



Council Report

For the Meeting of March 23, 2016

To: Council **Date:** March 10, 2017
From: Jonathan Tinney, Director, Sustainable Planning and Community Development
Subject: **Heritage Tax Exemption Bylaw No. 17-027 for 533-537 Fisgard Street and 534 Pandora Avenue**

RECOMMENDATION

1. That Council give first, second and third reading to the Heritage Tax Exemption (533-537 Fisgard Street and 534 Pandora Avenue) Bylaw No. 17-027.

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 inform Council that, in accordance with Council's motion of June 9, 2016, the necessary Heritage Tax Exemption Bylaw and Notice (attached) for 533-537 Fisgard Street and 534 Pandora Avenue have been prepared for a 10 year period 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.

The Heritage Tax Exemption Bylaw must be given three readings by Council before staff can proceed with preparation of a covenant, identifying the tax exemption to be registered on the title.

Once proof of the final registration of the covenant has been provided by the Applicant, legal notification for advertising will occur in the newspaper for two consecutive weeks prior to Council's final adoption of the bylaw.

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 16, 2017

List of Attachments

- Staff report, May 26, 2016
- Council Minutes, June 9, 2016
- Tax Exemption Bylaw No. 17-027
- Notice of Proposed Permissive Tax Exemption.



Committee of the Whole Report For the Meeting of June 9, 2016

To: Committee of the Whole **Date:** May 26, 2016
From: Jonathan Tinney, Director, Sustainable Planning and Community Development
Subject: Tax Incentive Program Application No. 00026 for 533-537 Fisgard Street/
534 Pandora Avenue

RECOMMENDATION

That Committee instruct the City Solicitor to prepare a Tax Exemption Bylaw for 533-537 Fisgard and 534 Pandora Avenue 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.

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 10-year tax exemption under the City's Tax Incentive Program to assist in the rehabilitation of the Heritage-Designated buildings at 533-537 Fisgard Street (the Lee Chong Building) and 534 Pandora Avenue (the Lum Sam Building). The application is for a rehabilitation project to create 24 residential units on the upper floors of the existing buildings, with commercial use on the ground floor of the Lee Chong building fronting on Fisgard Street. This rehabilitation also includes a small tenement building at the rear of 533-537 Fisgard Street.

BACKGROUND

The application is to assist the rehabilitation project involving the conversion of two heritage buildings in Chinatown to residential use. The two buildings, at 533-537 Fisgard Street (the Lee Chong Building) and 534 Pandora Avenue (the Lum Sam Building), are located on adjoining properties and the lots will be consolidated as part of the project.

The estimated cost of the total project is \$3,506,734. The cost of seismic upgrading is estimated to be \$932,250.

A Heritage Alteration Permit Application for the project was approved by City Council at its meeting of January 16, 2016. A Development Variance Permit to permit residential use on the main floor of 534 Pandora Avenue was approved by City Council at its meeting of March 10, 2016.

The application was reviewed by the Victoria Civic Heritage Trust at its meeting on May 16, 2016, and was recommended for approval (see attached letter, dated May 18, 2016).

ISSUES

In March 1998, City Council approved the Tax Incentive Program to provide tax exemptions of up to 10 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.

ANALYSIS

Staff recommend for Council's consideration that the project is worthy of support as it contributes to the City's strategic objectives of strengthening the Downtown Core with additional residential development; assisting in the preservation and rehabilitation of heritage buildings; and improving public safety through the seismic upgrading of this unreinforced masonry building, which has not been seismically upgraded, and when rehabilitated, will advance City policy through the revitalization of these key properties in Chinatown.

The proposed exemption is consistent with the following policies.

Official Community Plan

8 Placemaking - Urban Design and Heritage

Goals:

8 (B) Victoria's cultural and natural heritage resources are protected and celebrated.

Broad Objectives:

- 8 (j) That heritage property is conserved as resources with value for present and future generations.
- 8 (l) That heritage and cultural values are identified, celebrated, and retained through community engagement.

City Form:

- 8.6 Conserve and enhance the heritage value, character and special features of areas, districts, streetscapes, cultural landscapes and individual properties throughout the City.
- 8.52 Continue to enable and support heritage conservation through incentives and allowances including, but not limited to: property tax reductions; grants; bonus density provision; and, zoning variances.

- 8.54 Continue to work with senior government, community and business partners to identify, protect and conserve property of heritage value.

13 Housing and Homelessness

Housing Diversity:

- 13.18 Continue to develop incentives to support the rehabilitation and conversion of designated commercial, institutional and industrial designated heritage buildings to residential or residential mixed uses.

14 Economy

Tourism and Visitor Services:

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

Downtown Core Area Plan

7 Heritage

Objectives:

1. Retain, protect and improve real property with aesthetic, historic, scientific, cultural, social or spiritual value and heritage character as a benefit to the public.
5. City of Victoria support for the conservation and celebration of properties with heritage value is maintained and enhanced.

Areas and Districts - Policies and Actions:

- 7.7. Continue to support the conversion of the upper storeys of heritage designated property from non residential uses to residential uses in strategic locations within the Downtown Core Area that serve to support the policies of this Plan.

Buildings and Sites - Policies and Actions:

- 7.26. Encourage owners of property with heritage value or character in the Downtown Core Area, particularly landmarks or those in the Historic Commercial District and Inner Harbour District, to upgrade the seismic conditions of buildings and structures.

Heritage Incentives - Policies and Actions:

- 7.29. Continue and enhance incentives for heritage conservation such as, tax incentives, parking variances and other zoning variances, where broadly consistent with the policies for each District of the Downtown
- 7.30. Maintain and develop financial incentives for building rehabilitation, particularly seismic upgrading, for eligible heritage-designated commercial, institutional, industrial and residential property in the Downtown Core Area.

9 Community Vitality

Diversity and Inclusion:

- 9.6. Expand the use of heritage revitalization agreements and incentive programs to upgrade and revitalize heritage buildings for market and non-market housing.

Emergency Preparedness:

- 9.17. Continue to support the seismic upgrading and rehabilitation of heritage buildings through heritage revitalization incentive programs.

Resource Impacts

The building rehabilitation will create 24 new residential units on the upper floors of the heritage buildings and one live-work unit. The total 2016 property taxes for both properties is \$34,765 (\$20,823 municipal portion + \$13,942 collected on behalf of other agencies) as they will be consolidated for the development.

