

December 2, 2019

To: Members
Finance and Administration Committee

Re: 19-HBRB-02 1431 Victoria Avenue (Louis Residence)

RECOMMENDATION

1. That a tax exemption for the real property commonly known as the Louis Residence, located on Lot 44, Block 360, Plan No. 101189998, Extension 5 and Lot 3 Block 360 Plan No. Old 33, Extension 0 addressed at 1431 Victoria Avenue be approved in an amount equal to the lesser of:
 - (a) 50 per cent of eligible costs as described in Appendix C-2; or
 - (b) An amount equivalent to the total property taxes payable for 10 years
2. That the provision of the property tax exemption be subject to the following conditions:
 - (a) Eligibility for the property tax exemption includes the requirement that the property possesses and retains its formal designation as Municipal Heritage Property in accordance with *The Heritage Property Act*.
 - (b) The property owner shall submit detailed written documentation of payments made for actual costs incurred (i.e. itemized invoices and receipts) in the completion of identified conservation work, as described in Appendix C-2. If actual costs exceed the corresponding estimates by more than 10 per cent, the property owner shall provide full particulars as to the reason(s) for such cost overruns. It is understood that the City may decline to approve any cost overrun, or portion thereof, if considered not to be reasonably or necessarily incurred for eligible work.
 - (c) The work that is completed and invoices submitted by September 30 each year would be eligible for a tax exemption the following year up to 50 per cent of the cost of approved work.
3. That the City Solicitor be instructed to prepare the necessary agreement and authorizing bylaw for the property tax exemption as detailed in this report.
4. That the Executive Director of City Planning & Community Development or designate be authorized under the tax exemption agreement to make all determinations regarding reimbursements of the cost incurred for work done to the property based on the City of Regina's Heritage Building Rehabilitation Program and the Conservation Plan for the property (Appendix C-1 to this report).

5. That the Executive Director of City Planning & Community Development or designate be authorized to apply to the Government of Saskatchewan on behalf of the property owner for any exemption of the education portion of the property taxes that is \$25,000 or greater in any year during the term of the exemption.
6. That this report be forwarded to the December 16, 2019 meeting of City Council for approval.

CONCLUSION

The owner of the Municipal Heritage Property known as the Louis Residence at 1431 Victoria Avenue has requested a property tax exemption under the Heritage Building Rehabilitation Program to assist in recovering costs associated with conserving the building.

The proposed work will ensure the continued existence of a designated Municipal Heritage Property. The tax exemption provided for in the policy has made it feasible for the property owner to conserve this heritage building.

The Administration has determined that the Conservation work proposed is eligible for assistance under the Heritage Building Rehabilitation Program. A property tax agreement between the City of Regina (City) and the property owner will secure the City's interests in ensuring the building is properly conserved and maintained.

BACKGROUND

The Heritage Building Rehabilitation Program was approved by City Council on August 25, 2014. The types of work that may be eligible for assistance are:

- Professional architectural or engineering services.
- Façade improvements, including conservation of original building elements, cleaning of surfaces and removal of materials that do not contribute to the heritage value.
- Structural stabilization.
- Improvements required to meet the *National Building Code of Canada* or City of Regina bylaw requirements, including the repair or upgrading of mechanical and electrical systems.
- Improvements to energy efficiency (i.e. windows, insulation).
- Conservation of significant or rare character-defining interiors or interior elements.

Financial assistance can be provided equivalent to the lesser of:

- 50 per cent of eligible work costs, that is, expenses incurred to restore or conserve architecturally significant elements of the building or structure, to extend its effective life, and/or to ensure its structural integrity.
- The total property taxes that would otherwise be payable in the 10 years immediately following the approval of the tax exemption by City Council

Cosmetic improvements, regular maintenance and new additions are not eligible for assistance.

The amount of the property tax exemption, including calculation of any percentage or portion, is determined by the City Assessor. The amount will only apply to the portion of the property containing the building structure or landscape with heritage value pursuant to Section 11 (1) of *The Heritage Property Act*.

DISCUSSION

City Council approved *Bylaw No. 2018-25* (Appendix B), which designated the property as a Municipal Heritage Property on June 25, 2018.

The property has a historic value associated with the experience of a family of the Chinese-Canadian immigrant community. It was built as the family home of Hoe Kwan (Howe) Louis (circa 1902-1966). Howe Louis was a Chinese-Canadian entrepreneur and among his many business interests, he operated a successful shoe store and later opened the Oriental Gardens, the only nightclub that operated in Regina during the Second World War. The residence is the witness of the experiences of early Chinese-Canadians who worked hard and succeeded to build a better life for themselves and their families despite significant prejudice prevalent during that time.

