

AWARD OF 2022/2023 HERITAGE FUNDING

To: City Centre Heritage Subcommittee

Meeting Date: Thursday 23 March 2023

From: Shannon Baxter, Planner – Heritage and Urban Design

Approved: Trudie Hurst – Group Manager - Customer and Environment

Approved Date: Tuesday 14 March 2023

Open Agenda: No

Public Excluded Agenda: Yes

Reason(s) for the Public Excluded (choose – can be more than one)

Section of the Act	Subclause and Reason under the Act	“Plain English” Reason	When Report Can Be Released
7	2a - Protection of privacy of natural persons	Protection of privacy	At the conclusion of funding payment.

Purpose and Summary

This report provides subcommittee members with two options in regards to award of Council's 2022/2023 Heritage Funding. Council's heritage funding is comprised of two funds: Built Heritage Fund and Seismic Strengthening Fund.

Recommendations

That the City Centre Heritage Subcommittee:

1. Receive the report "Award of 2022/2023 Heritage Funding".
2. Note the funding award options.
3. Resolve to adopt option XX and approve the funding allocations to each of the parties listed in the option to that value shown.

Background

Every March, Council considers funding applications to the Built Heritage Fund and Seismic Strengthening Fund. This fiscal year \$250,000 is available through the Built Heritage Fund and \$50,000 available through the Seismic Strengthening Fund.

Eligibility is limited to recognised heritage buildings within the City Centre Heritage Area (CCHA). Priority is given to the heritage resources identified in the 2019 City Centre Heritage Strategy.

The heritage status, public importance, physical state and current use of each building is considered during evaluation of applications. Staff also take into consideration whether the applicant has received funding in the past and, if so, whether the funded work was completed successfully. Furthermore, all proposed work is referenced against heritage best practices.

Issues and Options

Analysis

Built Heritage Fund

\$250,000 is available through the Built Heritage Fund in the 2022/2023 fiscal year. Eligibility is limited to:

- a. Owners of 'priority heritage resources' (as identified in the 2019 City Centre Heritage Strategy) for maintenance, protection, conservation and adaptive re-use projects; and
- b. Owners of recognised heritage buildings located within the CCHA for façade enhancements (cleaning, repainting, and verandah repairs).

Applicants with projects estimated at \$20,000 (not including GST) or under are eligible to receive up to 80% funding. Applicants with projects estimated over \$20,000 (not including GST) are eligible to receive up to 50% funding.

Council received 20 applications to the Built Heritage Fund. Several applications were submitted under special circumstances. Firstly, three applicants received permission previously to submit a retrospective application for works already completed. Secondly, one applicant is located outside the CCHA boundary, although only by two lots. Thirdly, several owners had trouble getting estimates to include in their application. This is not a surprise considering the labour shortage at the moment. In the last funding round the subcommittee agreed to consider applications without estimates with the understanding that estimates be received by Council within two months of receipt of award letter. This worked well, so the practice has been continued in this funding round.

There was a total funding request of \$259,370 towards a variety of work with a total estimated value of \$425,960. It was previously expected that the fund would be undersubscribed, so measures had been put in place to allow for contingency funding to be set aside to make use of potential unused funding if the fund was oversubscribed. However, the fund was oversubscribed by \$9,370, so the subcommittee will need to consider whether Council can best support owners by either awarding the maximum eligible funding percentage to the majority of owners or hold back a percentage of the overall budget as contingency for the Built Heritage projects.

Seismic Strengthening Fund

\$50,000 is available through the Seismic Strengthening Fund in the 2023/2023 fiscal year. Eligibility is limited to recognised heritage buildings within the city centre. Applicants are not eligible to apply for detail design or strengthening works if they have not previously submitted a seismic report to Council and received formal notice of acceptance.

There are two categories within the fund:

- a. **Professional Advice:** includes seismic reporting and detail design works. Applicants are eligible to receive up to 50% funding to a maximum of \$10,000.
- b. **Strengthening Works:** includes the physical works. Applicants are eligible to receive up to 50% funding to a maximum of \$50,000.

Council received five applications to the Seismic Strengthening Fund; four in the Professional Advice category, and one in the Strengthening Works category. There was a total funding request of \$111,280 towards work with a total estimated value of \$273,600. The fund was therefore oversubscribed by \$61,280, primarily due to a large request towards strengthening works.

Significance

The significance of the heritage funding to Council is low, but the significance to eligible heritage owners is high. The funding enables Council to support heritage owners in their preservation, protection and refurbishment endeavours at a time of labour and material shortages. Many heritage owners would simply not be able to complete their proposed upgrades were it not for partial funding made available through Council's heritage funds.

Options

Option 1 – No contingency

Award maximum allowable funding to 17 applicants and less than maximum funding to the following three applicants:

- a. [REDACTED] (Scholefield Law – 58 Don Street)
 - Recommend no funding. Applicant is located outside the CCHA by two lots, which could perhaps be taken into consideration were the application not for painting the whole building exterior (non-Strategy identified buildings are only eligible to apply for work on the front façade). Council could consider awarding a quarter of the eligible costs towards the repainting of the eligible façade along Don Street, but it is not likely Applicant would proceed with work with minor funding award.
- b. [REDACTED] (34 Esk Street)
 - Owner unable to provide estimates.
 - Received repainting funding last year, but work delayed due to City Streets Stage 1 work along Esk Street.
 - Recommend 67% funding towards all work except repair of roof gutters, as they are located on the rear of building and therefore not eligible.
- c. [REDACTED] (34 Don Street – Tudor House)
 - Award of maximum allowable funding recommended towards his Professional Advice application, but recommend only partial funding towards his Strengthening Works application due to large cost.

Option 2 – Incorporate 10% contingency into Built Heritage projects

In order to set aside 10% contingency budget for Built Heritage projects award funding as outlined in Option 1, but with the following two changes:

- a. [REDACTED] (30-32 Dee Street – Tuatara Café)

- Recommend \$9,612 less funding than in Option 1 to removed glass canopy replacement from funded scope of works
- b. [REDACTED] (155 Dee Street)
- Recommend \$13,115 less funding than in Option 1, thereby funding only window replacement.

Community Views

Award of the funding aligns with the community's views that Invercargill's city centre heritage is valued and worth preserving.

Implications and Risks

Strategic Consistency

The award of funding aligns with the goals and actions of the City Centre Heritage Strategy to oversee implementation of the City Centre Heritage Strategy and consider strategy related funding allocations.

In 2022 Council delegated the authority to determine and decide allocation of City Centre Heritage Strategy related funding to the City Centre Heritage Subcommittee.

Financial Implications

There are no financial implications as the funding and budget are in place, regardless of oversubscription to the funds.

Next Steps

Staff to draft award letters and get in contact with applicants.

Attachments

Appendix 1 – 2022/2023 Heritage Funding Project Sheets (A4442847)

Appendix 2 – Option 1: No contingency (A4442079)

Appendix 3 – Option 2: Incorporate contingency into Built Heritage projects (A4442082)