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 10) required to meet the estimated cost of seismic upgrading. The term requested is 10 years as the total tax incentive is estimated at \$347,650 (\$34,765 x 10) which is less than the estimated seismic upgrading costs of \$758,643.

Upon completion, BC Assessment estimates the value of the property will increase to \$7,100,000 from the 2016 assessed value of \$2,312,900. Based on the 2016 tax rates, the estimated value of the tax exemption will be \$626,969 (\$62,696 x 10) over the 10 year period.

The City will redistribute the \$626,969 tax exemption to non-exempt taxpayers over the 10 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.

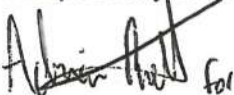
CONCLUSIONS

As the project benefits the Downtown Core, improves the seismic resistance of a hazardous structure, and rehabilitates a heritage building, it is recommended for Council's consideration that the project be approved.

ALTERNATE MOTION

That Council decline Tax Incentive Program Application No. 00026 at 533-537 Fisgard Street/ 534 Pandora Avenue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Barber".

Steve Barber
Senior Heritage Planner (Interim)
Development Services

am

A handwritten signature in black ink, appearing to read "Jonathan Tinney".

Jonathan Tinney
Director
Sustainable Planning and Community Development

A handwritten signature in blue ink, appearing to read "Susanne Thompson".

Susanne Thompson
Director
Finance

Report accepted and recommended by the City Manager:

Date: _____

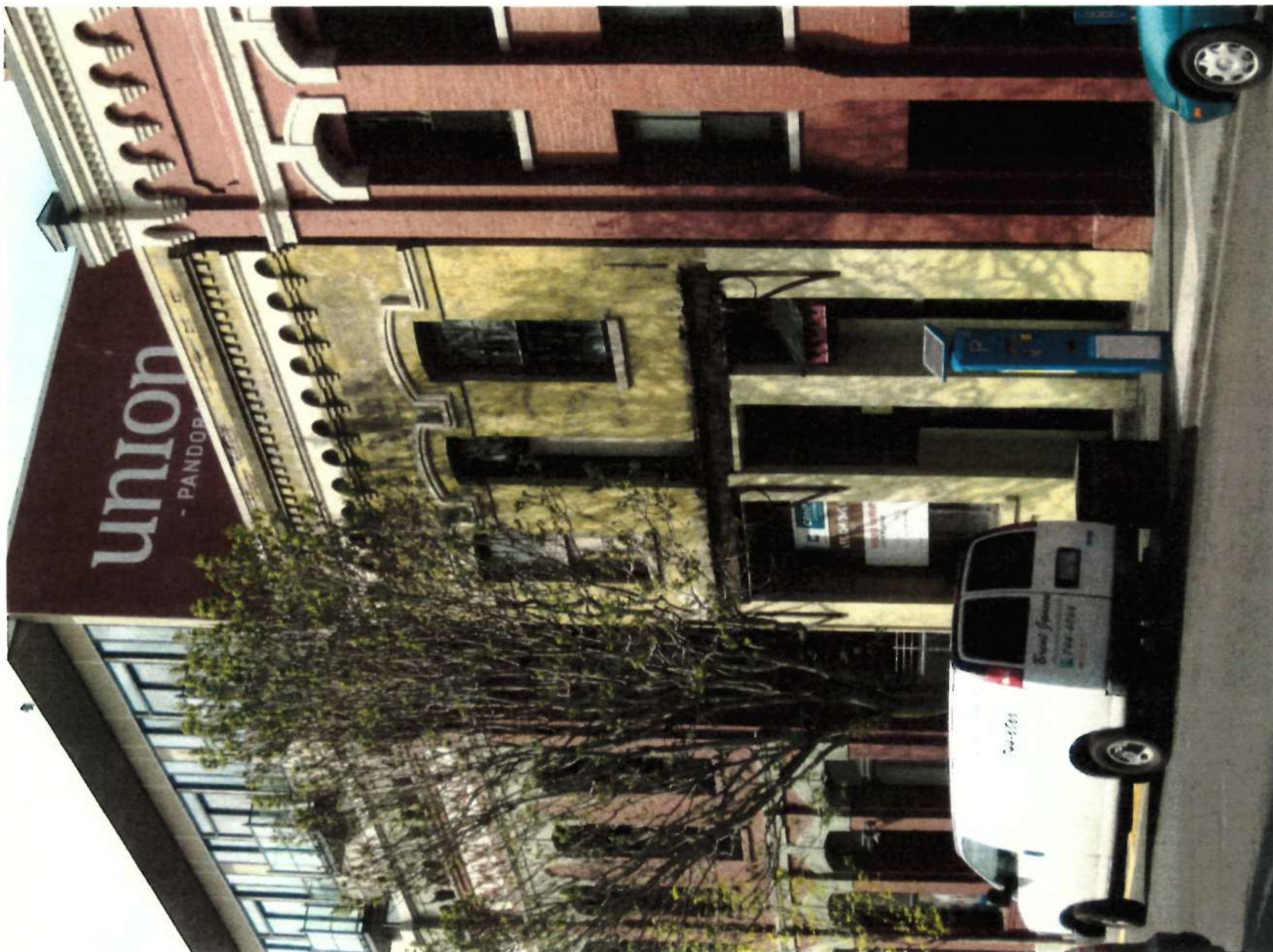
List of Attachments

- Subject map
- Photos
- Site plans of proposed project
- Letter from the Victoria Civic Heritage Trust, dated May 18, 2016
- Analysis by BC Assessment Authority.