As a masterpiece of the world war period in the prairies, the property displays a unique architectural style of an attractive storybook cottage with a jerkinhead side-gabled roof, a shed-roofed front wall dormer and a projecting front entry with steeply pitched gable roof and a rounded entry arch. Architectural details include eave brackets, window aprons and multipaned window assemblies. Early in its history, the house was extended to the rear, and an internal garage was added. The garage is evidence of the growing presence of automobiles in domestic life of the 1930s.

Conservation Work

The owner plans to undergo specific conservation work on the building as detailed in the Conservation Plan attached as Appendix C-1. The proposed conservation work includes:

- Retaining of historic stucco
- Replacement of storm windows and door
- Rehabilitation of fenestration
- Replacement of side doors
- Repair of roof and replace roofing material

The Administration has determined that all the above proposed work is eligible for assistance under the policy as this work is required to conserve the character-defining elements of the building's exterior.

Tax Exemption

The applicant submitted quotations to the amount of \$142,060 for the work to be done on the property.

The Program provides a tax exemption equal to 50 per cent of the eligible costs for the work described in the Conservation Plan, Appendix C-1 or an amount equal to 10 years of property taxes whichever is the lesser. The actual value of tax exemption will be based on the invoices submitted for the work done.

Based on the cost estimates and financial assistance criteria in the Heritage Building Rehabilitation Program, the Administration has determined the owner of Louise Residence is eligible for an exemption of 10 years of property tax.

RECOMMENDATION IMPLICATIONS

Financial Implications

Section 262(4) of *The Cities Act* limits the term of a tax exemption agreement to not more than five years. However, Section 28(a) of *The Heritage Property Act* enables City Council to provide tax relief to any person, organization, agency, association or institution with respect to heritage property notwithstanding any provisions of *The Cities Act*. The Heritage Building Rehabilitation Program approved by City Council in August 2014 established a tax exemption for a maximum of 10 years.

Financial assistance can be provided through a tax exemption equivalent to the lesser of:

- Fifty per cent of eligible work costs which is \$71,030 (\$142,060 Eligible Costs x 50%);
or
- The total property taxes that would otherwise be payable in the 10 years immediately following the approval of the tax exemption by City Council which is estimated at \$63,563.60 inflated by three per cent a year over the next 10 years. This amount is based on 2019's property taxes of \$5,383.21 (Municipal portion: \$3,113.01; Education portion: \$1,988.84; Library portion: \$281.36)

Given the analysis above, the recommended financial assistance is a 10 year property tax exemption valued at approximately \$63,563.60.

Environmental Implications

The conservation work proposed will ensure the building continues to be used and maintained. The work will protect the character defining elements of the building and improve the structural integrity of the building.

Policy and/or Strategic Implications

Conservation of 1431 Victoria Avenue meets the following policies of *Design Regina: The Official Community Plan Bylaw No. 2013-48*:

Section D5: Land Use and Built Environment

Goal 6 - Built Form and Urban Design

- 7.38 Consider impacts of alterations, development, and/or public realm improvements on or adjacent to an historic place to ensure its heritage value is conserved.

Section D8: Culture

Goal 1 – Support Cultural Development and Cultural Heritage

- 10.1 Build partnerships and work collaboratively with community groups, other levels of government, and the private and voluntary sectors to encourage cultural development opportunities and conserve historic places.
- 10.3 Identify, evaluate, conserve and protect cultural heritage, historic places, and cultural resources, including but not limited to public art identified on Map 8 – Cultural Resources, to reinforce a sense of place.
- 10.4 Protect, conserve and maintain historic places in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada* and any other guidelines adopted by City Council.
- 10.5 Encourage owners to protect historic places through good stewardship and voluntarily designating their property for listing on the Heritage Property Register.
- 10.11 Leverage and expand funding, financial incentive programs and other means of support to advance cultural development, cultural resources and conservation of historic places.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

The Ministry of Government Relations, Regina Roman Catholic School Division and Regina Public Library will be provided with a copy of this report and will be advised of Council's decision.

Heritage Regina and Architectural Heritage Society of Saskatchewan will receive a copy of this report for information

DELEGATED AUTHORITY

Applications for assistance under the Heritage Building Rehabilitation Program must be approved by City Council.

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

11/21/2019

Respectfully submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

11/27/2019

Report prepared by: Femi Adegeye, Senior City Planner