

Heritage Building Rehabilitation Program 2915 14th Avenue - Mayfair Apartment

Date	June 10, 2020
To	Finance and Administration Committee
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	FA20-10

RECOMMENDATION

The Finance and Administration Committee recommends that City Council:

1. Approve a Tax Exemption for the property known as Mayfair Apartments, located on Lot 41 Block 437 and Plan 98RA28311, addressed at 2915 14th Avenue (as shown in Appendix A), in an amount equal to the lesser of:
 - a) 50 per cent of eligible costs for the work described in Appendix C-2; or
 - b) An amount equivalent to the total property taxes payable for 10 years

2. Direct the City Solicitor to prepare the necessary bylaw and agreement with the following conditions:
 - a) That the property possesses and retains its formal designation as a Municipal Heritage Property in accordance with *The Heritage Property Act*.
 - b) That the property owner submits detailed written documentation of payments made for the actual costs incurred (i.e. itemized invoices and receipts) in the completion of the identified conservation work. 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. The City of Regina may decline to approve any cost overrun, or portion thereof, if considered not to be reasonably or necessarily incurred for eligible work.
 - c) That work completed and invoices submitted by September 30 each year, would be eligible for the Tax Exemption for up to 50 per cent of the cost of approved work.
 - d) 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).

3. Authorize the Executive Director of City Planning & Community Development or designate 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.
4. Approve these recommendations at its meeting on June 24, 2020.

ISSUE

The applicant Nicor Developments Inc., on behalf of the owner 102061361 Saskatchewan Ltd., has requested a property tax exemption under the Heritage Building Rehabilitation Program to assist in recovering costs associated with conserving the building.

The proposed conservation work will ensure the continued existence of a designated Municipal Heritage Property.

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.

IMPACTS

Financial Impacts

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 Incentive Policy 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 \$416,523.65 (\$833,047.30 Eligible Costs x 50 per cent); 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 \$160,915.61 inflated by three per cent a year over the next 10 years. This amount is based on 2020's property taxes of \$13,614.50 (Municipal portion: \$8,100.20; Education portion: \$4,515.51; Library portion: \$732.13)

Given the analysis above, the recommended financial assistance is a 10-year property tax exemption valued at approximately \$160,915.61.

Environmental Impacts

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 Impacts

Conservation of the Mayfair Apartments meets the following policies outlined in Part A 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: Build a beautiful Regina through quality design of its neighbourhoods, public spaces and buildings.

- 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: Enhance quality of life and strengthen community identity and cohesion through supporting 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.
- 10.4 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.

The proposal is also consistent with the vision and objectives of *Regina's Cultural Plan* respecting:

Goal 7.3 – Commemorate and Celebrate the City's Cultural Heritage

Objectives:

- Demonstrate Leadership through the Management of the Heritage Conservation Program.
- Conserve Cultural Heritage Resources.
- Ensure New Development contributes to Sense of Place.

There are no accessibility, risk/legal, or other impacts.

OTHER OPTIONS

The other option would be not to approve the exemption.

COMMUNICATIONS

The Library Board will be provided with a copy of this report and will be advised of City Council's decision.

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

DISCUSSION

Bylaw No. 10077 (Appendix B) which designated the property at 2915 14th Avenue as a Municipal Heritage Property was approved by City Council on February 22, 1999.

Completed in 1929, the Mayfair Apartments building was constructed on the former site of the 14th Avenue Methodist Church. The building was designed by the local architectural firm Van Egmond and Storey; and constructed by Smith Bros. and Wilson at an estimated cost of \$100,000. It was one of the two apartment buildings constructed for Provincial Apartments Ltd., in response to the decision by General Motor of Canada to build an automotive assembly plant in Regina and in anticipation of significant relocation to Regina of workers associated with that industry.

Local companies exclusively supplied local materials, equipment and services for the building's construction. The exterior design and decoration of the building is an excellent, albeit late example of the Chateau style. It represents the most elaborate and consistent local application of that style built during the latter half of the 1920s. This style was more commonly applied to railway hotels and some public buildings, erected in Canada prior to the Second World War.

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 proposal is to rehabilitate the building with some aspect of restoration and preservation. The proposed conservation work has been organized under following categories:

1. Plumbing System Upgrade
2. Northeast Corner Fire Damage Remediation
3. Electrical Service and Distribution Upgrade
4. Heating System Upgrade
5. Roof Surface Replacement
6. Exterior Wood Window & Trim Painting
7. New Wood Storm Sash
8. Masonry Repointing

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 which estimated the total cost of repairs at **\$833,047.30**.

The Program provides a tax exemption equal to 50 per cent of the eligible costs for the work described in 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 Mayfair Apartments is eligible for an exemption of 10 years of property tax.

DECISION HISTORY

The Mayfair Apartments building received a total Heritage property tax exemption of \$53,802.17 between 2001 and 2005 under Bylaw 10242.

The recommendations contained in the report require City Council approval.

Respectfully Submitted,

Respectfully Submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services



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

Prepared by: Aastha Shrestha, City Planner II

ATTACHMENTS

- Appendix A-1 - Map
- Appendix A-2 - Context Map
- Appendix B - Designation Bylaw 10077

Appendix C-1 - Conservation Plan
Appendix C-2 - Costs