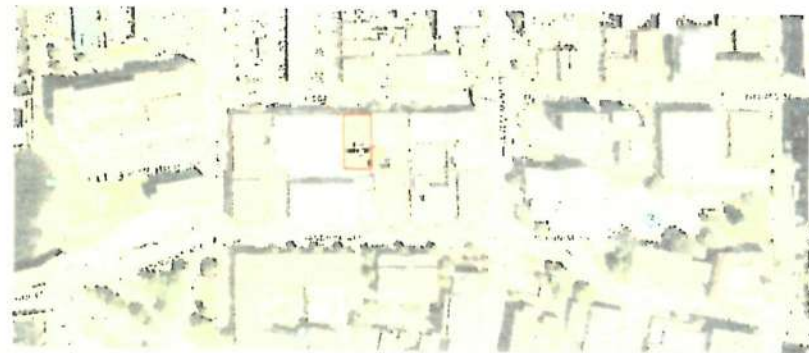
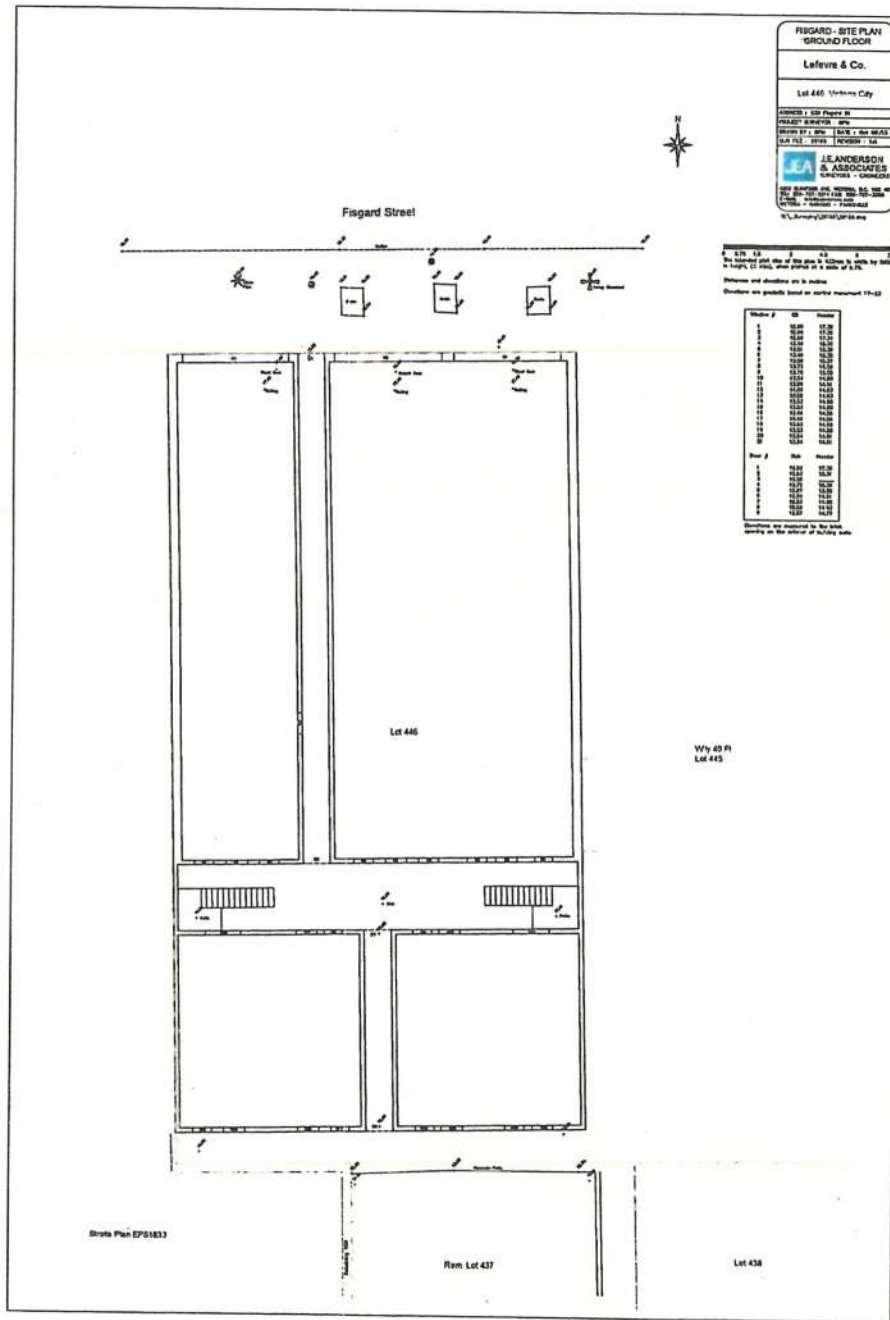




533-537 Fisgard Street



534 Pandora Avenue



2 CONTEXT PLAN
A101
Scale: NTS

ZONING SUMMARY

Address: 533-537 Fisgard St, Victoria BC
Legal Description: Lot 446, Victoria City
P.I.D.: 009-370-557
Zoning: CA-3C - OLD TOWN DISTRICT
Use: Retail (Main Floor) & Multiple Residential (Above)

	PERMITTED/REQUIRED	EXISTING	PROPOSED
Lot Area:		669 sq.m. (7,206 sq.ft.)	no change
AREA SUMMARY			
Main Floor	Includes Stair	543 sq.m. (5,844 sq.ft.)	545 sq.m. (5,870 sq.ft.)
Second Floor	Excludes Stair	496 sq.m. (5,327 sq.ft.)	no change
Total Floor Area		1,039 sq.m. (11,171 sq.ft.)	1,041 sq.m. (11,207 sq.ft.)
Floor Area Ratio:	3:1	1.5:1	1.5:1
Site Coverage:	85%	85%	95%
Open Site Space:		12%	5%
Grade:		(12.40+12.71+12.66+12.62)/4 = 12.6 m = 41.3 ft. gradual	no change
Building Height:	15 m (49.2 ft.)	10.75 m (35.3 ft.)	no change
Number of Storeys:		2	no change
Setbacks:	Not required		no change
On-street Parking:	Not required		
Bicycle Parking:	1 per unit + 6 spine rack	23	0

BUILDING CODE SUMMARY

REFERENCED DOCUMENT
British Columbia Building Code 2012 - Part 3

1 SURVEY PLAN
A101
Scale: 1:75

CONSULTANTS

ARCHITECTURAL
de Hoog & Kienit architects
977 Fort Street
Victoria, B.C. V8V 3K3
tel 250 658 3367
fax 250 658 3397

Contact:
Peter J. de Hoog MAIBC MRAC
pjh@dhk.ca

ARCHITECTURAL DRAWING LIST

sheet title
A101 Project Data & Site Plan
A201 Floor Plans
A301 Building Elevations
A400 Typical Building Section

GENERAL NOTES

1. Details dimensions are the floor area in metres provided based on aerial photograph.
2. All dimensions are to face of building unless noted otherwise.
3. All dimensions are to be located within the four boundaries. Dimensions to be determined by architect and confirmed with the appropriate authority.
4. All setbacks to be 100% of total area.
5. Fully include setbacks of 100% of total area.
6. All setbacks to be determined and confirmed during construction and construction 100%.

