

MEMORANDUM

DATE: JULY 15, 2021

TO: ASHLEY KOTARBA, HERITAGE PLANNER

FROM: KAYLA BLAKELY, PLANNER

RE: HERITAGE COMMUNITY IMPROVEMENT PLAN (CIP)
APPLICATION FOR TAX-INCREMENT EQUIVALENT GRANT
278 & 280 O'CONNOR STREET
BUILDING CONSERVATION AND RESTORATION

CC: TONY KAZARIAN, POLO IV PROPERTIES INC.

We are writing with respect to the status of the Heritage Community Improvement Plan (CIP) Application for Tax-increment Equivalent Grant for the above-noted project. The purpose of this application is to provide financial assistance for the retention and restoration of portions of the existing two-and-a-half-storey buildings at 278 and 280 O'Connor as part of the approved development at the subject site. These properties form part of the Centretown Heritage Conservation District which is designated under Part V of the *Ontario Heritage Act*.

Novatech was retained by the owner to pursue planning, site engineering and heritage approvals in relation to the proposed development of a mid-rise residential building to be integrated with portions of the existing buildings fronting on O'Connor Street. The formal pre-application consultation process was initiated in January 2019 to obtain feedback from City staff on the proposal. As per staff's follow up comments provided by email on February 6, 2019, and reiterated in a number of subsequent meetings and correspondence, it was evident from this time that City heritage staff would not be supportive of the full or substantial removal of all existing buildings on the site to facilitate the complete redevelopment of the site, given their designations as part of the Centretown Heritage Conservation District. A decision was then made to investigate the possibility of retaining portions of the existing buildings provided they were structurally sound.

Planning applications were submitted to the City on August 21, 2019, with the application for Permit under the *Ontario Heritage Act* following on December 20, 2019. The planning and heritage applications were premised on the partial retention of two of the existing buildings on site and were concurrently approved by City Council on September 9, 2020, following favourable recommendations from staff as well as the Built Heritage Sub-committee on August 11, 2020 and Planning Committee on August 27, 2020. A signed delegated authority report for approval of the site plan application was received on February 19, 2021. To date, five months following the approval, the site plan agreement has yet to be provided by Legal Services for review and execution, despite ongoing follow up with staff.

Upon inquiring with the City as to financial incentive programs offered for heritage restoration work following approval by Council, City heritage staff advised of the new Heritage CIP grant program which could provide financial incentive for the retention of the original buildings, beyond that available

through other programs for smaller-scale restoration works. The owner met with City heritage and economic development staff on October 21, 2020, to discuss eligibility and requirements to apply for the grant program. Following this meeting, the owner retained Shore-Tanner & Associates to prepare an appraisal report in support of the application. All other requirements were completed through the heritage permit process, with the exception of the form which has been completed in draft. The attached signed Authorization Form dated and returned to Novatech on November 12, 2020, demonstrates the owner's intent to move forward with the application.

In advance of submitting the formal grant application, the appraisal report was sent to the City in draft form on March 18, 2021, for their comments. This was to ensure the report included all relevant and required information for City staff to consider in their review of the application, given that the Heritage CIP program was new to the appraisal consultant. Staff provided comments on the draft report on April 22, 2021, which are now being addressed by the appraisal consultant in order to issue a final report to submit with the formal application.

Given that the planning and heritage approval process extended over two and a half years, the owner sought and obtained a partial building permit on April 6, 2021, for commencement of preliminary and preparatory site construction works to avoid further delays and associated cost implications. No restoration work has been undertaken on the two retained heritage buildings, with the exception of foundation works for structural reasons. A full building permit to allow the complete restoration work of the heritage buildings as well as new construction above grade has not commenced pending the submission of the grant application. As per correspondence with City staff dated March 19, 2021, it was confirmed that the grant application could be submitted subsequent to having applied for a full building permit, as discussions have been ongoing for several months and the City was aware since the fall of 2020 of the owner's intention to seek financial assistance through the CIP program.

The grant application is to be submitted prior to obtaining the full building permit which is pending receipt and registration of the site plan agreement. The owners have continued to work constructively with City staff through the more than two-year approval process and are relying on the grant program for the viability of this project which is an exemplary project involving the successful retention and integration of heritage buildings with new construction. The history of communications on this matter, including that the owner has consulted with staff, retained the necessary consultants, and demonstrated progress towards a formal submission should be considered in staff's position to support the forthcoming grant application.

For ease of reference, a table is attached which summarizes the key dates noted.

We trust that the above is satisfactory for your current purposes.

Yours truly,

NOVATECH

Kayla Blakely

Kayla Blakely, B.E.S. (PI)
Planner

Table 1: Applications Chronology

Date	Planning / Heritage Applications	CIP Grant Application
January 24, 2019	Pre-Consultation Meeting (OPA, ZBLA, SPC & OHA)	
August 21, 2019	Planning Applications submitted (OPA, ZBLA & SPC)	
December 20, 2019	Heritage Application submitted (OHA)	
August 11, 2020	Built Heritage Sub-committee (OHA)	
August 27, 2020	Planning Committee (OPA, ZBLA)	
September 9, 2020	City Council (OPA, ZBLA & OHA)	
February 19, 2021	Delegated Authority Report Issued (SPC)	
October 21, 2020		Pre-Consultation Meeting (CIP)
November 12, 2020		Signed Owner Authorization provided to Novatech
March 18, 2021		Draft Appraisal Report sent to City for Comment
April 6, 2021	Partial Building Permit Issued *	
April 22, 2021		Comments Received on Draft Appraisal Report
TBD		Application to be submitted
TBD	Receipt and Execution of Site Plan Agreement	
TBD	Full Building Permit Issuance	
TBD		Finance & Economic Development Committee and City Council Approval

* No restoration work, aside from stabilization works to the foundations of the two existing heritage buildings, has been authorized pursuant to this partial building permit.