

June 7, 2016

To: Members,  
Finance and Administration Committee

Re: Heritage Building Rehabilitation Program (16-HBRP-01)  
Application for Property Tax Exemption - Knox-Metropolitan United Church  
1978 Lorne Street

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RECOMMENDATION

1. That a cash grant for the property known as Knox-Metropolitan United Church located at 1978 Lorne Street be approved in an amount equal to the lesser of:
  - a) 50 per cent of eligible costs for the work described in Appendix C; or
  - b) \$30,000.
2. That the provision of the cash grant be subject to a grant 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 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 C. In the event the 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 any cost overrun. 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) That the work completed and invoices submitted by October 31, 2016 would be eligible for the cash grant 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 cash grant as detailed in this report.
4. That this report be forwarded to the June 27, 2016 meeting of City Council for approval.

CONCLUSION

The owner of the Municipal Heritage Property known as the Knox-Metropolitan United Church at 1978 Lorne Street has requested a cash grant to assist in recovering costs associated with conserving the character-defining elements of the building.

The proposed conservation work will ensure the continued existence of a designated Municipal Heritage Property that is of historic, architectural and spiritual value, and a prominent landmark in the Victoria Park Heritage Conservation District. The cash grant provided under the Heritage Building Rehabilitation Program has made it feasible for the property owner to conserve this significant heritage building. Under most circumstances, a property tax exemption is provided under the program. In some cases, properties are exempt from paying property taxes (e.g. churches) therefore the policy allows a cash grant as an incentive for conservation.

The Administration has determined that the conservation work proposed is eligible for assistance under the Heritage Building Rehabilitation Program. A cash grant agreement between the property owner and the City will be prepared to secure the City's interests in ensuring the building is properly conserved and maintained. The work will involve the conservation of the exterior masonry walls, which are considered to be a key character-defining element of the building.

## 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 unsympathetic materials.
- 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.
- Subject to the availability of funds, a cash grant of up to \$50,000 may be provided for tax exempt properties but limited to a maximum of 50 per cent of eligible conservation work costs.

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

The amount of the cash grant, 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, cash grants can be provided in the same fiscal year as City Council's approval of assistance and completion of all approved work items, in accordance with any performance guidelines and/or time schedules that may be negotiated between the City and the property owner.

## DISCUSSION

City Council approved *Bylaw No. 8227* (Appendix B) which designated the property as Municipal Heritage Property on April 14, 1986. The Knox-Metropolitan United Church was the home to two of Regina's oldest congregations, the Metropolitan Methodist congregation and the

Knox Presbyterian congregation. These congregations were separately formed in 1882, the year of Regina's founding, but merged in 1951 under the banner of the United Church. Today the Knox-Metropolitan United Church remains the largest United Church in the city, drawing worshippers from across the city.

The heritage value of Knox-Metropolitan United Church also lies in its Gothic-and-Norman-style architecture. Originally constructed in 1906, the design was a product of the well-known Toronto and Winnipeg architectural firm Darling and Pearson.

In 1912, the 1200-seat structure was largely destroyed by a devastating tornado but was rebuilt within a year to the specifications of James H. Puntin. In 1927, a peal of twelve bells, known as the Francis Darke Memorial Chimes, were installed in the tower. These chimes, weighing a total of fifteen tonnes, constitute the only hand-rung set of their type in the city.

The heritage value of the church also resides in its contribution to the prominent and historic streetscape that borders Victoria Park. Centered within the downtown core, the Knox-Metropolitan United Church is a major focal point within the city.

The architectural value of the church is illustrated by such elements as its common bond, pressed red-brick exterior with sandstone trim, crenellated bell tower with louvres and peal of twelve bells.

### Conservation Work

The owner plans to undertake specific conservation work on the exterior of the Church as detailed in the Conservation Plan attached as Appendix C. The conservation work proposed includes:

- Selective repointing of areas noted on all faces at the top of the bell tower stopping at the string course located below the louvers.
- Selected repair and repointing within the area covered by the scaffolding and the area accessible from ground level such as a large, previously patched area on the south façade.
- Removal of inappropriate mortar, sealants, parging and poorly installed repairs.
- Removal of lime runs and organic staining to prevent further deterioration of the stone.
- Cleaning of the drip edge where it has ceased to function.
- While it is not anticipated that there will be a requirement to replace any of the Indiana Limestone, this will be confirmed once the scaffolding is in place so that a detailed examination of the stone condition can take place.

### Eligible Costs

The Administration received two estimates for the cost of the conservation work described above. The estimates are for \$275,000.00 and \$235,600. The estimates are used for comparative purposes. Based on the cost estimates and financial assistance criteria in the Heritage Building Rehabilitation Program, the Administration has determined the owners of the Church are eligible for a \$30,000 cash grant. Third-party funding of a \$30,000 cash grant will also be provided by the Saskatchewan Heritage Foundation.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

Section 28(a) of *The Heritage Property Act* enables City Council to provide grants to any person, organization, agency, association or institution with respect to a heritage property. The Heritage Incentive Policy approved by City Council on August 25, 2014 established a cash grant to a maximum of \$50,000. This policy replaced the *Municipal Incentive Policy for the Preservation of Heritage Properties*, which was initially adopted in 1991 and amended in 2001.

The financial assistance criteria in the Heritage Incentive Policy requires that the value of the cash grant be less than 50 per cent of the estimated total project cost. The estimated total cost of the approved work is estimated at \$275,000. Therefore, the value of the work to be done would qualify for a cash grant to a maximum of \$50,000. However, only \$30,000 is available under the Heritage Building Rehabilitation Program in 2016. As such, the Administration recommends that a \$30,000 grant be approved by Council.

The 2016 Operating Budget included \$30,000 for cash grants allocated to the Heritage Building Rehabilitation Program in the Community Investments account. The Administration does not anticipate any other applications for cash grants prior to the start of this year's construction season and supports full expenditure of these funds in 2016. The final value of the cash grant provided will be based on receipts submitted for actual work completed.

### 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 will contribute to its improved structural integrity and energy efficiency.

### Policy and/or Strategic Implications

Conservation of the Church meets the following policies of the Official Community Plan:

- Consider impacts of alterations, development, and/or public realm improvements on or adjacent to a historic place to ensure heritage value is conserved.
- 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.
- Consider cultural development, cultural resources and the impact on historic places in all areas of municipal planning and decision-making.
- Protect, conserve and maintain Historic Places in accordance with the "Standards and Guidelines for Historic Places in Canada" and any other guidelines adopted by City Council.
- Encourage owners to protect Historic Places through good stewardship.
- 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 City of Regina does not inform the Regina Public School Board, the Regina Catholic School Board or the Regina Public Library Board when providing a cash grant as it does not affect the taxes of these other taxing authorities.

Heritage Regina 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,

A handwritten signature in black ink, appearing to read "Louise Folk".

Louise Folk, Director  
Development Services

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Diana Hawryluk".

Diana Hawryluk, Executive Director  
City Planning & Development