Agenda – Executive Policy Committee – January 16, 2013

REPORTS

Item No. 2 Heritage Conservation Tax Credit – former St. Boniface Normal School – 210 rue Masson (St. Boniface Ward)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council:
   a. Approve a Heritage Conservation Tax Credit of up to a maximum of $726,115.40 to enable the owners to undertake rehabilitation work on the former St. Boniface Normal School, 210 Rue Masson, and to be utilized by the owner over a maximum 10-year period, following completion of the project, subject to the owner completing work on or before December 31, 2014;
   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;
   e. Require that no work may proceed without design/heritage approval from the Planning, Property and Development Department, Urban Design Division 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 the intent of the foregoing;

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

ADMINISTRATIVE REPORT

Title: Heritage Conservation Tax Credit for 210 rue Masson

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Kiernan	B. Thorgrimson	M. Ruta	D. Joshi, COO

RECOMMENDATIONS

1. That City Council:
    a. Approve a Heritage Conservation Tax Credit of up to a maximum of $726,115.40 to enable the owners to undertake rehabilitation work on the former St. Boniface Normal School, 210 Rue Masson, and to be utilized by the owner over a maximum 10-year period, following completion of the project, subject to the owner completing work on or before December 31, 2014;
    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;
    e. Require that no work may proceed without design/heritage approval from the Planning, Property and Development Department, Urban Design Division 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 the intent of the foregoing;

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

REASON FOR THE REPORT

The Public Service has received an application from the building owner that the structure commonly known as the “St. Boniface Normal School”, 210 rue Masson, be considered for a Heritage Conservation Tax Credit under the terms of the Heritage Conservation Tax Credit By-law No. 7155/98.

Although the by-law provides a 10-year term on tax credits as a default value, the owner of the subject property has requested a 20-year term. The owner feels this request is warranted to assist in the significant work proposed to rehabilitate this building, which has been vacant since 2010. Upon completion of the work, the owner has indicated the building will be fully functional as short-term residential facility for rural Manitobans seeking medical treatment.

The Public Service can only recommend a standard 10-year term for tax credits under this program. Council may extend the tax credit term and stipulate conditions at their discretion.

Applications for tax credits require the approval of Council.

IMPLICATIONS OF THE RECOMMENDATIONS

- The intent of the Heritage Conservation Tax Credit (HCTC) program is to assist in the regeneration of vacant and underutilized heritage structures such as this one.

- Due to the special considerations of these types of projects, the program accounts for all aspects of a building’s redevelopment – including potential additional costs incurred conserving heritage elements, as well as those from upgrading aged and/or non-code compliant systems and components, etc.

- As per the Heritage Conservation Tax Credit By-law No. 7155/98, the tax credit may be used at the applicant’s discretion for up to 10 years, or such other period as may be approved by Council.

- 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. Assessment and Taxation Department calculations indicate that the annual municipal taxes on the property would rise from $4,659.56 to $72,611.54 after the proposed work is completed.

- On a standard 10-year term, the value of the tax credit would be a maximum of $726,115.40 beginning in 2015 and ending in 2024. The annual municipal portion of realty taxes will increase by an estimated $67,952. The City would therefore realize the total value of the recommended HCTC within 11 years.

- A heritage conservation tax credit on a 10 year-term, ($726,115.40) is approximately 8% of the estimated net capital investment of the project ($9 million). The project provides a leverage of approximately 9:1 private investment to public support.

- On a 15-year term, the value of the tax credit would be a maximum of $1,089,173.10 beginning in 2015 and ending in 2029. The annual municipal portion of realty taxes will increase by an estimated $67,952. The City would therefore realize the total value of this HCTC within 17 years.

- As per the owner's request, on a 20-year term, the value of the tax credit would be a maximum of $1,452,230.80 beginning in 2015 and ending in 2034. The annual municipal portion of realty taxes will increase by an estimated $67,952. The City would therefore realize the total value of this HCTC within 22 years.

- A Heritage Conservation Tax Credit, (HCTC) for any term duration, as shown within the Financial Impact Statement, can be accommodated within the Heritage Investment Reserve.

HISTORY

- The building is a landmark within the neighbourhood, and holds significant ties to the francophone community as an educational facility that taught French to students during eras when it was supported; and persevered in eras when it was forbidden. For these reasons the building received a Grade II Municipal designation in 1989, at the request of previous owners.

- In 2005 an application was made to de-list the building with intent to demolish by the previous owner. The community rallied to prevent this, and the de-listing was denied by Council on September 28, 2005. An arbitrator subsequently intervened, without resolution.

- A Port in the Storm Inc. purchased the building in the fall of 2012, after it was vacated and boarded by the previous owner. They propose to invest over $9 million repurposing the building into a residential facility for families staying in Winnipeg while undergoing medical treatment. Community support for this proposal was sought and received during the due diligence period.

