Agenda – Executive Policy Committee – May 5, 2010

REPORTS

Item No. 5 Heritage Conservation Tax Credit – 15 Chester Street (former Sir Sam Steele School) (Elmwood-East Kildonan Ward) eFile G-3.1.5

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council :

    a. Approve a Heritage Conservation Tax Credit of up to a maximum of $61,000.00 to enable the owners to undertake conservation work on the former Sir Sam Steele School, 15 Chester Street, and to be utilized by the owner over a maximum ten-year period, following completion of the project, subject to the owner beginning the work on or before May 1, 2010 and completing on or before August 31, 2011;

    b. Require the owner to retain and preserve original and significant material as a condition of the Heritage Conservation Tax Credit;

    c. Approve the Heritage Investment Reserve as the source of funding;

    d. Approve the Heritage Conservation Tax Credit pending further approval by the City's Historical Buildings Committee on the exact means for rehabilitating the building as outlined in the applicant's Conservation Report; and;

    e. Require that no work may proceed without design/heritage approval and/or prior to the issuance of all relevant development permits.

2. That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of all agreements required to implement matters as directed by Council; and,

3. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

ISSUE: **TO CONSIDER A REQUEST FOR A HERITAGE CONSERVATION TAX CREDIT FOR 15 CHESTER STREET, THE FORMER SIR SAM STEELE SCHOOL**

Critical Path: Executive Policy Committee- Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Thorgrimson/ D. Himbeault	D. Joshi	M. Ruta	P. Sheegl Deputy CAO

RECOMMENDATIONS

1. That City Council :
   a. Approve a Heritage Conservation Tax Credit of up to a maximum of $61,000.00 to enable the owners to undertake conservation work on the former Sir Sam Steele School, 15 Chester Street, and to be utilized by the owner over a maximum ten-year period, following completion of the project, subject to the owner beginning the work on or before May 1, 2010 and completing on or before August 31, 2011;
   b. Require the owner to retain and preserve original and significant material as a condition of the Heritage Conservation Tax Credit;
   c. Approve the Heritage Investment Reserve as the source of funding;
   d. Approve the Heritage Conservation Tax Credit pending further approval by the City's Historical Buildings Committee on the exact means for rehabilitating the building as outlined in the applicant's Conservation Report; and;
   e. Require that no work may proceed without design/heritage approval and/or prior to the issuance of all relevant development permits.
2. That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of all agreements required to implement matters as directed by Council; and,
3. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required for all Heritage Tax Credits.

IMPLICATIONS OF THE RECOMMENDATIONS

- There are no regulatory, environmental or human resource implications.
- The Heritage Conservation Tax Credit (HCTC) as shown within the Financial Impact Statement can be accommodated within the Heritage Investment Reserve.
- The HCTC would be available for use by the applicant over a ten-year period (2012 -2021).
- Per Council policy, the incremental portion of the Municipal portion of the tax received from this project will be redirected to the Heritage Investment Reserve until the investment is repaid.

HISTORY

- Sir Sam Steele School was placed on the Buildings Conservation List on November 25, 1997, as a Grade III property by the Standing Policy Committee on Property and Development.
- In 2007, the Winnipeg School Division sold the school site to Habitat for Humanity Inc. The College of Immigrants Inc. has recently acquired the vacant school building and proposes to convert the building into a new commercial and educational facility.

The owner has applied for a Heritage Conservation Tax Credit to undertake exterior repairs and restoration work including stabilization of the foundations, replacing the roof and repair or replacement of some windows and doors. On the interior new plumbing lines, ceiling and wall repairs will be done. This occupancy will bring new life to this vacant and derelict building. The owner proposes to spend about $195,000.00 to rehabilitate the property of which $175,000.00 are eligible costs. The maximum the Heritage Conservation program could offer is 50% of eligible costs or $87,500.00 in tax credits. Assessment calculations indicate that the Municipal taxes on the property for the next 10 year period would be approximately $61,000.00. The Winnipeg Public Service thus recommends that a tax credit of $61,000.00 be approved.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 14, 2010

Project Name: **First Year of Program** **2012**

REQUEST FOR A HERITAGE CONSERVATION TAX CREDIT FOR 15 CHESTER STREET, THE FORMER SIR SAM STEELE SCHOOL

	2012	2013	2014	2015	2016 to 2030
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
			-		
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 6,100	$ 6,100	$ 6,100	$ 6,100	$ 36,600
Less: Incremental Revenue/Recovery	-	3,200	3,200	3,200	51,400
Net Cost/(Benefit)	$ 6,100	$ 2,900	$ 2,900	$ 2,900	$ (14,800)
Less: Existing Budget Amounts	6,100	2,900	2,900	2,900	(14,800)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs beginning in 2012 consist of tax credits in the amount of estimated municipal taxes after redevelopment, which are to be paid out from 2012 to 2021 from the Heritage Investment Reserve to a maximum of $61,000. Incremental revenues consist of incremental municipal taxes (i.e. $6,100 less "base year" municipal taxes), which are to be credited to the Heritage Investment Reserve from 2013 to 2030. "Base Year" municipal taxes are based on 2010's assessed value of $291,000, a portioning rate of 65% and a mill rate of 0.015295, all of which are assumed to remain constant. The net impact on the Reserve over the 19-year period will be nil.