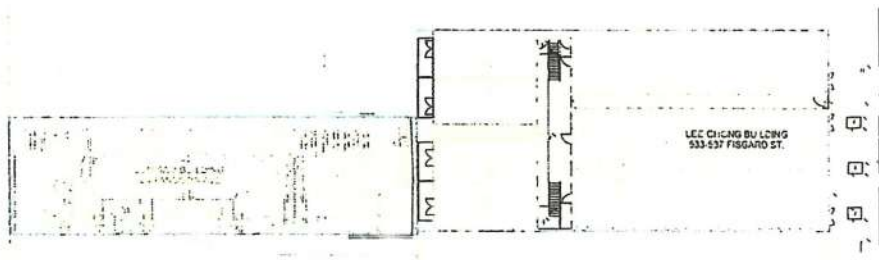
DATE	BY	FOR
19 DEC 11	1000	1000
19 DEC 11	1000	1000
19 DEC 11	1000	1000

Lee Chong Building
533-537 Fisgard St.
Victoria BC
Project Data

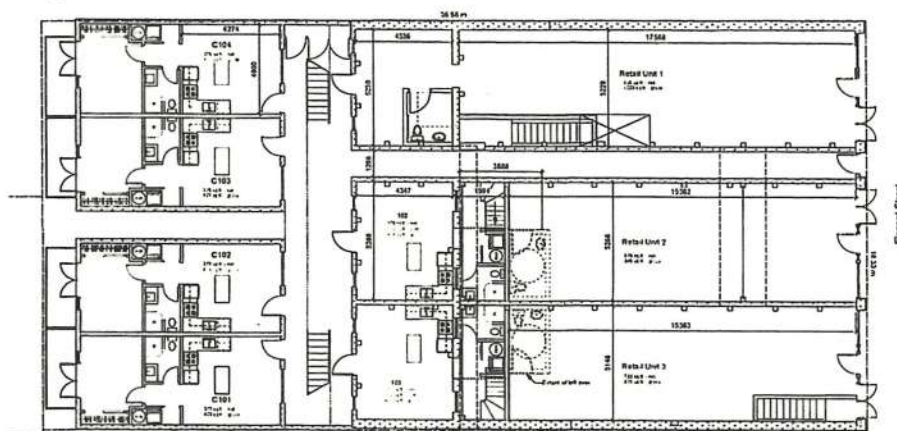
A101

de Hoog & Kienit architects
977 Fort Street - V8V 3K3
Tel: 250-658-3367
Fax: 250-658-3397
1000 Blenheim St., Victoria, B.C. V8W 2Y7
www.dhk.ca

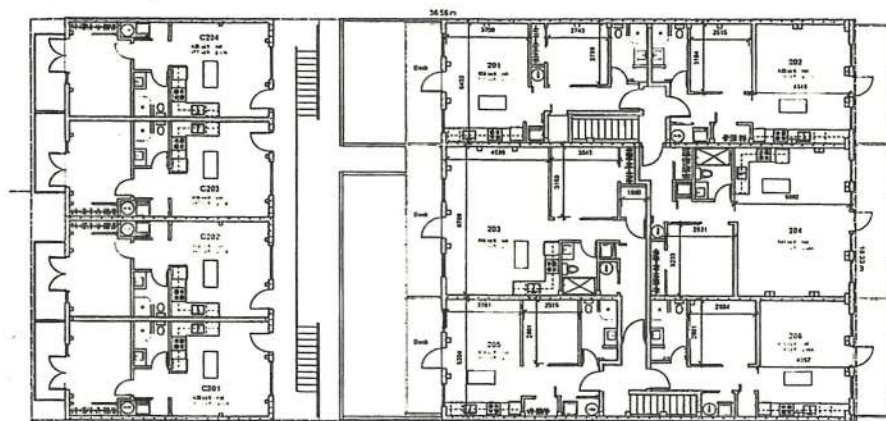




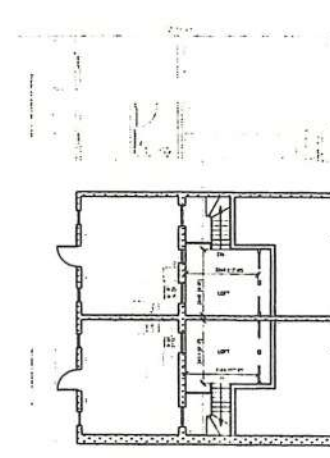
1 Site Plan
A201
Scale: 1:200



2 Main Floor Plan
A201
Scale: 1:100



4 Second Floor Plan
A201
Scale: 1:100



3 Loft Floor Plan
A201
Scale: 1:100



10 DEC 15 1510 A201 Fisgard Plans
A201 5 pgs
1515

Lee Chong Building
533-537 Fisgard St.
Victoria BC
Site & Floor Plans

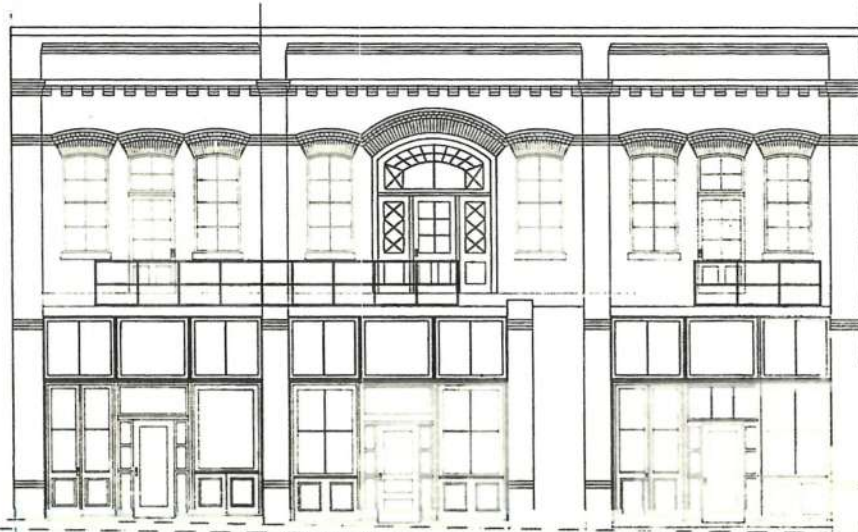
A201

by Hong & Wilson architects
Victoria
377 Fort Street V8V 3Y3
100-1100 Dallas Way V8T 2G8
T 1-250-654-3387
F 1-250-645-5410

