

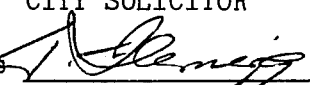
APPENDIX 6

APPROVED

As to Form


CITY SOLICITOR

As to Contents


HEAD OF DEPARTMENT

Bylaw 7700

As to
Principle


ACTING CITY MANAGER

Being a Bylaw to Designate Certain Portions of the
Macdonald Hotel as a Municipal Historic Resource.

WHEREAS the Historical Resources Act permits the Municipal Council of a municipality to designate any historic resource within the municipality whose preservation it considers to be in the public interest together with any land on which it is located as a municipal historic resource upon giving notice to the owner of the resource in accordance with the Act; and

WHEREAS it is deemed in the public interest to designate certain portions of the building located in the City of Edmonton known as the Macdonald Hotel and the land on which it is situated as a municipal historic resource and the owners of the Hotel have agreed thereto; and

WHEREAS on the first day of October, A.D. 1984, the registered owners of the Macdonald Hotel were notified that the Municipal Council of the City of Edmonton intends to pass a bylaw designating certain portions of the Macdonald Hotel and the land on which it is situated as a municipal historic resource; and

WHEREAS Council and owners have agreed that the designation of certain portions of the Hotel and the land on which it is situated as a municipal historic resource will decrease the economic value of the said building, and Council has agreed to pay to the owners certain compensation; and

WHEREAS Council and the owners have agreed to the form and amount of such compensation;

NOW THEREFORE the Municipal Council of the City of Edmonton, having complied with the Historical Resources Act, and duly assembled, hereby enacts as follows:

1. The portions of the Macdonald Hotel constructed in or about 1915, located at 10065 - 100th Street, and situated on the site legally described as Block A, Plan 3073 A.D., River Lot 8, Edmonton, shown outlined on the sketch annexed hereto as Schedule "A" are hereby designated as a Municipal Historic Resource.

2. Subject to section 3 hereof, those portions of the exterior and interior of the portions of the Macdonald Hotel hereby designated as a Municipal Historic Resource shall not be removed, destroyed, disturbed, altered, restored, repaired or otherwise permanently affected, other than in accordance with the list annexed hereto as Schedule "B".

3. The General Manager of the Planning Department is hereby appointed to administer the implementation of or any matters arising therefrom the matters set out in Schedule "B" hereto.

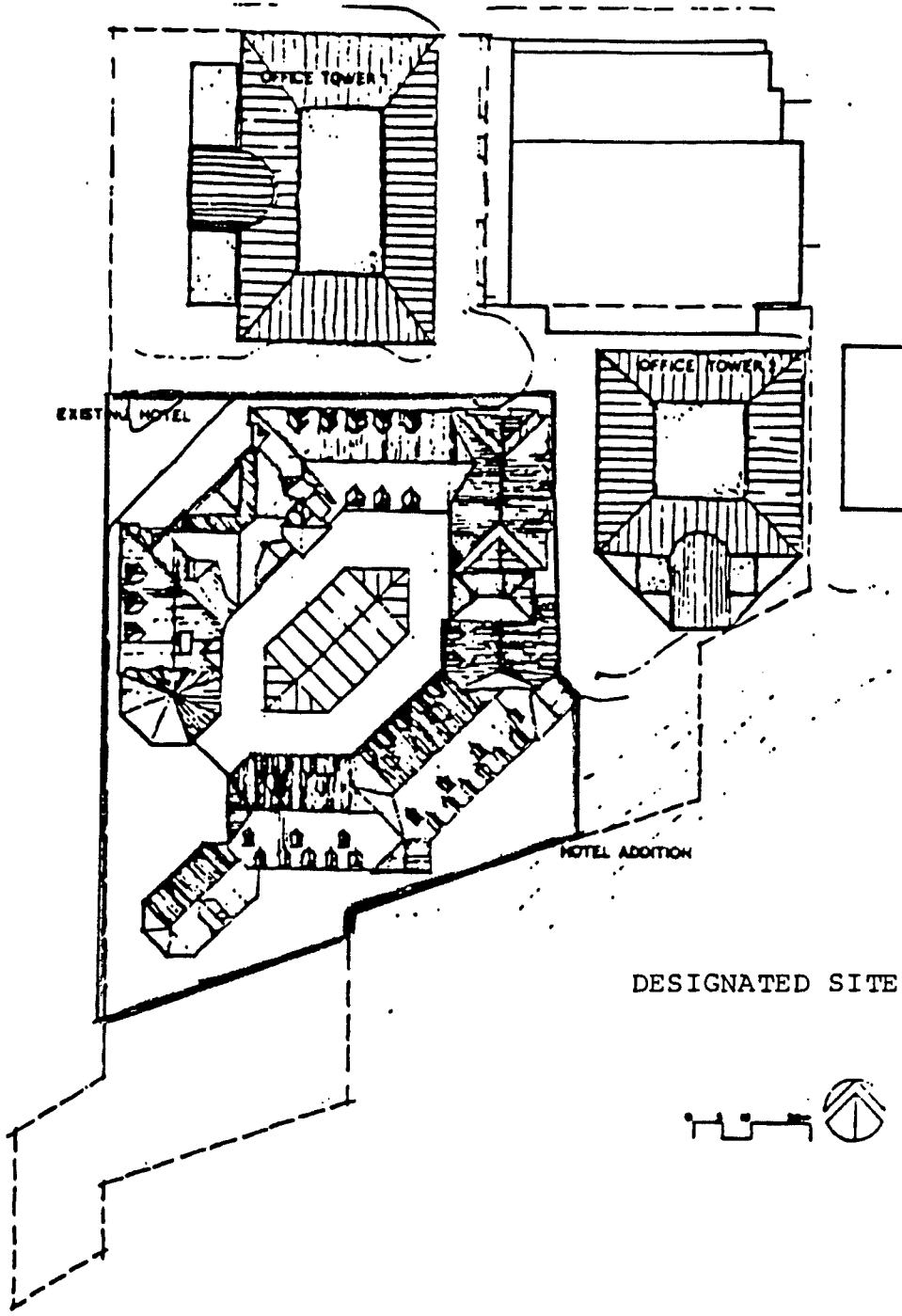
4. The compensation for the historic designation of the aforementioned portions of the Macdonald Hotel shall be as set out in Schedule "C" annexed hereto.