"Original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this Report there was consultation with:

Assessment and Taxation Department

SUBMITTED BY

Department: Planning, Property and Development
Division: Planning and Land Use
Prepared by: Giles Bugailiskis
Date: April 22, 2010
File No. O:\Reports Directive\Planning and Land Use\Heritage\2010 Reports\HCTC Report re 15 Chester.doc

APPENDIX A

Application form

1.1 2.0 – BASIC DATA

2.1 Building name and address: Sir Sam Steele School [15 Chester Street]

Owner Information:
Name: **Rabiul Ahasan**
Corporation Name: College of Immigrants Inc.
Street: 15 Chester Street, Winnipeg, Manitoba, R2L 1W6
E-mail: rabi@shaw.ca
Telephone Number: 204-219-9068

Applicant Information:
Name: **Rabiul Ahasan**
Corporation Name: College of Immigrants Inc.
Street: 331 Hudson Street, Winnipeg, Manitoba, R3T 0P9
E-mail address: rabi@shaw.ca
Telephone Number: 204-219-9068, 204-509-6872

Legal Property Description: Lot -26, Plan-48173 WLTO
Certificate of Title Number: 2351369 (date: Feb 20, 2009)
Assessment Roll Number: 141-000-325-00
Heritage Designation: Grade III

2.2 Occupancy History:

It is vacant now. It was also vacant during the past few years when Habitat for Humanity owns it. Before Habitat, it was used as an elementary school run by the Winnipeg School Board (East Kildonan and Transcona Community). The building was zoned for PR2 (park and recreation) and considered as historical (heritage designation-III) building since 1977 (By-law 147/77).

3.0 CURRENT CONDITION ASSESSMENT:

The building is old and it was vacant for the last few years without maintenance. Presently roof is leaking from several places. The windows are broken, doors are useless, and all toilets, basin and sinks (plumbing) are out of work. The building is not rentable to any interested party and/or usable for an adult training centre (e.g., College of Immigrants)) in its current state of repair. However, there is no such outstanding orders remain from the City or Winnipeg or from other organization so far.

3.1 **Architectural/Exterior:** Picture attached

3.2 **Structural:** Drawings are provided from School Board.

3.3 **Mechanical:** The boiler (gas fired) is working now but the old one should be taken out with careful assessment of asbestos in it. Few radiators (steam circulated), pipes and accessories of air-conditioning system are old and pumps should be replaced. All toilets, basin, sinks and faucet (plumbing) are out of work (attached report from Derensken Plumbing).

3.1 Fire Protection: The Panel box is manufactured by Simens—Germany. The system is very old, circuit board and panels were checked by Bison Fire Protection (tel: 237-3473).

3.2 Building Heating System: Gas furnace, steam boiler, old heat exchangers

3.3 Ventilation and Cooling System: partially working

3.4 Plumbing: Most of the toilets are out of order. Some water pipes should be replaces by either copper or flex lines from crawling space (3-4 feet basement crawling height except boiler and adjacent room). There is no handicap excess to the men's toilet. Hand and mouth wash facility (sink and basin) should be installed in both men and women's wash rooms. The existing ones were built for kids.

3.4 Electrical: A few panels should be installed to separate electrical connects from the rentable sides (north side) to the training side (south: College of immigrants). Some new writing may necessary for exit lights and other inside sockets and plugs. Many of the sockets, boards and switches are old those should be changed also.

1.2 4.0 – ZONING/PROPOSED USES

4.1 Current Zoning: PR2

4.2 Proposed Uses [College of Immigrants—6000 sft, rentable—8000 sft plus common areas + parking]

1.2.1.1.1 Floor	*1.2.1.1.2*	Common Space (sft)	Office (sft)	**1.2.1.1.2.1.**	Resource/ Janitor's room	Gymnasium
2 Basement-20' high ceiling (boiler room, air conditioning pipes) Crawling space (underneath the floors)	1230 15000	Corridors: 900 + 900 = 1800 Boy's wash room (268) Girl's wash room (270)	2 office rooms 364 sft each	10 class rooms 24 x 34	200 + 150	33.5 x 77 + dressing room (8.5 x 18)
3 Main	1230	2338	728			2730
4 Second	0	0	0	0	0	0
5 Third	0	0	0	0	0	0
6 TOTAL	1230	2338	728	8160	350	3005

6.1 Important note: In addition to above please provide as follows:

6.2

6.3 Office/Retail space - estimated or asking net rent per square foot.

Space used by the College of Immigrants: 4000 sft plus common area (corridors + wash room)

Rental space: Gymnasium and six class rooms: 12000 sft plus common area (corridors + wash room)

Rent: $5/sft plus common area costs

Parking – Open Parking (asphalt) for approximately 40 cars is located in the back side of the School Building. For rental space, parking is included.