- Heritage conservation work proposed in the redevelopment includes façade repairs and rehabilitation, installation of new sympathetic windows, rehabilitation of the original front entrance, restoration of interior wood mouldings, fireplace and staircase.

- Proposed general upgrade work includes stabilizing the building's foundation, repairing exterior masonry, and new heating/cooling, plumbing, fire suppression, and electrical systems. A new accessible entrance and elevator will be provided and complete interior renovation. An addition will be constructed on the west side.

- Since 1998, over 45 Heritage Conservation Tax Credits have been granted. Of those, Council has permitted extensions on the standard 10-year tax credit term for four landmark projects: Red River College's Princess and Main Street campuses, the Bedford Parkade, and the Canada Building.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 6, 2012

Project Name: **First Year of Program** **2015**

Heritage Conservation Tax Credit for 210 rue Masson

	2015	2016	2017	2018	2019 to 2026
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	$ 72,612	$ 72,612	$ 72,612	$ 72,612	$ 435,672
Less: Incremental Revenue/Recovery	-	67,952	67,952	67,952	522,264
Net Cost/(Benefit)	$ 72,612	$ 4,660	$ 4,660	$ 4,660	$ (86,592)
Less: Existing Budget Amounts	72,612	4,660	4,660	4,660	(86,592)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs beginning in 2015 represent the recommended tax credit that will be paid each year up to and including 2024. Incremental revenues beginning in 2016 represent incremental municipal property taxes to be repaid to the Heritage Investment Reserve Fund each year up to and including 2026 (note: the 2026 amount will be $46,660; the amount required to fully repay the HIRF).

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

***See Appendix A for a History of this building*

CONSULTATION

In preparing this report there was consultation with:

Assessment and Taxation Department
Strategic Support Services, PP&D

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Planning and Land Use
Prepared by:	Jennifer Hansell
Date:	November 7, 2012
File No.:	O:\Reports Directive\Planning and Land Use\Heritage\2012 Reports\HCTC for 210 Masson.doc

UD2012-090

APPENDIX A – HISTORY

210 rue Masson, Former St. Boniface Normal School



This two-storey brick building, constructed in 1902, stands as a symbol of the Francophone community's determination to sustain its language and culture through education.

Built as one of Manitoba's first “normal schools” – colleges for teacher training – this structure was important for its bilingual training program for French teachers. The construction of the school formalized a program that began in rented premises following the 1896-97 Laurier-Greenway Compromise authorizing bilingual instruction in the public education system. However, by 1916 it was in jeopardy after the provincial government repealed the bilingual part of the Public Schools Act, despite 126 bilingual schools existing. Teacher training continued at the Normal School after this time, but in English only.

By 1923, in part due to the loss of bilingual instruction, the Normal School closed and the structure was purchased by Les Missionnaires Oblates (Oblate Sisters.) The building carried on in an educational capacity as a boys' residential school, (le Jardin de l'Enfance Langevin) which included the construction of a two-storey addition in 1928 on the west side. The roof of the original school was flattened and a straight-line parapet was used to integrate the two structures.

From 1939-72 the building was used as a domestic training centre for girls, (Ecole Menagere Notre Dame) after which time it was converted to senior’s housing (Foyer Notre Dame, later Residence Langevin.) The Oblate Sisters sold the complex in 1980 to the Knights of Columbus, and it was subsequently connected to the 147-suite Accueil Colombien built adjacent to it. It continued to be used as a day care, offices and residential units until it was vacated and boarded in 2010.

The 1902 building was designed by Henry Sandham Griffith and constructed by Joseph Azarie Senecal. British-born Griffith practiced in Winnipeg from 1893-1906, and is responsible for the Ryan, Mitchell and Baker blocks and the Criterion and Oxford Hotels. The Quebec-born Senecal was a builder, architect and municipal politician. His projects included St. Boniface Hospital, the St. Boniface CNR station, the Church of the Holy Ghost, and Misericordia Hospital.

The raised, rough-cut stone foundation remains today with yellow-buff brick walls rising to a stone-capped parapet. Remaining neoclassical details are focused around the front (north) entrance and include wooden columns with Ionic capitals supporting the entrance portico, a complete entablature including brackets and dentils, and a small window with a stone lintel and a wooden pediment embellished with ornamental shingles above. The door is flanked by side lights and miniature metal pilasters with Ionic capitals.

The symmetrical front (north) facade projects out in two stages; the east wall also has a projecting mid-section. Shallow pilasters separate bays of single and paired rectangular windows. The main-floor openings feature rough-cut stone sills and lintels; heavier lintels also appear above the transoms. Second-storey windows have smooth stone sills and brick heads. There are patterned brick belts and corbelled details above and below the second floor.