READ a first time this 27th day of November, A.D. 1984.
READ a second time this 27th day of November, A.D. 1984.
READ a third time and duly passed this 08 day of January, A.D. 1985.

THE CITY OF EDMONTON


MAYOR


CITY CLERK



DESIGNATED SITE PLAN



"SCHEDULE B" to Bylaw #7700 to Designate Certain Portions of the Macdonald Hotel as a Municipal Historic Resource.

I

GENERAL PRINCIPLES FOR HISTORIC CONSERVATION OF THE MACDONALD HOTEL

The intent of this Schedule is to set out the mechanisms for preserving and conserving the portions of the Macdonald Hotel to be designated as a Municipal Historic Resource, and determine the elements to be preserved, conserved, retained or restored. However, because the owners and redevelopers of the hotel and the City desire to have a viable hotel operation upon completion of the renovation, reconstruction and redevelopment, the following principles form the basis of these guidelines, and all following items must be read in light of them. In view of these principles, it is recognized that, as plans are developed, the sections that follow may have to be altered in accordance with these principles and for this reason, a mechanism for compromise has been set out below.

(a) Life Safety

Because of the age of the hotel, the entire life safety system of the building must be upgraded, including the mechanical and exiting systems. Numerous additional exits are required to the exterior, as are stair enclosures. It is the intention of the City and the owners and redevelopers that the historical integrity of the building be maintained as much as possible. Where it is not possible and where for example fire doors are required, both parties intend to detail these additions in such a manner as to be compatible with the historical character of the building.

(b) Technical Requirements

It is recognized by both parties that restoring the building to the same condition as it existed in 1915, using original materials

and procedures, is not always technically feasible. For example, duplicating the limestone finish of the old building using limestone may not be possible as limestone acquires a patina over the years which cannot be duplicated without the required aging. The parties therefore intend to use various alternate materials which some closer to replicating the old appearance of the hotel. Mechanical apertures, for example, for grilles and sprinkler heads, are necessary even though in some instances they will puncture historic ceilings. The owners and redevelopers will thus attempt to integrate such devices into the architectural detailing in a manner that does not detract from the historical character to be achieved.

(c) Hotel Operation

A viable first class hotel requires more than an aesthetic appearance. The owners and redevelopers thus intend to develop an operations plan and a physical plan which will make a hotel viable. In some instances this will require portions of the building to be modified to allow the desired level of service to be achieved. For this reason it may be necessary to lower the entranceway ceiling of the hotel, as space for a kitchen ceiling is required for the second floor meeting rooms, although it would be preferable to retain the ceiling height as it presently exists.

(d) Cost

It is recognized that the owners and redevelopers are working with a project that is economically marginal but that in spite of this every reasonable effort will be made to create a first class hotel that incorporates the historic grandeur of the old building. To this end, an intensive ongoing value analysis is being carried out for each component of the building as the design progresses, a key criterion of which is the preservation of the character of

the building, as this is essential to meet the public objectives of the City but also the marketing objectives of the hotel owners and redevelopers. To this end, some compromises are required. The windows, for example, are to have fixed glazing yet retain their historic look. Thus, it is intended to retain the vertical mullion which divides the windows but eliminate the smaller, less-prominent mid-window, horizontal mullion, which are prohibitively expensive.

II EXTERIOR

The exterior facade of the original 1915 Hotel Macdonald shall be left unaltered except as otherwise indicated herein, and maintained by the owner, at his expense.

The exterior facade shall be defined as consisting of the following seven (7) elevations, shown on Diagram I.

II.1 Facades

II.1.1 Northwest Facade (See Photo #I.1.1).

The following architectural elements shall be retained:

- (a) Portico - Which consists of four pillars (Photos #I.1.1.a & b), two pilasters (all of which have decorative motifs of gargoyles, heads and provincial shields (Photo #I.1.1.c), a balustrade running the complete length of the portico (Photo #I.1.1.d), and five arches, simply fluted (Photo #I.1.1.e), and two chandeliers (Photos # I.1.1.a & e).
- (b) Six Pilasters With Cornice - (Photo #I.1.1.f)

- (c) One Balconette - Located between the sixth and seventh floors consisting of a platform projecting from the wall enclosed by a railing and having 10 brackets (Photo #I.1.1.g).
- (d) Three Decorative Mouldings - Consisting of three bands of stone the total length of which runs the full width of the facade located between the seventh and ninth floors (Photo #I.1.1.h).
- (e) Three Dormers - Two single window dormers which flank either side of a large dormer. (Photo #I.1.1.i) The large dormer contains one single, one pair and one triplet of windows. (Photo #I.1.1.j).
- (f) All windows and door openings, except where altered for reasons of Building Code compliance (i.e. exiting).

II.1.2 West Facade (Photo #I.1.2).

The following architectural elements shall be retained:

- (a) Overhang - Which extends out over the sidewalk to protect doorway (Photo #I.1.2.a); may be moved and retained in accordance with the principles set forth herein, in a manner compatible with the historic character of the building.
- (b) Three Blind Arcades - Located on the second floor and each consisting of a pair of windows and three panels (Photo # I.1.2.b).
- (c) One Moulding - Which runs widthwise across the facade between the second and third floors (Photo #I.1.2.c).
- (d) Brackets and Decorative Cornice - Which runs widthwise across the facade located between the sixth and seventh floors (Photo I.1.2.d).
- (e) One Cornice - Which runs the total width of the facade located between the seventh floor and the roof line (Photo #I.1.2.e).

- (f) All windows, sills and door openings, except where altered for reasons of Building Code compliance (i.e. exiting).

II.1.3 South West Facade (Photo #I.1.3).

The following architectural elements shall be retained:

- (a) Five Arched Windows - Located on the first floor, two of which will become internal openings into the addition and may be altered in accordance with the principles set forth herein, so as to be compatible with the historic character of the building.
- (b) All window openings and sills.

II.1.4 South Facade (Photo #I.1.4)

The following architectural elements shall be retained:

- (a) First floor facade (Photo #I.1.4.a) which is stepped out from the main facade and consists of:
 - i) Nine arched windows each having decorative mouldings and key stones and large leaded glass transoms (Photo #I.1.4.b). The glazing may be altered or removed as required in accordance with the principles set out herein so as to be compatible with the historic character of the building.
 - ii) Twelve pilasters each having a simple base, blind panels and decorative capitals with a gargoyle head and Corinthian leaves (Photo #I.1.4.c). Eight pilasters run from the base to the bottom of the balustrade (Photo #I.1.4.d).
 - iii) A cornice which runs the total width of the first floor facade between the top of the arched windows and below the balustrade (Photo #I.1.4.e).

