



Heritage Building Rehabilitation Program - 2201 11th Avenue

Date	February 23, 2022
To	Executive Committee
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	EX22-16

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve a tax exemption for the property known as the Canada Life Assurance building, located on Plan: 00RA12095 Block: 308 Lot: 41, addressed at 2201 11th Avenue, 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 ten 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 Provincial 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 agreement 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 property owner, 2201 11th Avenue Properties 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 Provincial 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 \$328,026.82 (\$ 656,053.63 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 the City Council is estimated at \$ 1,148,406.89 inflated by three per cent a year over the next 10 years. This amount is based on 2022's property taxes estimation of \$ 110,438.02 (Municipal portion: \$ 66,289.12; Education portion: \$ 38,182.37; Library portion: \$5,966.54)

Given the analysis above, the recommended financial assistance is 50 per cent of eligible work costs which is valued at approximately \$ 328,026.82. Since the exemption value is more than \$200,000, the applicant has submitted a development pro forma that provides detailed costs, budget, and cash flow.

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 emissions.

Policy Impacts

Conservation of the Canada Life Assurance building meets the following policies outlined in Part A of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*:

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.

10.6 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 decides 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. The property owners and interested parties will receive written notice of City Council's decisions.

DISCUSSION

Designation Order attached as Appendix E, designating 2201 11th Avenue as a Provincial Heritage property was approved on April 5, 1978. The heritage value of the Canada Life Assurance Building lies in its association with the insurance industry in Saskatchewan. From 1914 to 1947, the building served as the Saskatchewan headquarters for the Ontario-based Canada Life Assurance Company. In 1946 Saskatchewan Government Insurance Office (SGIO), the first government owned insurance company in Canada, established their head office in the building. SGIO purchased the building in 1947 and maintained their head office in the building until 1979.

The heritage value of the building also resides in its architecture. The second tallest building in Regina at the time of its construction in 1914, the Canada Life Assurance Building projected prosperity, prestige and stability, images desired by the insurance industry. Featuring an ornate white terracotta façade, the building was designed by the prominent Montreal architectural firm of

Brown and Vallance in the Gothic Revival style with influences from the Chicago School. The most substantial representative of the style in Saskatchewan, the building is very similar to two other structures designed by Brown and Vallance during the period, the Canada Life Assurance Building (Hollingsworth Building) in Calgary, and the Whalen Building in Thunder Bay.

Conservation Work and Eligible Costs

Under the Standards and Guidelines, the work proposed for the Canada Life Assurance Building includes aspects of preservation, rehabilitation, and restoration. The general conservation strategy for the Canada Life Assurance Building is to restore and preserve as much of the original building as possible. As many of the areas have already been modified, it is important to maintain the heritage elements that remain.

Phase 1: Currently Critical & Recommended

- Stair Restoration
- Window Painting (or Partial Replacement)
- Roof Maintenance

Phase 2: Potentially Critical - Should Be Monitored

- Terra Cotta Cleaning, Review, and Maintenance
- Existing Mechanical and Electrical Systems
- Review of Window Condition if not Replaced in Phase 1

Phase 3: Not Critical Yet - Should Be Monitored

- Masonry Review and Potential Repairs
- Potential Roof replacement

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 requested incentive is to cover the work specified under Phase 1, excluding the roof maintenance. The applicant has also requested to cover the cost for the Boiler replacement in this phase, which was originally a part of Phase 2, Existing Mechanical and Electrical Systems.

DECISION HISTORY

On August 25, 2014, City Council adopted the Heritage Building Rehabilitation Program attached as Appendix F of this report (CR14-100). The Heritage Incentive Policy approved through this program allows the City to provide tax exemption for eligible conservation work performed for the

maintenance of a Designated Property. The conservation work must be performed in accordance with *the Standards and Guidelines for the Conservation of Historic Places in Canada*.

Respectfully submitted,

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

2/5/2022



Autumn Dawson, A/Executive Director

2/8/2022

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 - Designation Order
- Appendix F - CR14-100