Received
City of Victoria

DEC 11 2015

Planning & Development Department
Development Services Division



Fisgard Street Elevation (North)



Fisgard Street Building Courtyard Elevation (South)



Fisgard Street View



Courtyard Looking East



Courtyard Building South Side



Courtyard Building Elevation (South)



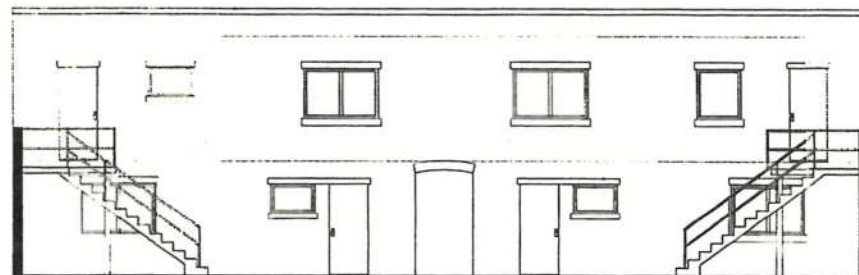
Alley to Pandora Avenue



Alley to Fisgard Street



Courtyard Looking West



Courtyard Building Elevation (North)

File	Date	Revised	1579 A301 P1
0101	21 Oct 13	Revised	
0102	06 Nov 13	Revised	
0103	16 Dec 13	Revised	
0104	16 Dec 13	Revised	

Lee Chong Building
534 Pandora Ave.
Victoria BC
Lee Chong - Existing

A301

de Hong & Kien Architects
577 Fisgard Street, Victoria, BC V8T 2G3
Tel: 250-555-1333
Fax: 250-555-1334
www.dehong.com



1 Proposed Fiegard St. Elevation (North)
A302 Scale: 1:50



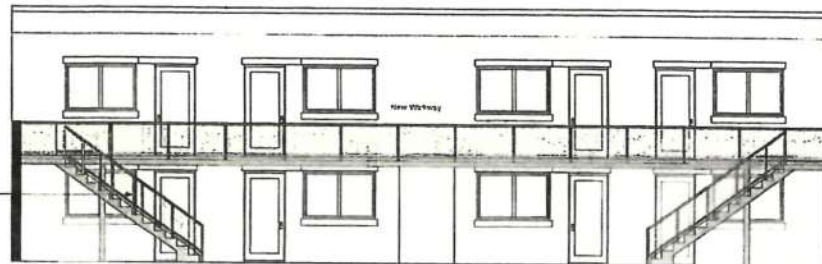
2 Proposed Courtyard Elevation (South)
A302 Scale: 1:50



5 Detail of New Gate
A302 Scale: 1:25



3 Proposed Courtyard Bldg Elevation (South)
A302 Scale: 1:50



4 Proposed Courtyard Bldg Elevation (North)
A302 Scale: 1:50

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City of Victoria

DEC 11 2015

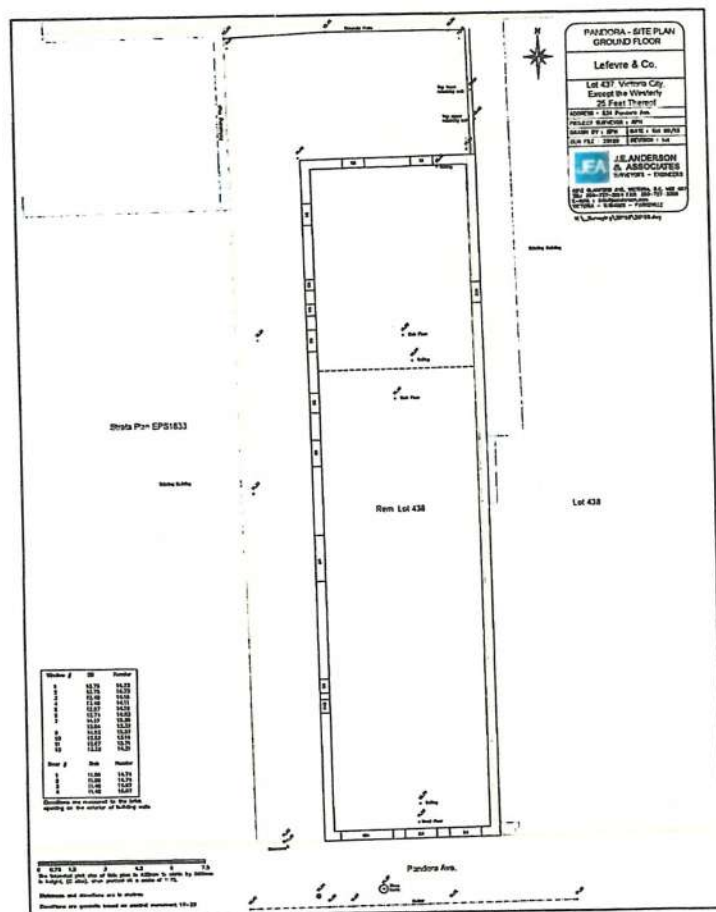
Planning & Development Department
Development Services Division

DATE	18 DEC 15	BY	1516 A302 Plan
PROJECT	Lee Chong Bldg	DESIGNED	gdb
CHECKED	1516	DATE	1516

Lee Chong Building
534 Pandora Ave.
Victoria BC
Lee Chong Proposed

A302

de Hong & Kim Architects
1077 Fort Street V8V 2G2
Tel: 250-430-2387
Fax: 250-430-2388
www.dhk.ca



2 CONTEXT PLAN
A101/

ZONING SUMMARY

Address: 534 Pandora Ave., Victoria BC
Legal Description: Lot 437, Victoria City, Except the Wintery 25 Feet Thereof
P.I.D.: 008-370-421
Zoning: CA-3C - OLD TOWN DISTRICT
Use: Retail (Main Floor) & Multiple Residential (Above)