- iv) The balustrade which runs the total width of the first floor facade, and which consists of blind panels and decorative balusters (Photo #I.1.4.f), may be moved and incorporated in whole or part within the addition or other site development, where appropriate so as to be compatible with the historic character of the building.
 - v) All window openings and sills.
- (b) The remaining portion of the South Facade (Photo #I.1.4.g) which extends from the First Floor Facade up to the lower edge of the roof line and consists of:
- i) All window openings and sills.
 - ii) One balconette complete with five pairs of brackets all of which is located between the sixth and seventh floors (Photo #I.1.4.h).
 - iii) Two large decorative cornices both of which flank the balconette and consist of small rectangular brackets (Photo #I.1.4.i).
 - iv) One simply decorated cornice the majority of which runs the total width of the remaining portion of the south facade and which is located just below the roof line (Photo #I.1.4.j).

II.1.5 South East Facade (Photo #I.1.5)

As portions of the South East Facade will become an internal wall as a result of the redevelopment of the Hotel, the following elements shall be retained and incorporated into the redevelopment, where possible, in accordance with the principles set forth herein, in a manner compatible with the historic character of the building.

- (a) Three arched windows and transoms on the first floor (Photo #I.1.5.a).
- (b) Two large balconettes complete with brackets, one of which exists between the first and second floors, the other between the fifth and sixth floors (Photo #I.1.5.b).
- (c) One decorative cornice directly above the upper balconette which runs the full width of the balconette (Photo #I.1.5.c), and two large cornices both of which flank the decorative cornice, and which are located directly beneath the roof line (Photo #I.1.5.d).
- (d) Two dormers (Photo #I.1.5.e).
- (e) All window openings and sills.

II.1.6 East Facade (Photo #I.1.6)

The following architectural elements shall be retained:

- (a) Four arched windows with transoms located on the first floor (Photo #I.1.6.a).
- (b) Two large window sills located between the first and second floors and the fifth and sixth floors directly beneath three pairs of windows (Photo #I.1.6.b).
- (c) One large cornice located directly above the sixth floor and beneath the roof line (Photo #I.1.6.c).
- (d) Three dormer windows (Photo #I.1.6.d).
- (e) All window openings and sills.

II.1.7 North Facade (Photo #I.1.7)

The North Facade will be restored in accordance with the principles set forth herein so that it is compatible with the historic character of the building, and may, where possible, incorporate elements from the South East Facade, in such a way that the original appearance of the North Facade is restored.

II.2 Building Materials and Fixtures

II.2.1 Masonry

Masonry is defined as brick, stone, terra cotta, concrete, and mortar of the original 1915 hotel.

- (a) Any repointing will be done with mortar which duplicates original mortar in composition, colour and texture.
- (b) Any cleaning of masonry will be undertaken only when absolutely necessary to halt deterioration, and sandblasting will not be permitted.
- (c) Any repairing or replacing of deteriorated masonry shall be done with new material that duplicates the old as closely as possible.

II.2.2 Architectural Metals

Architectural metals are defined as cast iron, steel and pressed tin. These metals usually exist in the form of cornices, bracketing, and decorative eavestroughs.

- (a) All original architectural metals will be maintained whenever possible.
- (b) Cleaning of architectural metals will be done using the appropriate method.

II.2.3 Roof (Photos #I.2.3.a. and b)

- (a) All sections of the roof which are deteriorated will be replaced with new material that matches the old in composition, size, shape, colour and texture.
- (b) All architectural features which give the roof its essential character, such as dormer windows, cornices, chimneys, and weather vanes, will be preserved or replaced (Photos #I.2.3.c), where necessary if possible.
- (c) Roof may be altered to resolve ice damming problems in accordance with the principles set forth herein, in a manner compatible with the historic character of the building.

II.2.4 Exterior Windows and Doors

- (a) All windows and door openings will remain similar in size, appearance and proportion to the originals.
- (b) Original doors and door hardware will be retained wherever possible in accordance with the principles set forth herein in such a way that the original appearance of the building is retained.

III INTERIOR

The interior shall be defined as consisting of the following items:

- III.1.1 The original octagonal-shaped Palm Room, currently called the Wedgewood Room, has a groined ceiling with the dome decorated in a Wedgewood design. The ceiling and chandelier will be incorporated in the renovation (Photos #II.1.1.a,b,c,d).

- III.1.2 The original ceilings, windows and doors of the Empire Dining Room, which currently contains the Quiet Bar and Inglenook Room, will be retained wherever possible (Photos #II.1.2.a,b,c). The decorative ceiling with pastoral design shall be preserved together with the fan-shaped transom mouldings on the wall.
- III.1.3 The original lounge with fireplace and oil painting depicting the Fathers of Confederation shall be retained (Photos #II.1.3.a,b,c,d,e).
- III.1.4 The original main staircase, including the cast-iron balusters and marble runners shall be maintained (Photos #II.1.4.a,b,c) if possible, in accordance with the principles set out herein.
- III.1.5 The ceiling of original main entrance hall, (Photos #II.1.5.a,b,c) may be lowered, but will be reincorporated into the ceiling at the first floor level.
- III.2. The following general clauses relate to the preservation of existing fixtures and the treatment of building services:
- III.2.1 (a) The character of original material, architectural features, and hardware in the interior such as stairs, hand rails, balusters, ornamental columns, cornices, baseboards, doors, doorways, windows, mantle pieces, paneling, lighting fixtures, parquet or mosaic flooring, and decorative plaster work, shall be retained wherever possible.
- (b) New material that duplicates the old as closely as possible in terms of material, size, scale, colour and texture shall be used in replacing any material that is deteriorating.
- (c) Building services and fire prevention equipment in the Interior shall be installed in areas and spaces that will require the least possible alteration to the plan, materials, and appearance of the original interior.

