

June 5, 2018

To: Members
Finance & Administration Committee

Re: Heritage Building Rehabilitation Program (18-HBRP-02) 10-1651 Anson Road – St.
Chad's Chapel and College

RECOMMENDATION

1. That a Tax Exemption for Unit 10, Condo Plan No, 102015762, addressed at 10-1651 Anson Road be approved in an amount equal to the lesser of:
 - a) 50 per cent of eligible costs for the work completed on Unit 10 and the common property of Unit 10 as described in the conservation plan in Appendix B; or
 - b) An amount equal to the total property taxes payable on Unit 10 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 a Provincial Heritage Property in accordance with *The Heritage Property Act*.
 - b) The Unit 10 property owner shall submit 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 as described in Appendix B. In the event the actual costs exceed corresponding estimates by more than 10 per cent the property owner shall provide full particulars as to the reason(s) for 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 an exemption the following year for 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 restoration covenant and property tax exemption as detailed in this report.
4. That the Executive Director of City Planning and Development or designate be authorized under the tax exemption agreement to make all determinations regarding reimbursements of the costs incurred for work done to the property based on the City's Heritage Building Rehabilitation Program and the Conservation Plan for the property (Appendix B to this report).
5. That the Executive Director of City Planning and 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 exemption.

6. That this report be forwarded to the June 25, 2018 meeting of City Council for approval.

CONCLUSION

The owner of Unit 10 of the Provincial Heritage Property known as St. Chad's Chapel and College at 10-1651 Anson Road 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 this historic place. 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 property owners and the City will be prepared to secure the City's interests in ensuring the building is properly conserved and maintained.

BACKGROUND

The Government of Saskatchewan has recognized the property at 1651 Anson Road, which is a portion of the Anglican Diocese of Qu'Appelle lands, as Provincial Heritage Property on February 11, 1980.

The Heritage Incentive Policy was approved by City Council on August 24, 2014 (CR14-100). It replaced the Municipal Incentive Policy for the Preservation of Heritage Properties, which was initially adopted in 1991 and amended in 2001. Under the Heritage Incentive Policy the designated properties eligible for assistance include Municipal Heritage Properties, Provincial Heritage Properties, and properties within the Victoria Park Heritage Conservation District.

The types of work that may be eligible for assistance are:

- a) Professional architectural or engineering services.
- b) Façade improvements including conservation of original building elements, cleaning of surfaces and removal of unsympathetic materials.
- c) Structural stabilization.
- d) 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.
- e) Improvements to energy efficiency (i.e. windows, insulation).
- f) Conservation of significant or rare character-defining interiors or interior elements.

Financial assistance can be provided equivalent to the lesser of:

- a) Fifty per cent of eligible work costs, that is, expenses incurred to restore or preserve architecturally significant elements of the building or structure, to extend its effective life, and/or to ensure its structural integrity; or
- b) 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*.

In general, property tax exemptions are initiated in the fiscal year following City Council's approval and are based on the actual value of the completed approved work items. It is noted that no abatement of outstanding or current taxes are eligible for the tax exemption.

DISCUSSION

The Diocese of Qu'Appelle is a Provincial Heritage Property occupying an 8.142 hectare parcel of land at the southeast corner of College Avenue and Broad Street. The designated property includes the grounds and five red brick Collegiate Gothic style buildings. The heritage value of the Diocese of Qu'Appelle property lies with its association with the Anglican Church and its educational, administrative and missionary activities in southern Saskatchewan. In 1913-14 St. Chad's Chapel and College was constructed on the property to be a theological school for training young men in the ministry.

The architects involved in the Diocese of Qu'Appelle property are also important to the heritage value of St. Chad's Chapel and College. Three firms were involved in the design and construction of all of the buildings on the property: Brown and Vallance from Montreal, Storey and Van Egmond from Regina and Francis Portnall from Regina. Brown and Vallance were the architects of the St. Chad's Chapel and College building. The building displays elements of the Collegiate Gothic style of architecture which became popular in Canada in the early 20th century and is evidenced in long, low asymmetrical massing, the use of a uniform dark-coloured brick trimmed with stone or terra cotta, Gothic windows with pointed arches, crenellated towers and picturesque roofscapes and representational sculptural elements.