6.4 5.0 – PROPOSED SCOPE OF WORK

5.1 Architectural Specifications

5.1.1 Demolition: Few areas such as wall cabinets, coverings and other unnecessary things inside class rooms, and the obstructions hindering the easy handicap access into wash room.

5.1.2 Exterior Repair and Restoration: Roof should be fixed. Doors and windows should be replaced. Painting on the wooden frames (windows and sidings), staircases (concrete and wooden) should be repaired/fixed

- Terracotta/Brick/Stone: Not much except cementing in few places.
- Re-pointing: Not much except cementing in few places.
- Cornice: Not much except cementing in few places.
- Cleaning (as gentle as possible): Yes, its always important.

5.1.3 Foundation and Structure: As it is

5.1.4 Roof: Should be fixed by next year

5.1.5 New Addition: Separating boys and girls washroom including handicap access

5.1.6 Universal Accessibility: Needs to be planned from both from and back side of the School building.

5.1.7 Safety Issues: There is no sprinkler system but fire alarm (examined by Bison Fire), burglary and other safety issues (ProTelec Alarms) remain very important. Mr Bruce Anderson (Compliance officer, Fire Prevention Inspector, City of Winnipeg, tel: 204-986-6321) inspected the premises in June, 2009.

5.1.8 Windows: Most of the windows are too old, wooden frames are rotten, air stripper is gone and many of its glass pieces are either broken or out of setting from original placed attached to the wooden frames.

5.1.9 Doors: All exterior doors are too old those should be replaced immediately.

5.1.10 Floors: Vinyl (plastic) tiles are too old and most of those are gone. Some areas should be redone. Estimated from McDiarmid Lumber are attached.

5.1.11 Interior Walls: Needs painting after pasting with dry wall filler.

5.1.12 Ceiling: Should be replaced in 4 rooms and other areas already destroyed by water leakage.

5.1.13 Miscellaneous Specialties: Still unknown.

5.1.14 Elevators/Staircases: No elevators but handicap access should be installed in front and back side.

5.2 Mechanical Specifications

5.2.1 Heating: Old boiler should be removed.

5.2.2 Air Conditioning: Not working properly

5.2.3 Ventilation: Should be checked and installed property.

5.2.4 Controls: Should be checked for safety operating controls.

5.2.5 Plumbing: All toilets and sinks are out of work. It also needs handicap access.

5.2.6 Fire Protection: Old system exists.

5.3 Electrical Specifications

5.3.1 Main Distribution: A 0.40kv extension lines (heavy electrical wire) are drawn from the front side of the building. It looks ugly and very unsafe. Main lines should be redone underground from nearest sources.

5.3.2 Lighting: Most of the lights are florescent tubes but the basement are crawling space has tungsten bulbs.

5.3.3 Branch Power: It needs to be rechecked for further security and use.

5.3.4 Fire Alarm System: Manufactured by Simens-Germany (very old system)

5.3.5 Communication System: There are old cables drawn from the front of the building both from Shaw and MTS lines. These cable lines should be drawn underground.

5.3.6 Emergency Power System: The 12 volt batteries (backup for Fire Alarm) are too old.

5.3.7 Mechanical System: Needs further check.

6.5 6.0 – PROJECT SCHEDULE

6.6 Rehabilitation Starting Date (est.): As soon as possible

Rehabilitation Completion Date (est.): 30 July 2011

6.7 7.0 – COSTS (Tendered/Estimates)

You must provide a Class B estimate from a quantity surveyor or a qualified estimate from a construction manager for all materials and labour.

Eligible Costs:

Exterior Costs:	
Exterior walls/Masonry	$ 0
Foundation	$ 0
Structural Support	$ 0
Roof	$ 100,000
Addition	$ 0
Universal Accessibility	$ 0
Safety Issues	$ 5,000
Windows	$ 10,000
Exit Doors, etc.	$ 10,000
6.7.1.1.1.1 Interior Costs	
1.2 Doors	$ 1,000
1.3 Floors	$ 10,000
1.4 Interior Walls	$ 15,000
1.5 Ceilings	$ 10,000
Mechanical (plumbing)	$ 10,000
Electrical	$ 2,000
6.7.1.1.1.6 Elevator	$0
Staircase	$0
6.7.1.1.1.7 Professional Services, Fees, etc	1000
Architect, Engineer, Interior Designer	1,000
6.7.1.1.1.8 Total	$ 175,000

Note: Costs must be net of sales taxes (PST, GST), licence and permit fees, other governmental charges, insurance premiums, interest on indebtedness, professional fees other than those deemed eligible costs, project management fees, and other administrative costs.