SETTLEMENT RESOLUTION

If the City and the owners and redevelopers cannot agree on a course of action in respect of any matter arising out of this Schedule, then a compromise to the dispute shall be determined according to the procedure hereinafter set forth:

- (a) The party desiring to refer the dispute for settlement shall notify the other party in writing of the details and the nature and extent of the dispute.
- (b) Within fifteen (15) days of receipt of such notice, the opposite party shall, by written notice, advise the disputing party of all matters referred to in the initial notice except those for which the party proposes to accept the suggested course of action proposed by the disputing party.
- (c) Immediately following the identification of the issues in dispute, the parties shall meet and attempt to appoint a single referee, and if the parties refuse to meet, or having met, are unable to agree on a single arbitrator, then upon written demand of any party, within 15 days of such date, each party to the settlement resolution shall appoint one referee in writing and the two (2) referees shall, within five (5) days of their appointment, appoint a third member to be known as the Chairman.
- (d) Within fifteen (15) days of the appointment of the single referee or the establishment of such period as may be agreed upon by the parties, the Settlement Resolution Committee shall resolve all matters and disputes in accordance with the terms of reference therefor.
- (e) The referee who shall be an architect trained and experienced in heritage conservation in redevelopment projects, shall have the power to obtain the assistance, advice or opinion of such engineer,

surveyor, appraiser, or other expert as they may think fit and shall have the discretion to act upon any assistance, advice or opinion so obtained.

- (f) The City and owners and redevelopers agree that the decision of the Settlement Resolution Committee shall be binding upon them.
- (g) Each of the City and the owners and redevelopers shall pay their Settlement Resolution and shall equally share the costs of the third referee if one is appointed.
- (h) Notwithstanding that a matter has become the subject of Settlement Resolution, the owners and redevelopers and the City shall, where reasonably possible, proceed with all other matters and things dealing with the redevelopment of the Macdonald Hotel as if such matter had been settled and the dispute determined.

GLOSSARY OF TERMS FOR THE MACDONALD HOTEL

- BALCONETTE - A platform projecting from a wall, enclosed by a railing or balustrade, supported on brackets, columns or cantilevered out.
- BALUSTRADE - A row of balusters with rail used on a terrace or balcony.
- BALUSTERS - A short post or pillar in a series supporting a rail and thus forming a balustrade.
- BLIND ARCADE - A line of arches or rectangles projecting or recessed slightly from a solid wall.
- BRACKET - An angular support at eaves, doors and sills.
- CORNICE - Ornamental molding that projects along the top of a wall, pillar, or building, usually of wood or plaster around the walls of a room, just below the ceiling.
- DORMER - A window in a sloping roof.
- FACADE - The face of a building.
- FLUTING - A type of decoration consisting of long, round grooves - vertical channelling of the shaft of a column.
- GARGOYLE - A decoration usually in the shape of a human or animal head.
- GROINED - A highly decorative ceiling.
- MOTIF - An artistic composition.
- MOULDING - A decorative band or strip of material used in cornices and as a trim around window and door openings.
- PANELS - An area of material within a frame or structure.
- PORTICO - Porch with pillars or columns.
- PILASTER - A vertical, rectangular fake column projecting slightly from a wall.
- RESTORATION - Accurately recovering and replacing the form and details of a structure together with its setting, as it appeared at a particular period of time.
- SILL - The lower horizontal part of a window frame.
- TRANSOM - The horizontal opening between the top of a window or door and structural opening.