	PERMITTED/REQUIRED	EXISTING	PROPOSED
Lot Area:		392 sq.m. (4,219 sq.ft.)	no change
AREA SUMMARY			
Max Floor	Includes Stair, Includes shed	229 sq.m. (2,573 sq.ft.)	249 sq.m. (2,683 sq.ft.)
Ground Floor	Excludes Stair	150 sq.m. (1,619 sq.ft.)	no change
Total Floor Area		389 sq.m. (4,197 sq.ft.)	389 sq.m. (4,202 sq.ft.)
Floor Area Ratio	3:1	1:1	no change
Site Coverage		59%	64%
Open Site Space		41%	36%
Grade:		(11.89+11.80+11.15+11.00)/4 = 11.4 m = 37.4 ft. grade	no change
Building Height	15 m (49.2 ft.)	10.45 m (34.4 ft.)	no change
Number of Storeys		2	no change
Setbacks:	Not required		
Off-street Parking:	Not required		
Bicycle Parking:	1 per unit + 6-space rack	0	26 - 1 per suite for Pandora building and Pigard Building (26 suites total)

BUILDING CODE SUMMARY

REFERENCED DOCUMENT
British Columbia Building Code 2012 - Part 3

CONSULTANTS

ARCHITECTURAL

de Haag & Kienit architects
577 Fort Street
Victoria, B.C. V8V 3K3
Tel: 250-683-3397
Fax: 250-683-3397

Contact:
Peter J. de Haag MAIBC MRAC
pdh@dhk.ca

ARCHITECTURAL DRAWING LIST

Sheet 001
A101 Project Data & Site Plan
A201 Floor Plans
A301 Building Elevations
A400 Typical Building Section

GENERAL NOTES

1. Check dimensions on site plan are in meters per metric board
on drawing or in feet on drawing.
2. All dimensions are to face of building unless otherwise noted and
indicated on drawing with dimension line.
3. CD drawings to be located within 100 feet of building.
Distances to be permanently marked and kept clear with
no obstruction to building access.
4. Road crossing to be 1000 ft. wide.
5. Fully include within 100 ft. of road.
6. All trees to be retained and protected during construction
and removal of trees to be noted.

Rev.	Date	Revised By	Revised For
1	18 DEC 15	de Haag	1514 A101 Project Data
2	18 DEC 15	de Haag	1514 A101 Project Data
3	18 DEC 15	de Haag	1514 A101 Project Data

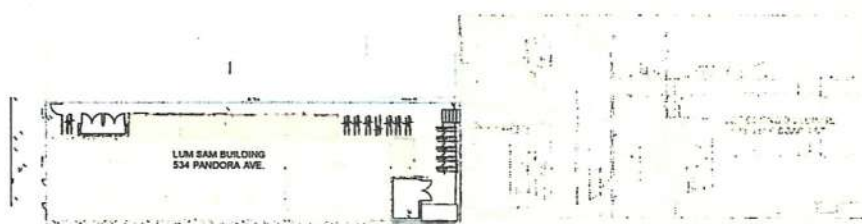
1514 A101 Project Data

Lum Sam Building
534 Pandora Ave.
Victoria BC
Project Data

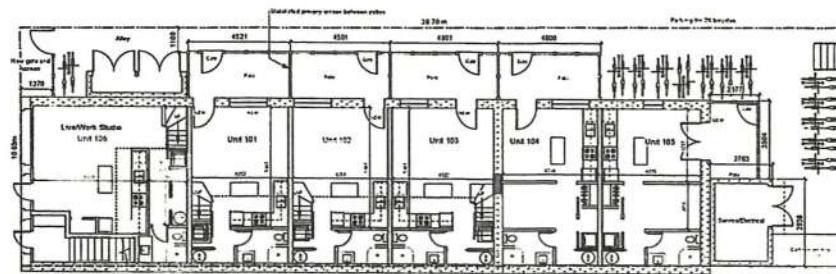
A101

de Haag & Kienit architects
577 Fort Street
Victoria, B.C. V8V 3K3
Tel: 250-683-3397
Fax: 250-683-3397

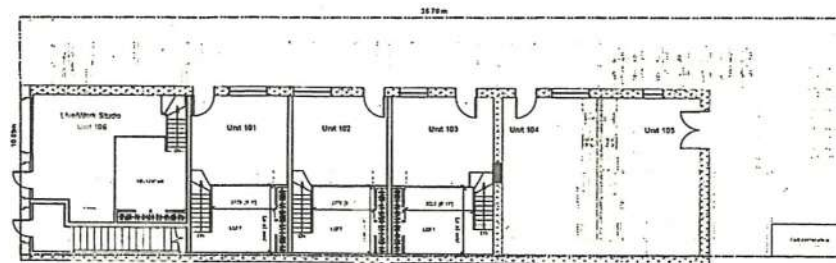




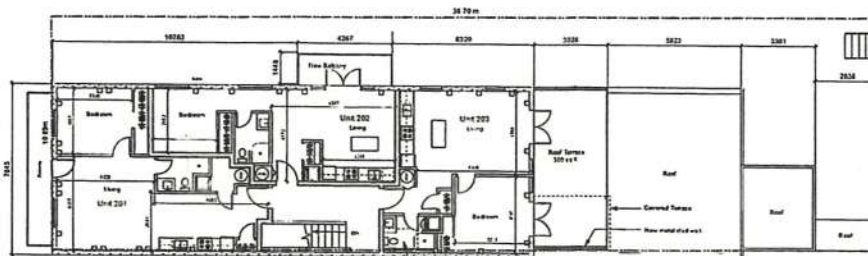
1 Site Plan
A201
Scale: 1:200



2 Ground Floor Plan
A201
Scale: 1:100



2 Loft Floor Plan
A201
Scale: 1:100



3 Second Floor Plan
A201
Scale: 1:100



19 DEC 15	1519 A201 Plans
19 DEC 15	1519 A201 Plans
19 DEC 15	1519 A201 Plans
19 DEC 15	1519 A201 Plans

Lum Sam Building
534 Pandora Ave.
Victoria BC
Site Plan & Floor Plans

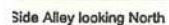
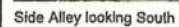
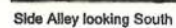
A201

Go Hong & Koon Architects
177 Fort Street, Suite 100
Victoria BC V8V 2K4
Tel: 250-585-5819

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City of Victoria

DEC 11 2015

Planning & Development Department
Development Services Division



Lum Sam Building
534 Pandora Ave.
Victoria BC
Existing Elevations

A301

de Hoog & Kruitwijk
Victoria
977 Fort Street V8V 2K3 T 1-250-858-33
Nanaimo
102-5195 Duinker Way V9T 2G8 T 1-250-865-58

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City of Victoria
DEC 11 2015
Planning & Development Department
Development Services Division

