



*Victoria*  
**CIVIC  
HERITAGE  
TRUST**

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

MAYOR'S OFFICE

DEC 1 2016

VICTORIA B.C.

14 December 2016

**Victoria Civic Heritage Trust  
2017 Expenditure Budget  
2017 Capital and Operating Direct-Award Grant Requests**

Dear Mayor Helps and Council Members:

As requested by the Sustainable Planning and Community Development department, the Victoria Civic Heritage Trust respectfully submits our **2017 Expenditure Budget**, approved by our Board of Directors on 17 October 2016. The 2017 Capital request is the same as 2016 based on anticipated demand; the 2017 Operating request is the same as 2016 plus a 2% cost of living increase.

In 2015 the VCHT proudly celebrated its 25th anniversary working with the City of Victoria to successfully deliver its outstanding heritage building incentive programs to eligible commercial, industrial and institutional property owners. During national Heritage Week in February 2016 we made a special presentation to Council to document this important milestone of ongoing service.

2016 was the busiest year in the history of the VCHT. We experienced a sharp increase in demand this year for building rehabilitation applications under the Building Incentive Program (BIP). Significantly most applications approved in 2016 were for buildings located in Chinatown. We recently hosted a special Holiday Luncheon at a Chinatown restaurant for fifty guests representing property owners, City of Victoria, and VCHT with special guest speakers featuring Chinatown projects done with various incentive programs.

The Seismic Parapet Incentive Program introduced in 2015 has successfully completed three projects. This initiative operates through BIP using existing resources and is the first of its kind in Canada. The Seismic Parapet Incentive Program is intended as a three-year pilot program to assess its effectiveness and owner uptake. Owner interest is proving to be strong, with more projects anticipated in 2017.

Work by the VCHT on the Seismic Parapet Incentive Program and on the City's Tax Incentive Program distinguishes the City of Victoria as the leader of Canadian municipalities for seismic upgrading incentives.

At the request of Mayor Helps in April 2016, our Executive Director was asked to serve with an advocacy group initiated by Elizabeth May MP to develop a federal program proposal called "Building Resilience in Canada." Presentations were made to Council in July 2016. Members of the advocacy group continue to work with city staff to assess ways in which the City of Victoria can support or participate in the program, if approved. The multi-phase proposal is currently under consideration by Public Safety Canada.

**PROJECTED APPLICATIONS**

There was an exceptionally strong demand for applications in 2016, including **twenty-one Building Incentive Program** and **four Design Assistance Grant** applications, plus **one Parapet Incentive Program** funding award. Under the **Tax Incentive Program** the VCHT also reviewed an application involving **three buildings** and conducted final site visits and financial reviews for several projects in 2016.

Potential projects for 2017 based on current applications are listed on page two of the attached 2017 Expenditure Budget. This list includes heritage buildings located in various neighbourhoods in the city.

We anticipate continued strong demand in 2017. Based on enquiries, VCHT projects the potential for **seventeen to thirty BIP projects** by 31 December 2017, not including seismic parapet program projects. All potential projects are in keeping with the City's strategic goals to create a vibrant and healthy downtown.



### 2017 CAPITAL REQUEST

We respectfully submit our **2017 Capital** direct-award grant request of **\$420,000.00** for the purposes of Building Incentive Program funds and the City of Victoria's Heritage Tax Incentive Program. This is the same amount that was requested in 2016 (no increase since 2008). The list of potential applications in 2017 translates into a possible deficit of **-\$360,044.69** in the BIP fund by 31 December 2017 if all projects are approved, which substantiates the 2017 capital request of \$420,000.00.

### 2017 OPERATING REQUEST

We respectfully submit our **2017 Operating** direct-award grant request of **\$109,814.22**, which is the amount received in 2016 plus a 2% cost of living adjustment, as per last year. Please note that with the amount requested, the VCHT will continue to operate on a deficit basis as it has for a number of years.