Ineligible Costs:

6.7.1.1.1.9	Construction Management	
	Fees	$ 5000
	Site Costs	$ 5000
6.7.1.1.1.10	Miscellaneous	
l.11	Demolition Cleaning (repair parking lot)	$10,000
l.12	Development Costs (Permit, etc)	$200
l.13	Signage and Lighting	
l.14	Painting	
l.15	Flooring	
l.16	Sandblasting	
l.17	Interior Finishing	
l.18	Finishing Materials	
	Fixtures, sinks, toilets etc.	
6.7.1.1.1.19	Tenant Improvements	
Flooring, wallpaper, paint, light fixtures		
6.7.1.1.1.20	**Total**	**$195,000**
l.21	GST (5%)	
l.22	PST (7%)	
l.23		
7	Total	

8.0 – MAINTENANCE REPAIR STRATEGY

Please provide a brief description of the steps to be taken to ensure future upkeep and repair of the structure.

9.0 - DECLARATION

I certify that the above information is correct, complete and a full disclosure of the facts.

Rabiul Ahasan
c/o College of Immigrants

Name (print)

March 29, 2010

Date

_____ Signature

APPENDIX B

HERITAGE CONSERVATION TAX CREDIT

Building Address and Name	Work	Amount of Incentive	Status
300 Carlton St., Former Free Press Building	exterior restoration	$400,000	work complete
136 Market Avenue, Marshall Wells Building	interior upgrade	$3 million	work complete
311 Portage Ave., Portage Village Inn	interior upgrade	$835,000	work complete
146-164 Princess Street (Red River College)	downtown technical campus	$15 million	work complete
211 Bannatyne Avenue (formerly 476 Main Street, J.H. Ashdown Hardware Store	commercial offices, studios, and artists live / work spaces	$1.715 million	work complete
222 Broadway, Hotel Fort Garry	interior upgrade	$2.68 million	work complete
361 Hargrave Street, former Film Exchange Building	rehabilitation & construction of addition	$800,000	work complete
167 Lombard Avenue, Grain Exchange Building	rehabilitation & restoration	$765,000	work complete
228 Notre Dame, The Lindsay Building	rehabilitation and restoration	$110,000	work complete
283 Bannatyne Avenue, Travellers Building	conservation and rehabilitation work	$250,000	work complete
130-132 James Avenue, Victor Fox Foods Building	conservation and rehabilitation work	$250,000	applicant not proceeding
331 Smith Street, Ramada Marlborough Hotel	renovations and redevelopment	$405,300	work complete
275-281 McDermot Avenue, Bedford Building	conservation and rehabilitation work	$500,000	application expired
319 Elgin Avenue, Scott Fruit Company Wholesale	conservation and rehabilitation work	$140,000	work complete
234 Portage Avenue, Former Oldfield, Kirby, & Gardner Bldg.	conservation and rehabilitation work	$100,000	work complete
276 Portage Avenue, Former Birks Building	rehabilitation work	$320,000	work complete
110 Princess Street, Sterling Cloak Bldg. (Fairchild Bldg.)	conservation & rehabilitation work	$1,300,000	work complete
65 Rorie St./140 Bannatyne Ave., Northern Electric Bldg.	Phase I – 2-storey addition above existing heritage building	$1,900,000	work underway
332 Bannatyne Avenue, Henderson Bldg.	rehabilitation & conservation	$259,000	work complete
678 Main Street, former Dominion Bank Bldg.	rehabilitation & conservation	$110,000	work complete
352 Donald Street, Canada Bldg.	rehabilitation & conservation	$1,200,000	work pending
40 Osborne Street, Roslyn Court	Upgrading	$252,000	work complete

Building Address and Name	Work	Amount of Incentive	Status
Apts.			
250 McDermot Avenue, Merchant's Bldg.	rehabilitation and conservation	$585,000	work underway
54/70 Arthur Street, Silpit Bldg.	rehabilitation and conservation	$1,350,000	work underway
230 Princess Street, Frost and Wood Warehouse	Rehabilitation and conservation	$764,000	work underway
468 Main Street, former Baker Block	Rehabilitation and conservation	$86,000	work underway
104 King Street, Ryan Block	Rehabilitation & preservation of 2 principal façades	$880,000	work underway
500/504 Main Street, Union Bank Tower and Annex	Culinary Arts Program & student housing	$1,885,000	work underway
88 Adelaide St., Kelly House	Rehabilitation and conservation	$35,333	Work complete
15 Chester St., Sir Sam School	Rehabilitation and conservation		Application underway