Material Legend

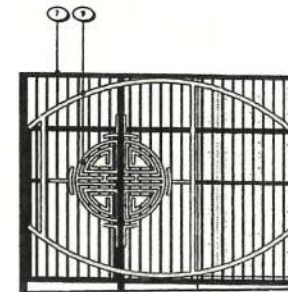
- 1 Polished Metal Cap Feeding (100 Zinc Grey)
- 2 Steel (Grey)
- 3 Field Colour (CP C4037 Red Paper)
- 4 Trim Colour (CP C4041 Petalini)
- 5 Accent Colour (CP C4044 Fuchsia)
- 6 Galvanized Metal Siding
- 7 Painted Steel Railing Balustrade
- 8 Galvanized Metal Railing System
- 9 Painted Railing Detail (CP C4041 Petalini)
- 10 Polished Metal Fences Balustrade
- 11 Existing Brick - reface/retain



1 Proposed Courtyard Elevation (North)
A302 Scale: 1:50



2 Proposed Pandora Ave. Elevation (South)
A302 Scale: 1:50



4 Detail of New Gate
A302 Scale: 1:25



3 Proposed Side Alley Elevation (West)
A302 Scale: 1:75

Item	Qty	Unit	Material	Notes
1	10.000	sq. ft.	Polished Metal Cap Feeding (100 Zinc Grey)	100.000
2	10.000	sq. ft.	Steel (Grey)	100.000
3	10.000	sq. ft.	Field Colour (CP C4037 Red Paper)	100.000
4	10.000	sq. ft.	Trim Colour (CP C4041 Petalini)	100.000
5	10.000	sq. ft.	Accent Colour (CP C4044 Fuchsia)	100.000
6	10.000	sq. ft.	Galvanized Metal Siding	100.000
7	10.000	sq. ft.	Painted Steel Railing Balustrade	100.000
8	10.000	sq. ft.	Galvanized Metal Railing System	100.000
9	10.000	sq. ft.	Painted Railing Detail (CP C4041 Petalini)	100.000
10	10.000	sq. ft.	Polished Metal Fences Balustrade	100.000
11	10.000	sq. ft.	Existing Brick - reface/retain	100.000

Lum Sam Building
534 Pandora Ave.
Victoria BC
Lum Sam Proposed

A302

40 Huang & Kienoff Architects
1777 Fort Street - 10th Floor
Victoria BC V8W 2H2
Tel: 250-588-5819
Fax: 250-588-5819
www.huangkienoff.com



Victoria
CIVIC
HERITAGE
TRUST



City of Victoria
1 Centennial Square
Victoria, British Columbia V8W 1P6
Attention: Mayor and Council

18 May 2016

**Recommendation to City of Victoria
Approval of a Ten-Year Tax Exemption
Heritage Tax Incentive Program - Residential Use**

**534 Pandora Avenue - Lum Sam Building (#1)
533-537 Fisgard Street - Lee Chong Building (#2) Lee Chong Tenement Building (#3)**

**Lot A of Lots 437 & 446 Victoria City District Plan EPP58230
PID 009-370-421; Folio No 01060012 / PID 009-370-587; Folio No 01060003**

Dear Mayor and Council:

The Board of Directors of the Victoria Civic Heritage Trust reviewed a Tax Incentive Program application for **534 Pandora Avenue / 533-537 Fisgard Street** at its meeting on 16 May 2016.

The owner requests a ten-year tax exemption period for 534 Pandora Avenue / 533-537 Fisgard Street based on the scope of work for seismic upgrading as specified by the Project Engineer, Leon Plett, P.Eng, Struct.Eng, MStructE, LEED® AP, Managing Principal for Read Jones Christoffersen Ltd.

The lowest estimated total combined seismic upgrading cost for all three buildings is **\$758,643.00** (Beacon Construction Consultants Inc). The second total combined seismic cost estimate submitted by the applicant is **\$932,250.00** (Campbell Construction Ltd). Total construction cost is estimated to be **\$3,561,035.00** (Beacon Construction Consultants), or **\$3,506,734.00** (Campbell Construction Ltd).

The combined 2015 property tax for 534 Pandora Avenue / 533-537 Fisgard is **\$36,652.58** (534 Pandora Avenue = \$24,486.29; 533-537 Fisgard Street = \$12,166.29). The value of a ten-year tax exemption at the current 2015 property tax rate is **\$366,525.80** (10 years @ \$36,652.58).

A technical review of the project was undertaken by our Architectural Conservation Committee (ACC) on 16 May 2016. The ACC forwarded its comments and recommendations to the Board of Directors. The Board passed a motion of recommendation to the City of Victoria on 16 May 2016:

That 534 Pandora Avenue (Lum Sam Building) and 533-537 Fisgard Street (Lee Chong Building and Lee Chong Tenement Building), Lot A of Lots 437 & 446 Victoria City District Plan EPP58230, is eligible for a tax exemption period of Ten (10) Years, subject to Council's approval, the project meeting all other City requirements, and verification of final costs.

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

Sincerely yours,

John Knappett
Past President

copy: Mr Steve Barber, Senior Heritage Planner (Interim), City of Victoria

Steve Barber

From: Sue Hodge
Sent: Tuesday, May 17, 2016 11:50 AM
To: Steve Barber
Subject: RE: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Using the 2016 mill-rates. Class 1 would be \$42,173.40 & Class 6 would be \$19,854.76.

From: Steve Barber
Sent: Tuesday, May 17, 2016 11:30 AM
To: Sue Hodge <shodge@victoria.ca>
Subject: FW: Tax Incentive Application Fisgard strata/retail complex in Chinatown

From: Wright, Cynthia BCA:EX [mailto:cynthia.wright@bcassessment.ca]
Sent: Tuesday, May 17, 2016 11:29 AM
To: Steve Barber <SBarber@victoria.ca>
Subject: RE: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Hi Steve,

Approximately \$925,000 of the value is Class 6 with the remainder in Class 1.