DIAGRAM I
EXTERIOR
HOTEL MACDONALD

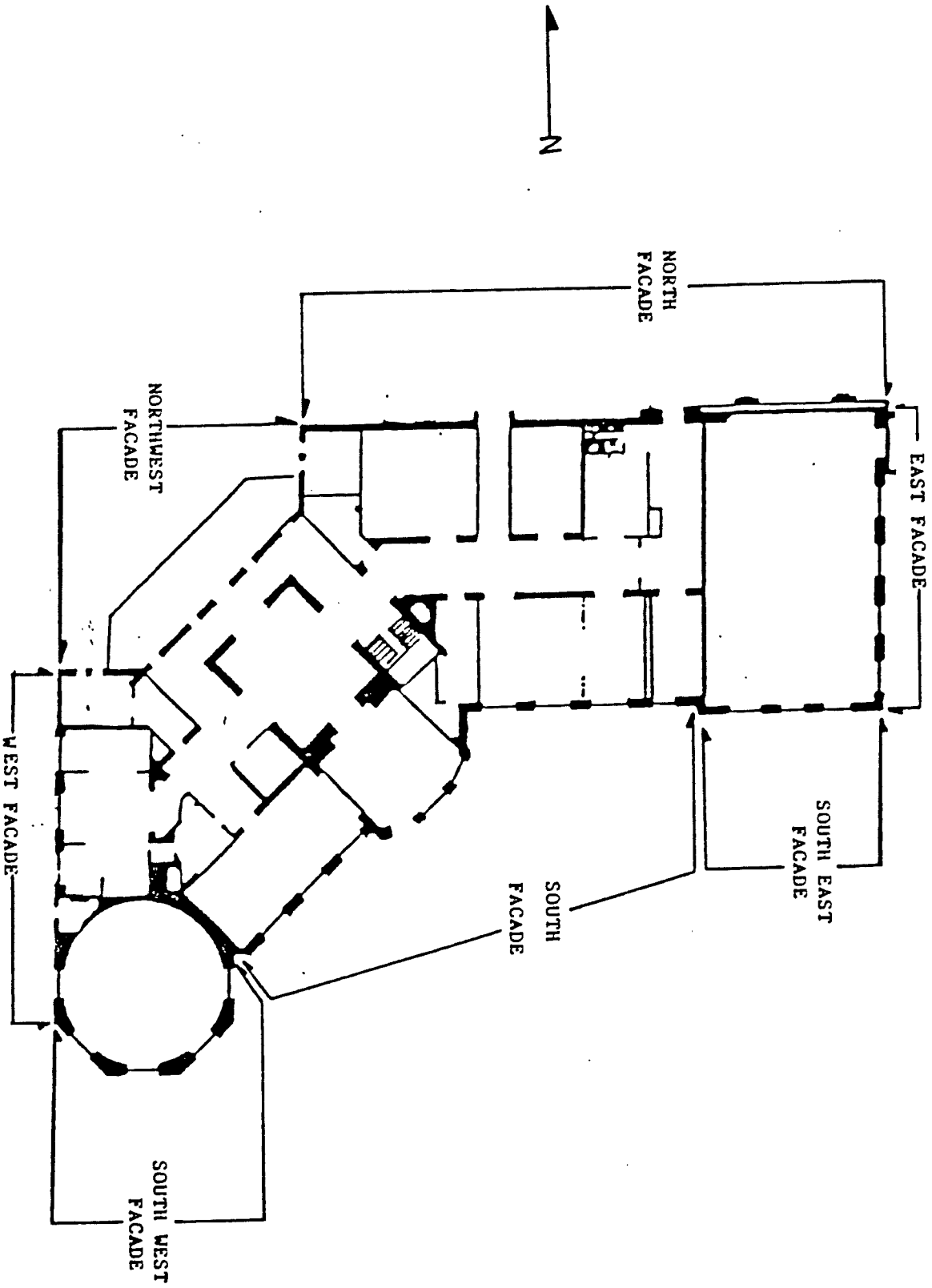
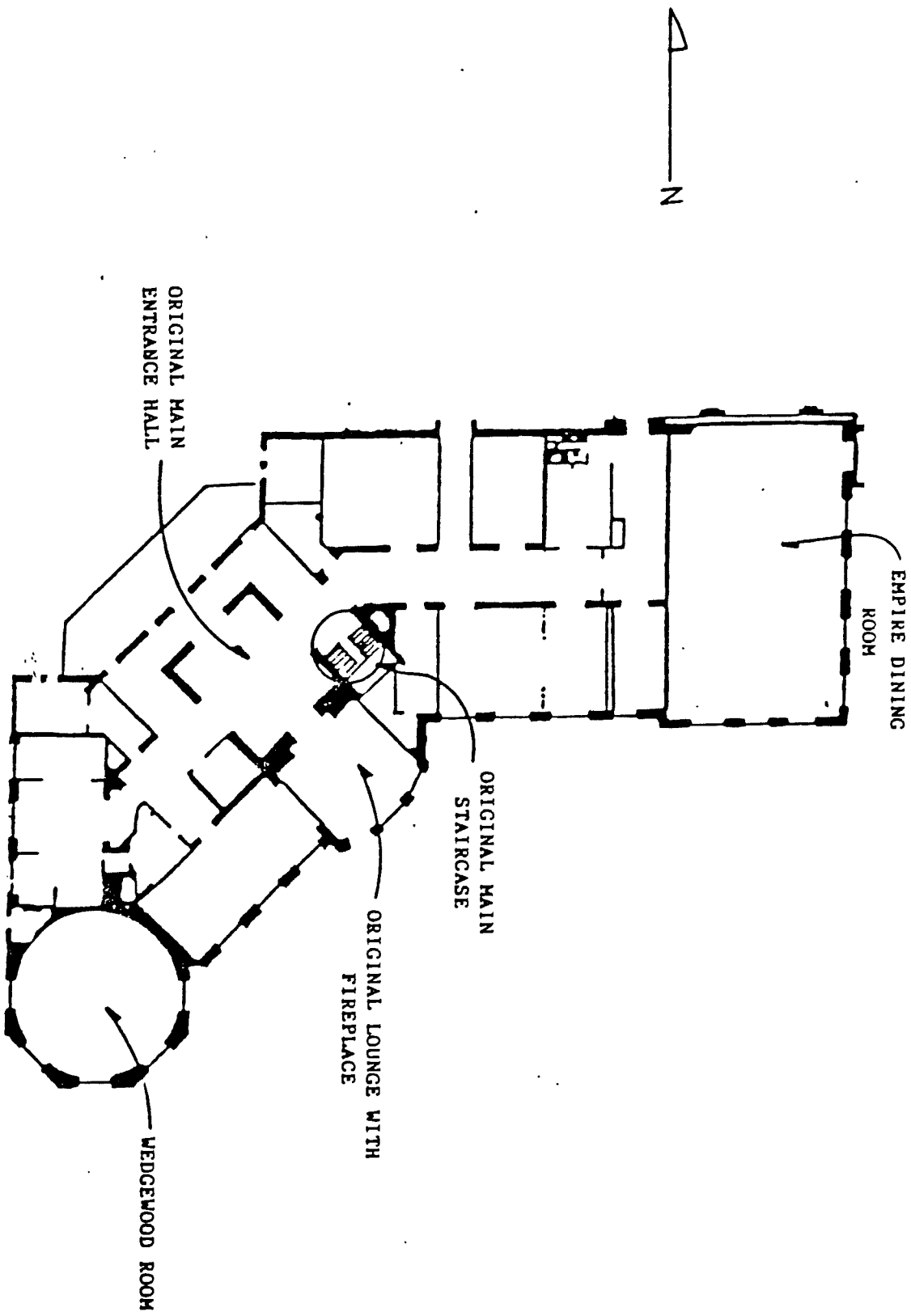


DIAGRAM 11
INTERIOR
HOTEL MACDONALD





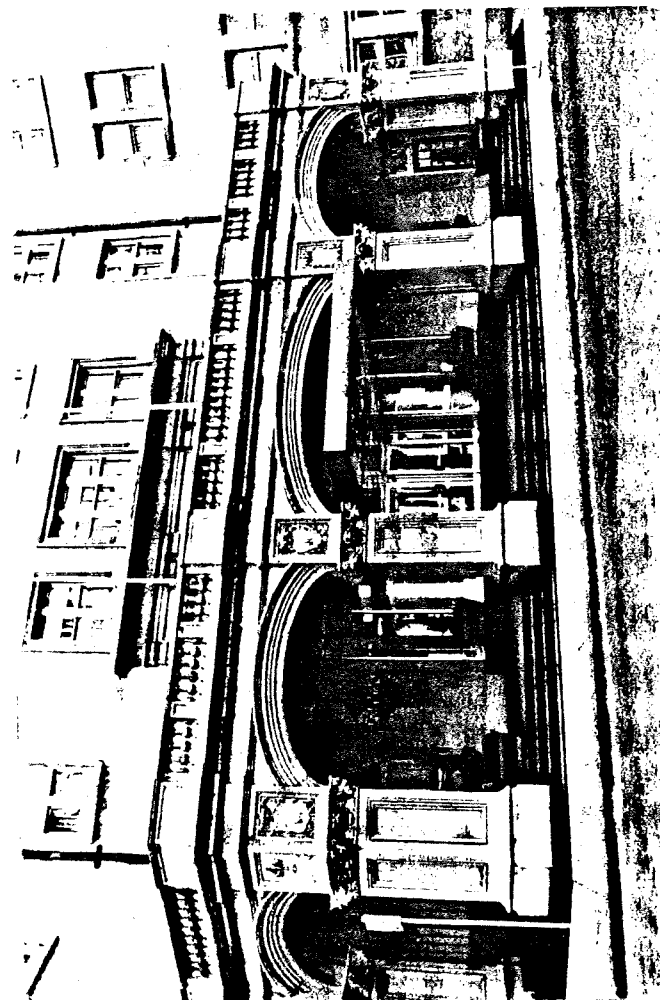
I.1.1

NORTHWEST FACADE



I.1.1.(b)