Further heritage value lies in the layout and landscaping of the grounds which was guided by prominent English landscape architects, Thomas Mawson and Sons. Mawson's 1914 plan was influenced by the City Beautiful movement which emphasized that grand buildings should be sited so as to become the terminal of vistas. The tower of St. Chad's terminates the end of Halifax Street. The plan was also included gardens, winding pathways, a copse (grove) and common, a maze, formal drive in front of the Bishop's Residence and a lych gate (roofed gateway entrance).

Conservation Work

The portion of the building (Unit 10) and the site that will be redeveloped is shown in Appendix A-1. The Unit 10 owner plans to undertake specific conservation work on Unit 10 and the common property related to Unit 10 as detailed in the Conservation Plan attached as Appendix B. Conservation work, which would be eligible for assistance would include in general, the following elements:

- Repair of terracotta components on archways, horizontal bands and other decorative features. Work includes cleaning, crack repair, spall repair, surface repair and glazing. Mortar will be repaired or replaced as necessary.
- Repair of brick face. This includes removal and repair of pushed bricks and repointing of mortar as necessary to prevent further moisture degradation.
- Cleaning and repair of existing wood shingles, including gentle removal of moss growth. Wood shingles would be replaced within five to 10 years to increase the longevity of the roof.
- Repair and replacement of St. Chad's Chapel windows and frames to their original state and rehabilitation of the west Chapel entry door as necessary.
- Rehabilitation of windows on the College building in accordance with Standards and Guidelines.
- Structural stabilization of foundation.

The Administration has determined that all of 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.

As a designated Provincial Heritage Property the Provincial Ministry of Parks, Culture and Sport will be responsible for review of a Provincial Heritage Property Alteration permit. The City's role in the evaluation of changes to the building is through issuance of a Development Permit, which will be required to conform to the DCD9 – Former Diocese of Qu'Appelle Lands Direct Control District and the Architectural Control Overlay Zone (AC1), which were designed to recognize the importance of heritage buildings in the neighbourhood. Furthermore, the City will ensure that the work that is being incentivized is being done in accordance with the Conservation Plan, which will be attached to the incentive agreement. The Ministry of Parks, Culture and Sport is also accepting of the City's role in the adoption of the Conservation Plan, and will use this plan as a reference to evaluate Heritage Property Alteration permits.

Tax Exemption

According to the Heritage Incentive Policy, the application must include financial evidence indicating why the tax exemption is required. The Conservation Plan (Appendix B) details the work to be done and provides approximate costs associated with the required conservation work.

Based on the cost estimates and financial assistance criteria in the Heritage Building Rehabilitation Program, the Administration has determined the Unit 10 owner of the St. Chad's Chapel and College Building 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 Incentive Policy approved by City Council in August 2014 established a tax exemption for a maximum of 10 years.

The value of the work to be done will qualify for a tax exemption equal to 50 per cent of the value of the approved work. The Administration estimates that 10 years of property tax exemption for unit 10 based on a three per cent increase year over year would be approximately \$480,459.02. The estimated cost of the work as stated in the Conservation Plan is \$3,190,253.20. Fifty per cent of the estimated cost of the work would be \$1,595,126.60. This adheres to the Heritage Building Rehabilitation Program approved by City Council on August 24, 2014.

The annual property exemption based on estimated 2018 figures is estimated to be \$40,690 which is distributed as follows:

- Municipal portion: \$24,026.
- Education portion: \$14,440.
- Library portion: \$2,225.

The final value of the tax exemption provided by the City will be based on receipt submissions for actual work completed and annual property tax increases.

The education portion of the taxes is subject to *The Education Property Tax Act*. This Act came into effect January 1, 2018. *The Education Property Tax Act* specifies that any exemption of education property taxes that is \$25,000 or greater in any given year, must be approved by the Government. Under this legislation, only municipalities can apply on behalf of property owners for the exemption of the education portion of the taxes. If City Council approves this application, Administration will apply to the Government on behalf of this property owner if the education portion is \$25,000 or greater.

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 St. Chad's Chapel and College meets the following policies outline 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 *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.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

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.

DELEGATED AUTHORITY

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

Respectfully submitted,



Louise Folk, Director
Development Services

Respectfully submitted,



Diana Hawryluk, Executive Director
City Planning & Development

Report prepared by:
Ben Mario, Senior City Planner