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

cynthia.wright@bcassessment.ca
T 1-866-valueBC (825-8322) x 01251 | F 1-855-995-6209
102 – 3350 Douglas St. | Victoria BC V8Z 7X9 | www.bcasessment.ca

BC ASSESSMENT     

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From: Steve Barber [mailto:SBarber@victoria.ca]
Sent: May-17-16 11:27 AM
To: Wright, Cynthia BCA:EX
Cc: Sue Hodge
Subject: FW: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Cynthia
Do you have a breakdown of the commercial and residential assessments for this project?
Steve

From: Sue Hodge
Sent: Tuesday, May 17, 2016 11:24 AM
To: Steve Barber <SBarber@victoria.ca>
Subject: RE: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Steve,

I can't tell you unless I have a breakdown of the assessment between class 1 & class 6. Can she provide this? Class 6 (commercial) is taxed at a rate of almost 3 ½ times what Class 1 (residential) is. Sue

From: Steve Barber
Sent: Tuesday, May 17, 2016 11:19 AM
To: Sue Hodge <shodge@victoria.ca>
Subject: FW: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Sue,
What would the current taxes be based on this increased value of \$7,100,000 for 533 Fisgard/534 Pandora. Note this is for 24 strata residential apartments, one live-work unit on Pandora Ave., and three ground floor retail units on Fisgard Street.
Thanks!
Steve

From: Wright, Cynthia BCA:EX [<mailto:cynthia.wright@bcassessment.ca>]
Sent: Tuesday, May 17, 2016 11:12 AM
To: Steve Barber <SBarber@victoria.ca>
Subject: RE: Tax Incentive Application Fisgard strata/retail complex in Chinatown

Thanks Steve, I was putting a period between your initial and name (s.barber).

As per our discussions, the value of this proposed complex is estimated at \$7,100,000 as of July 1, 2015.

I would like to re-iterate that this value does not reflect any market movement since July of 2015 and is not an estimate of current or future market value.

Please let me know if you have any further questions in regards to this.

Respectfully,

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

cynthia.wright@bcassessment.ca
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From: Steve Barber [<mailto:SBarber@victoria.ca>]

Sent: May-17-16 10:54 AM

To: Wright, Cynthia BCA:EX

Subject: Tax Incentive Application

Hi Cynthia

Trying again!

Steve

Steve Barber

Senior Heritage Planner (Interim)

Sustainable Planning and Community Development

City of Victoria

1 Centennial Square, Victoria BC V8W 1P6

T 250.361.0533 F 250.361.0386

REPORTS OF COMMITTEES

2. Committee of the Whole – June 9, 2016

2. Tax Incentive Program Application No. 00026 for 533-537 Fisgard Street/ 534 Pandora Avenue

It was moved by Councillor Thornton-Joe, seconded by Councillor Madoff, that Council instruct the City Solicitor to prepare a Tax Exemption Bylaw for 533-537 Fisgard and 534 Pandora Avenue 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.

Carried Unanimously

TAX EXEMPTION (533-537 FISGARD STREET AND 534 PANDORA AVENUE)

BYLAW

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to assist in the preservation and rehabilitation of the heritage buildings located at 533-537 Fisgard Street and 534 Pandora Avenue, including the seismic upgrading and residential use of the heritage buildings, by exempting them from municipal property taxes for 10 years.

Contents

- 1 Title
- 2 Definitions
- 3 Tax exemption
- 4 Residential use of land required
- 5 Subdivision
- 6 Effective date

Under its statutory powers, including section 225 of the *Community Charter*, the Council of the Corporation of the City of Victoria enacts the following provisions:

Title

- 1 This Bylaw may be cited as the "TAX EXEMPTION (533-537 FISGARD STREET AND 534 PANDORA AVENUE) BYLAW".

Definitions

- 2 In this Bylaw,
"improvements"

means all of the Land's improvements that exist at any time during the 10-year period that section 3 is in effect;

"Land"

means the land, including its improvements, located at civic address 533-537 Fisgard Street and 534 Pandora Avenue in Victoria, British Columbia, and legally described as:

PID: 029-782-724

Lot A of Lots 437 and 466, Victoria City District, Plan EPP58230

Tax exemption

- 3 (1) The Land is exempt from property taxes, imposed under section 197(1)(a) of the *Community Charter*, for a period of 10 consecutive calendar years, beginning in the year that this section comes into effect.

- (2) The exemption under subsection (1) takes effect only when
- (a) the Victoria Civic Heritage Trust verifies and advises City Council that the upgrading work for improvements located on the Land, as proposed under the Tax Incentive Program application, dated May 16, 2016, for the Land,
 - (i) has been completed and fully paid for by the Land's owner, and
 - (ii) has been certified by the Land owner's structural engineer of record as having been completed in accordance with the sealed engineering plans on file with the City, and with the requirements of the British Columbia Building Code; and
 - (b) a covenant pursuant to section 219 of the *Land Title Act* identifying the tax exemption, and the restriction on use of the Land set out in section 4, is and remains registered at the Victoria Land Title Office against title to the Land and any strata lot into which the Land is subdivided.

Residential use of land required

- 4 The tax exemption granted under section 3 does not apply in a calendar year during any part of which any residential dwelling unit located above the ground floor of the buildings on the Land is not used for residential purposes.

Subdivision

- 5** If the Land is subdivided whether by subdivision plan, strata plan or otherwise, section 4 will apply independently to each legal parcel into which the Land is subdivided.

Effective date

- 6 The tax exemption in section 3 comes into effect
- (a) in the calendar year following the year a tax exemption certificate for the Land is issued on or before October 31, or
- (b) in the second calendar year following the year a tax exemption for the Land is issued after October 31.

READ A FIRST TIME the _____ day of _____ 2017.

READ A SECOND TIME the _____ day of _____ 2017.

READ A THIRD TIME the _____ day of _____ 2017.

ADOPTED by at least 2/3 of all members of Council on the day of 2017.

CITY CLERK

MAYOR

NOTICE OF PROPOSED PERMISSIVE TAX EXEMPTION

For the purpose of strengthening the downtown with additional residential development and to assist in the preservation and rehabilitation of heritage property, including the seismic upgrading and residential use of heritage property, the Council of the Corporation of the City of Victoria proposes a bylaw that would exempt from municipal property taxes for 10 years the heritage building located at 533-537 Fisgard Street and 534 Pandora Avenue in the City of Victoria.

The exemption would apply if:

- (a) the upgrading of the property is complete and in accordance with the BC Building Code;
- (b) all residential dwelling units located above the ground floor of the heritage building are used for residential purposes;
- (c) a covenant pursuant to section 219 of the *Land Title Act* identifying the tax exemption and the restrictions on the use of residential dwelling units stated in paragraph (b) of this notice has been registered at the Land Title Office.

The estimated amount of municipal property taxes that would be imposed for the first 3 years on the property, if it were not exempt, is approximately \$188,907.00.