NORTHWEST FACADE - ONE OF FOUR PILLARS



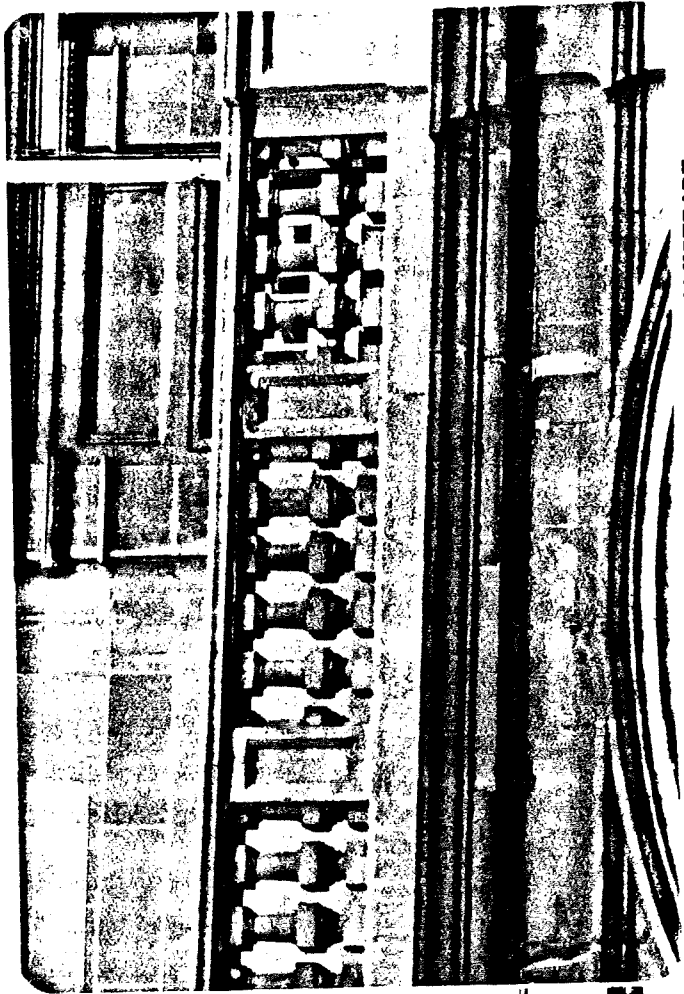
I.1.1.(a)

NORTHWEST FACADE - PORTICO

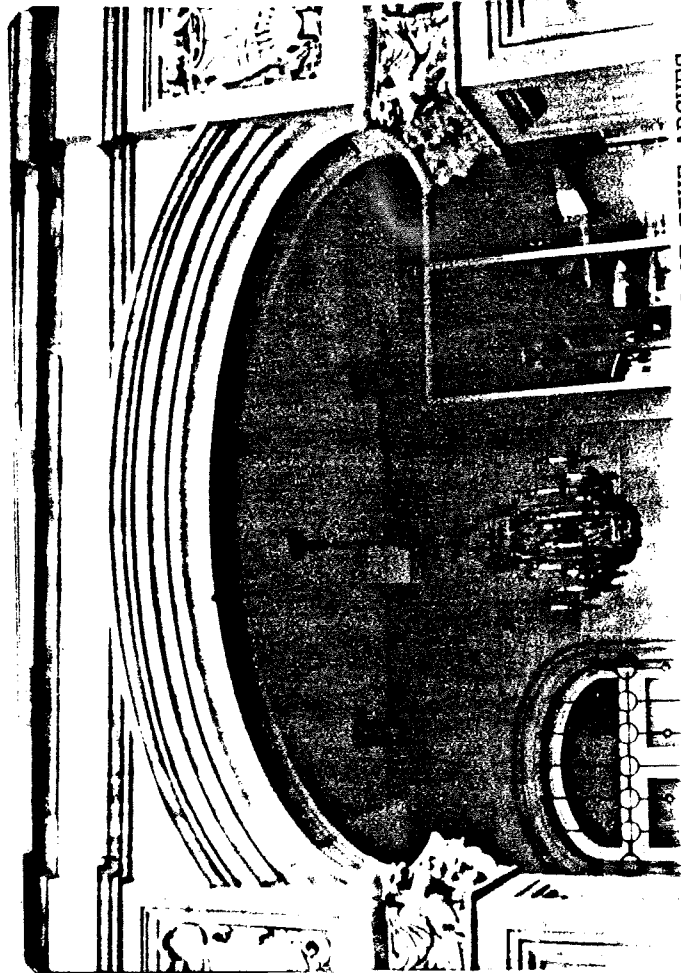


I.1.1.(c)