### BACKGROUND

The VCHT was established by the City of Victoria in 1989 as a civic vehicle to administer Building Incentive Program funding, and subsequently the City's Tax Incentive Program, for the conservation and rehabilitation of downtown heritage buildings and to preserve Victoria's community heritage. Modeled on Civic Trusts in Britain that are financially supported by the local municipality, the VCHT is a widely recognized organization that has produced impressive results for the City of Victoria that would not otherwise have been achieved without these programs. To date some of these accomplishments include:

- **\$151.38 million** in private investment in **146 eligible heritage buildings** through **\$5,967,262** in 269 awards of **Building Incentive Program** funding through City Capital funds;
- Average leveraging factor of **\$25.37 private investment** for every **\$1** in BIP funds awarded;
- **79 Heritage Designations** directly related to funding applications, resulting in significantly increased protection of heritage buildings and an improved downtown environment;
- Numerous awards including: **Pinnacle Award** to the City of Victoria and VCHT by the International Downtown Association for the Tax Incentive Program; **Gold CARE Award** to the City of Victoria and VCHT by the Canadian Home Builders' Association for the Tax Incentive Program; **Prince of Wales Prize** to the City of Victoria for its heritage conservation programs; **Outstanding Achievement Award** from Heritage BC and **Communication Award** from the Hallmark Society for **Test of Time**; **BCBIA "Best in the West" Award** and \$125,000.00 funding from the Canada – BC Infrastructure Works Program for the Downtown Heritage Building Lighting Program; **Outstanding Achievement Award** and \$300,000 HARP funding from the BC Heritage Trust for the Broad & Yates Street area.

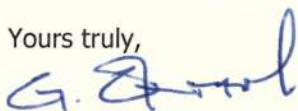
The VCHT is very proud of our strong relationship with the City of Victoria and our long record of distinguished service on behalf of the City and its residents. We look forward to continuing to work with the City of Victoria to further its strategic goals through incentive programs operated by the VCHT, which successfully deal with significant community issues on multiple levels using highly cost-effective resources.

On behalf of our Board of Directors, I'd like to thank the City of Victoria for its ongoing financial commitment to Victoria's exceptional heritage programs. It is because of your foresight and consistent support that the City of Victoria is widely recognized as a leader in municipal heritage conservation in Canada.

More detailed program information will be included in our 2016 Annual Report following year end.

We would be pleased to discuss our request with Council at any time.

Yours truly,



Greg Ovstaas, Vice President  
for  
Bruce Johnson, President

*attachment*



**2017 EXPENDITURE BUDGET  
VICTORIA CIVIC HERITAGE TRUST**

VCHT Board of Directors  
Approved 17 October 2016

EXPENDITURES				REVENUE	
BUDGET ITEM	EXPENDITURE BUDGET			CITY OF VICTORIA	
	Priority / Explanatory Notes	APPROVED 2016 BUDGET	2017 BUDGET	OPERATING GRANT 2% COL Increase	CAPITAL GRANT
<b>TOTAL BREAKDOWN</b>		<b>727,720.00</b>	<b>733,260.00</b>	<b>109,814.22</b>	<b>420,000.00</b>
<b>CORE OPERATIONS</b>					
Core Management Contract (60%)	Contract	51,640.00	52,675.00	46,279.22	
Office & Equipment Rent	Contract	11,000.00	11,220.00	11,220.00	
Office Expenses	Contract	5,000.00	5,000.00	5,000.00	
Telephone / Fax	Core	400.00	400.00	400.00	
Computer / Communications	Core	900.00	1,000.00		
Catering & Meeting Costs	Core	3,300.00	3,300.00	3,300.00	
Travel	Core	500.00	500.00		
Miscellaneous Costs	Core	500.00	500.00		
Insurance	Core	2,200.00	2,200.00	2,200.00	
Audit Fees	Core	5,800.00	5,800.00	5,800.00	
Reserve for Projects	Core	4,500.00	5,000.00		
Bank Charges	Core	50.00	50.00		
Interest Earned	Core	-20,000.00	-17,000.00		
5% GST Cost Estimated	Core	7,000.00	7,000.00		
50% GST Rebate Estimated	Core	-3,500.00	-3,500.00		
<b>ARCHITECTURAL CONSERVATION</b>					
ACC Committee (40%)	Contract	34,430.00	35,115.00	35,115.00	
<b>PROJECT MANAGEMENT</b>					
<b>INTERPRETATION PROJECTS</b>					
Interpretation Committee	2	0.00	0.00		
Heritage Directory Website	2	500.00	500.00	500.00	
<b>OTHER PROJECTS</b>					
Special Events (as approved by Board)	3	3,500.00	3,500.00		
<b>Total Operating Core &amp; Projects</b>		<b>107,720.00</b>	<b>113,260.00</b>	<b>109,814.22</b>	
<b>CAPITAL INCENTIVE PROGRAMS</b>					
Projected BIP Project Balance 31 Dec 2016	<b>393,955.31</b>				
2017 City Capital Contribution	420,000.00				
2017 Potential BIP Project Applications*	-1,174,000.00				
*See attached list					
<b>Potential BIP DEFICIT for 2017</b>	<b>-360,044.69</b>				
<b>BUILDING INCENTIVE PROGRAM</b>					
2017 Building Incentive Program Grants	Core	400,000.00	400,000.00		400,000.00
BIP Brochure / Banners	Core	2,500.00	4,000.00		4,000.00
25th Anniversary Display / Printing		3,000.00			
Seismic Parapet Incentive Program (PIP)*					
*\$500,000 BIP funds allocated in 2015					
2017 Seismic PIP Budget - Year 3 \$200,000	Core				
PIP & PIP-DAG Grants - Year 3	Core	185,000.00	185,000.00		
Program Start-up - Year 3	Core	5,000.00	5,000.00		
Program Management - Year 3	Core	10,000.00	10,000.00		
Seismic PIP Promotion / Communications	Core	9,700.00	9,700.00		
Donation for Seismic PIP Promotion / Comm		-9,700.00	-9,700.00		
<b>TAX INCENTIVE PROGRAM</b>	Core	12,000.00	12,000.00		12,000.00
BIP/TIP Promotion / Communications	Core	2,500.00	4,000.00		4,000.00
<b>TOTAL Capital Incentive Programs</b>		<b>620,000.00</b>	<b>620,000.00</b>		<b>420,000.00</b>
<b>GRAND TOTALS</b>		<b>727,720.00</b>	<b>733,260.00</b>	<b>109,814.22</b>	<b>420,000.00</b>
<b>TOTAL CITY GRANT REQUEST</b>				<b>529,814.22</b>	

