



Heritage Building Rehabilitation Program - 1839 - 51 Scarth Street

Date	February 23, 2022
To	Executive Committee
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	EX22-15

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve a tax exemption for the property known as the Willoughby & Duncan Building, located on Plan: 101890739 Units #1-22 (Parcel #161609070), addressed at 1839 - 51 Scarth Street, in an amount equal to the lesser of:
 - a) 50 per cent of eligible costs for the work described in Appendix C; or
 - b) An amount equivalent to the total property taxes payable for 10 years.
2. Instruct the City Solicitor to prepare the necessary bylaw and agreement with the following conditions to be brought forward to a future Council date once the agreement has been signed by the property owners:
 - 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 tax exemption starting the following year of 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 D to this report).
3. Authorize the City Clerk to execute the agreement on behalf of the City after the bylaw authorizing the agreements has been passed.
 4. 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.
 5. Approve these recommendations at its meeting on March 2, 2022.

ISSUE

The applicant, Nicor Developments Inc., on behalf of the unit owners and the Willoughby Condominium Corporation, 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.

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 \$27,120.63 (\$54,241.26 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 \$641,378.33 inflated by three per cent a year over the next 10 years. This amount is based on 2021's property taxes of \$54,318.21 (Municipal portion: \$33,404.27; Education portion: \$17,906.37; Library portion: \$3,007.57)

Given the analysis above, the recommended financial assistance is 50 per cent of eligible work costs, which is \$27,120.63.

Environmental Impacts

City Council set a community goal for the city of Regina of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this goal, City Council asked Administration to provide energy and greenhouse gas implications of recommendations so that Council can evaluate the climate impacts of its decisions.

Restoring and preserving heritage buildings can prevent greenhouse gas (GHG) emissions resulting from demolition of the existing structure and construction of a new building. For example, the retention of an existing building prevents the generation of construction waste and demolition waste that would have been disposed at the landfill. Some of the materials disposed at the landfill would also generate GHG gas emissions.

Policy Impacts

Conservation of the Willoughby & Duncan Building meets the following policies outlined in Part A of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*:

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 is no accessibility, risk/legal, or other impacts.

OTHER OPTIONS

If Council determines that the property does not require the funding for conservation, Council may reject the application and provide reasons for the decision.

COMMUNICATIONS

The property owners and Heritage Regina have received a copy of this report for information.

DISCUSSION

City Council approved Bylaw No. 10081 (Appendix E), designating 1839 - 51 Scarth Street as a Municipal Heritage Property, on March 8, 1999. The Willoughby and Duncan Building is located within the Victoria Park Heritage Conservation District and was first designated as part of the District. At the owners' request, that designation was removed, and Municipal Heritage Property status was granted so that the property could be eligible for incentives.

Municipal Heritage Property status also means the property's character defining elements are

specifically identified in its own bylaw.

The building was designed by F. Chapman Clemesha in 1909. Originally designed in the Chateau style with decorative end pavilions, the façade was “modernized” in the post Second World War era. Benefiting from a comprehensive façade enhancement program undertaken between 1994 and 1996, the building makes a significant contribution to the heritage character of the Frederick W. Hill Mall.

The heritage value of the property also lies in the building’s association with Charles H. Willoughby, William H. Duncan, and Dr. Frances G. McGill. The building was constructed for Messrs. Willoughby & Duncan, successful businessmen and the founder of the Beaver Lumber Company. The pair maintained an office for their contracting firm on the property until 1922. Dr. Frances G. McGill resided on the second floor of the building in apartment 206 from 1918 – 1930. She was a noted pathologist and bacteriologist, director of the provincial laboratory for 20 years, and the first woman to be recognized as a member of the Royal Canadian Mounted Police.

Conservation Work and Eligible Costs

The owner plans to undergo specific conservation work on the building as detailed in the Conservation Plan attached as Appendix D. Under the Standard and Guidelines, the work proposed for the Willoughby & Duncan Building includes aspects of rehabilitation and preservation. The proposed work includes following:

- Exterior Trim Preparation
- Installation of blue skin seal on bricks
- Preparation of Engineering report and documentation

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.

The Willoughby & Duncan Building was previously approved for tax exemptions from 1999 to 2006, and 2009 to 2013. Approval of an additional tax exemption ensures continued conservation of an important heritage building in the downtown. This incentive leverages the investment of the building owner and may also result in increased property taxes over time.

DECISION HISTORY

On August 25, 2014, City Council adopted the Heritage Building Rehabilitation Program, attached as Appendix F of this report (CR 14-100). The Heritage Incentive Policy approved through this program allows the City to provide a tax exemption for eligible conservation work performed for the maintenance of a Municipal Heritage Designated Property. The conservation work must be performed in accordance with *the Standards and Guidelines for the Conservation of Historic Places*

in Canada.

- Bylaw 10097 amended by Bylaw 2001 - 95 (Appendix G), was approved by the Council under the Preservation of Heritage Properties Policy in 1999 and 2001, for a tax exemption of \$236,204.92 in total for the property between 1999 – 2006. The work approved under this exemption was to cover the cost of:
 - Repairs carried out on floor 2 and 4 (fire blocking, soundproofing, lights)
 - Plumbing, Heating, and Air Conditioning
 - Electrical Main service
 - Sprinklers
 - Elevator upgrade
 - Upgrade of fire barrier
 - Permits
 - Architectural fee

- Bylaw 2009 - 19 (Appendix H) was approved by the Council under the Downtown Residential Incentives Policy (DRIP) program for a tax exemption of \$164,768.72 for the property between 2009 – 2013.

Respectfully submitted,

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Laurie Shalley, Director, Parks, Recreation & Cultural Services

2/5/2022



Aurora Dawson, A/Executive Director

2/9/2022

Prepared by: Aastha Shrestha, City Planner II

ATTACHMENTS

- Appendix A - Context Map
- Appendix B - Location Map
- Appendix C - Cost
- Appendix D - Conservation Plan
- Appendix E - Bylaw 10081
- Appendix F - CR14-100
- Appendix G - Bylaw No. 10097
- Appendix H - Bylaw No. 2009 - 19