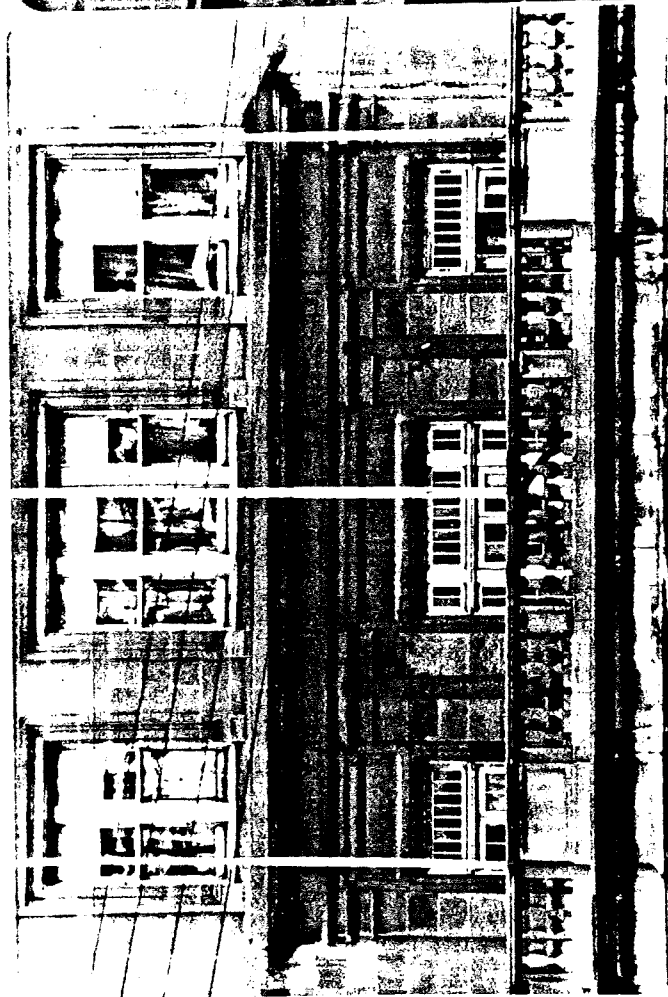
NORTHWEST FACADE - ONE OF TWO PILASTERS



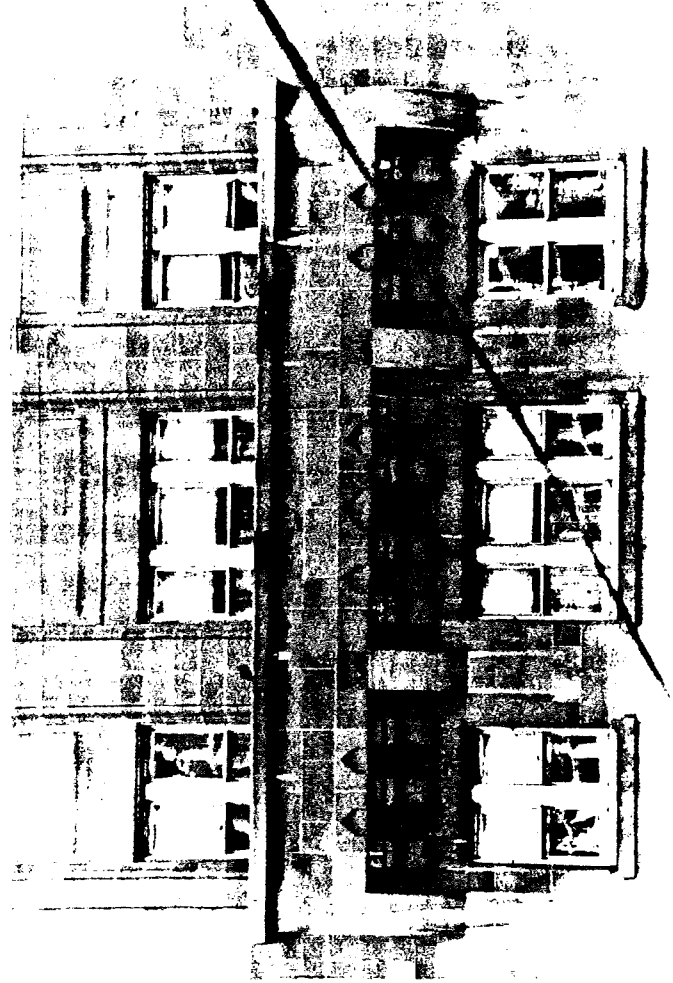
I.1.1.(d) NORTHWEST FACADE - BALUSTRADE



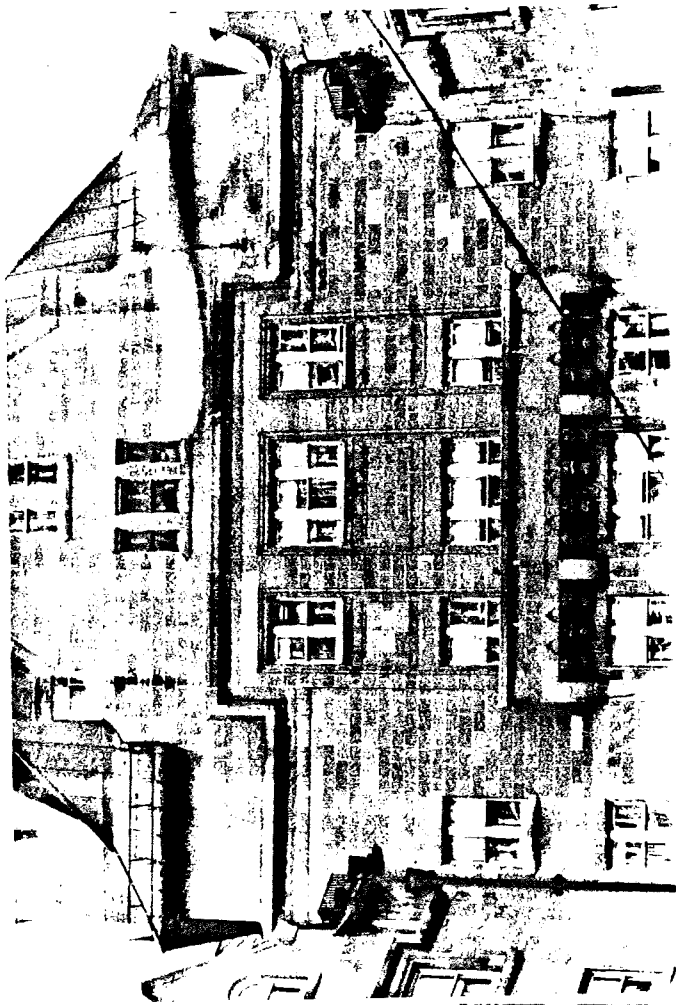
I.1.1.(e) NORTHWEST FACADE - ONE OF FIVE ARCHES



