tax for 727 Johnson Street is **\$26,427.80**. The value of a ten-year tax exemption at the current 2017 property tax rate is **\$264,278.00** (10 years @ \$26,427.80). The seismic upgrading estimate of **\$1,053,616.60** significantly exceeds **\$264,278.00** as needed to justify a ten year tax exemption.

A technical review of the project was undertaken by our Architectural Conservation Committee (ACC) on 4 December 2017. The ACC forwarded its comments and recommendations to the Board of Directors, who passed the following motion of recommendation to the City of Victoria on 4 December:

That subject to Council's approval and the project meeting all other City requirements, 727 Johnson Street (Garesché Stables & Offices), Lot 33, Victoria City, is eligible for a tax exemption period of ten (10) years.

In accordance with normal procedure the tax exemption should also be **subject to verification of final costs by the Victoria Civic Heritage Trust**.

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

Sincerely yours,

Greg Ovstaas
President

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