# 2017 EXPENDITURE BUDGET VICTORIA CIVIC HERITAGE TRUST

VCHT Board of Directors  
Approved 17 October 2016

## BIP CASH PROJECTION - 2017

<b>BIP PROJECT BALANCE 1 October 2016</b>	<b>543,955.31</b>
543-545 ½ Fisgard St Sheam & Lee Bldg	-50,000.00
1190 Kings Rd Taylor Bldg	-50,000.00
Inner Harbour Lower Causeway	-50,000.00

**PROJECTED BIP BALANCE 31 Dec 2016      393,955.31**

## POTENTIAL BIP PROJECTS IN 2017

### Likely:

900 Johnson St Vict Conservatory of Music	-28,500.00
120 Douglas St Beacon Hill School	-46,869.25
999 Burdett Avenue Masonry Wall	-10,000.00
159 Cook St Hampton Court	-2,000.00
2110 Store St Natl Electric Powerhouse Bldg	-50,000.00
1005-1009 Broad St Counting House	-35,392.60
727-729 Yates St	-50,000.00
1218 Wharf St	-25,000.00
603 Pandora Ave Hotel Westholme	-50,000.00
740 View St St Andrews Parish Centre	-50,000.00
529 Pandora Ave BC Produce Co Bldg	-10,000.00
579 Johnson St WG Cameron Bldg	-12,000.00
1315-1327 Broad St London Block	-52,000.00
641 Johnson St Victoria Building Co	-52,000.00
811 Wharf St Customs House	-50,000.00
<b>Subtotal</b>	<b>-523,761.85</b>

### Possible:

737 Fort St British American Trust Co Bldg	-50,000.00
1713 Government St Yen Wo Society Bldg	-25,000.00
614 1/2 Fisgard St Lee's Association Bldg	-25,000.00
923 Burdett St Mt St Angela	-50,000.00
251-253 Esquimalt Rd Roundhouse	-50,000.00
251-253 Esquimalt Rd Car Shop	-50,000.00
251-253 Esquimalt Rd Stores Bldg	-50,000.00
251-253 Esquimalt Rd Backshop Bldg	-50,000.00
251-253 Esquimalt Rd Turntable	-50,000.00
1314 Wharf St Northern Junk	-50,000.00
1316-18 Wharf St Northern Junk	-50,000.00
Unknown Applicants	-150,000.00
<b>Subtotal</b>	<b>-650,000.00</b>

**Total Potential BIP Projects in 2017 -1,173,761.85**

**PROJECTED BIP BALANCE 31 Dec 2017      -779,806.54**