Agenda – Council – May 19, 2010

Report – Executive Policy Committee – May 5, 2010

Item No. 4 Heritage Conservation Tax Credit – 119 Sutherland Avenue – The Manitoba Indigenous Cultural Education Centre Inc. (Mynarski Ward)
eFile G-3.1.5

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 5, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That a Heritage Conservation Tax Credit of up to a maximum of $37,800 be approved to enable the owners to undertake conservation work on the former All People's Sutherland Mission, 119 Sutherland Avenue, 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 July 1, 2010 and completing on or before December 31, 2010.

2 That the owner be required to retain and preserve original and significant material as a condition of the Heritage Conservation Tax Credit.

3. That the Heritage Investment Reserve be approved as the source of funding.

4. That the Heritage Conservation Tax Credit be approved 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.

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

6. 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.

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

Report – Executive Policy Committee – May 5, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 5, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

ISSUE: **TO CONSIDER A REQUEST FOR A HERITAGE CONSERVATION TAX CREDIT FOR 119 SUTHERLAND AVENUE, THE MANITOBA INDIGENOUS CULTURAL EDUCATION CENTRE INC.**

Critical Path: Executive Policy Committee- Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Thorgrimson/ D. Himbeault	D. Joshi	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That City Council :
    a. Approve a Heritage Conservation Tax Credit of up to a maximum of $37,800 to enable the owners to undertake conservation work on the former All People's Sutherland Mission, 119 Sutherland Avenue, 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 July 1, 2010 and completing on or before December 31, 2010;
    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

Applications for tax credits under the Heritage Conservation Tax Credit Program require the approval of Council.

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 (2011 -2020).
- 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

- The current owners, The Manitoba Indigenous Cultural Education Centre Inc., have occupied the property since 1977 and took full ownership in 1981. In July 2009 they relocated to a temporary location to undertake renovation of the property.
- This heritage property was placed on the Buildings Conservation List on September 7, 2004, as a Grade III property by the Standing Policy Committee on Property and Development.

DISCUSSION

The owners have applied for a Heritage Conservation Tax Credit to undertake exterior repair and restoration work, stabilization of the foundations, insulation of the roof, the addition of new windows and the making the building universally accessible. On the interior, new heating, air conditioning and ventilation is proposed. A new electrical, plumbing and fire protection system will be installed and the interior will be fitted up to serve as a commercial office for a local health–care agency. This occupancy will bring a renewed life to this block and give this building an appearance closer to its original look.

The owners propose to spend over $1.9 million to rehabilitate the property of which $1.2 million are eligible costs. Assessment & Taxation calculations indicate that the annual Municipal taxes on the property would rise from $214 to an estimated $3,778. The City would offer the applicant up to 10 years of tax credits giving a credit to the owner of $37,800.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 23, 2010

Project Name: **First Year of Program** **2011**

REQUEST FOR A HERITAGE CONSERVATION TAX CREDIT FOR 119 SUTHERLAND AVENUE, STREET, THE MANITOBA INDIGENOUS CULTURAL EDUCATION CENTRE

	2011	2012	2013	2014	2014 to 2021
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	$ 3,778	$ 3,778	$ 3,778	$ 3,778	$ 22,688
Less: Incremental Revenue/Recovery	-	3,564	3,564	3,564	27,108
Net Cost/(Benefit)	$ 3,778	$ 214	$ 214	$ 214	$ (4,420)
Less: Existing Budget Amounts	3,778	214	214	214	(4,420)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs from 2011 to 2020 represent the estimated tax credit to be funded from the Heritage Investment Reserve. Incremental revenues from 2012 to 2021 represent the estimated incremental portion of municipal property taxes, which are to be credited to the Heritage Investment Reserve.

"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 26, 2010
File No O:\Reports Directive\Planning and Land Use\Heritage\2010 Reports\HCTC Report re 119 Sutherland.doc

APPENDIX A

HERITAGE CONSERVATION TAX CREDIT PROGRAM SUMMARY

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	rehabilitation &	$259,000	work complete

Building Address and Name	Work	Amount of Incentive	Status
Bldg.	conservation		
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 Apts.	Upgrading	$252,000	work complete
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	$80,000	Application underway