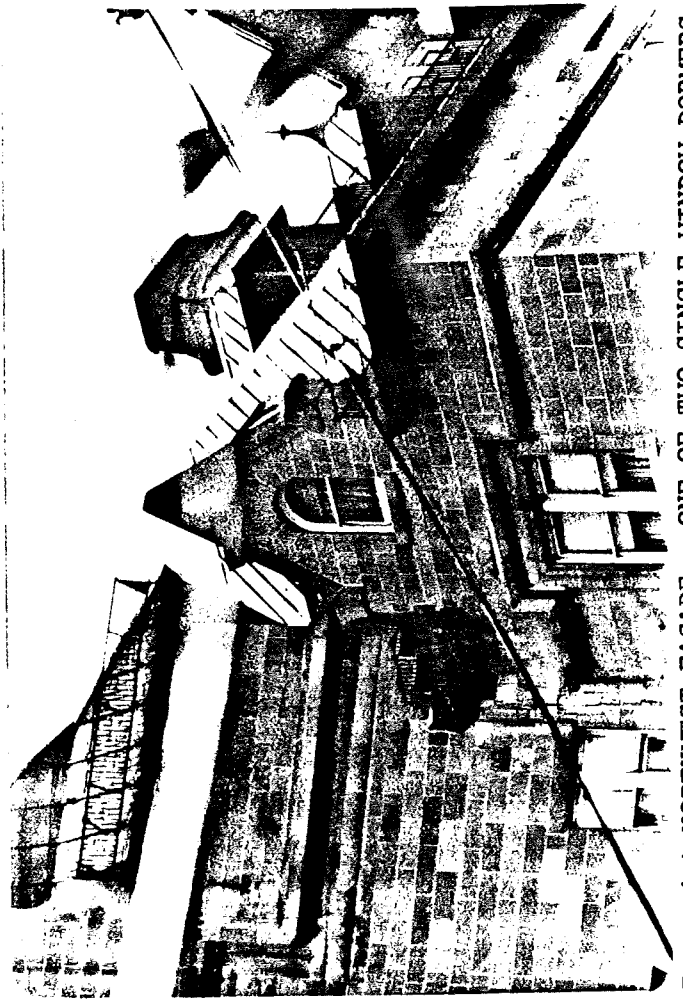
I.1.1.(f) NORTHWEST FACADE - SIX PILASTERS WITH CORNICE



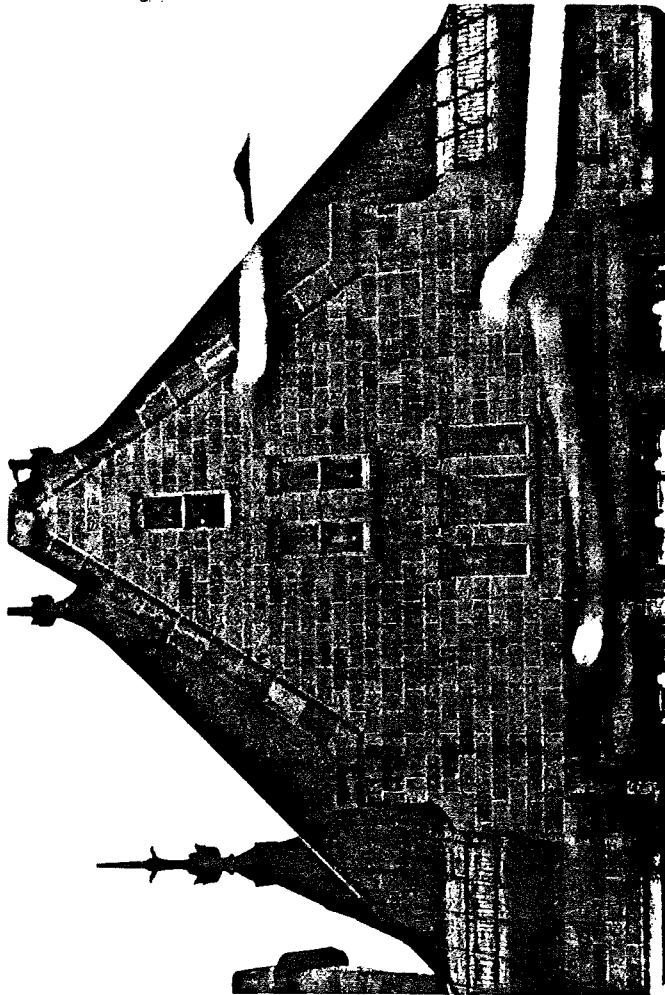
I.1.1.(g) NORTHWEST FACADE - BALCONETTE



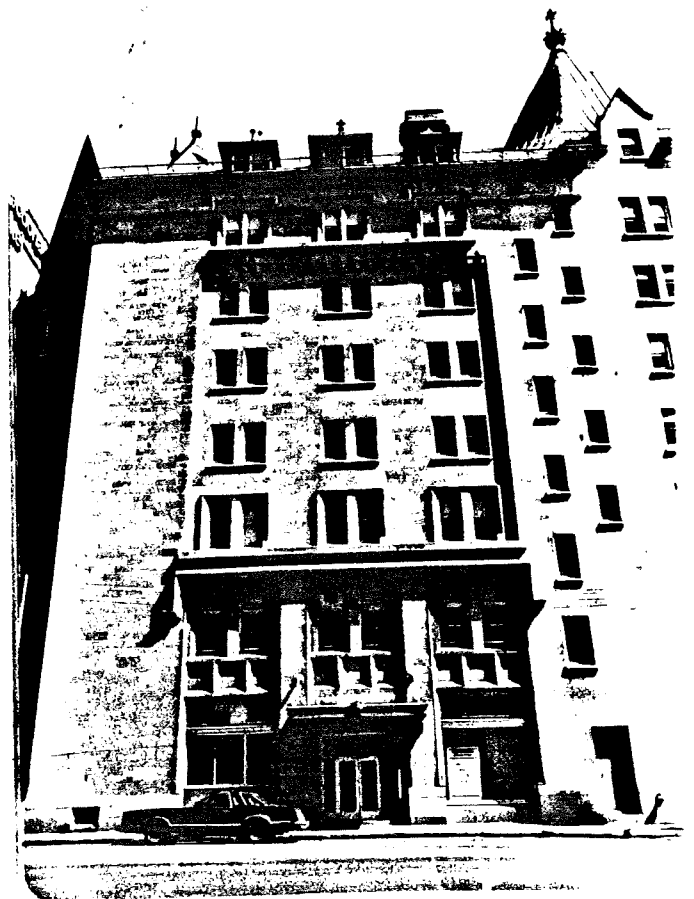
I.1.1.(h) NORTHWEST FACADE - THREE DECORATIVE MOULDINGS



I.1.1.(i) NORTHWEST FACADE - ONE OF TWO SINGLE WINDOW DORMERS



I.1.1.(j) NORTHWEST FACADE - LARGE DORMER



I.1.2

WEST FACADE



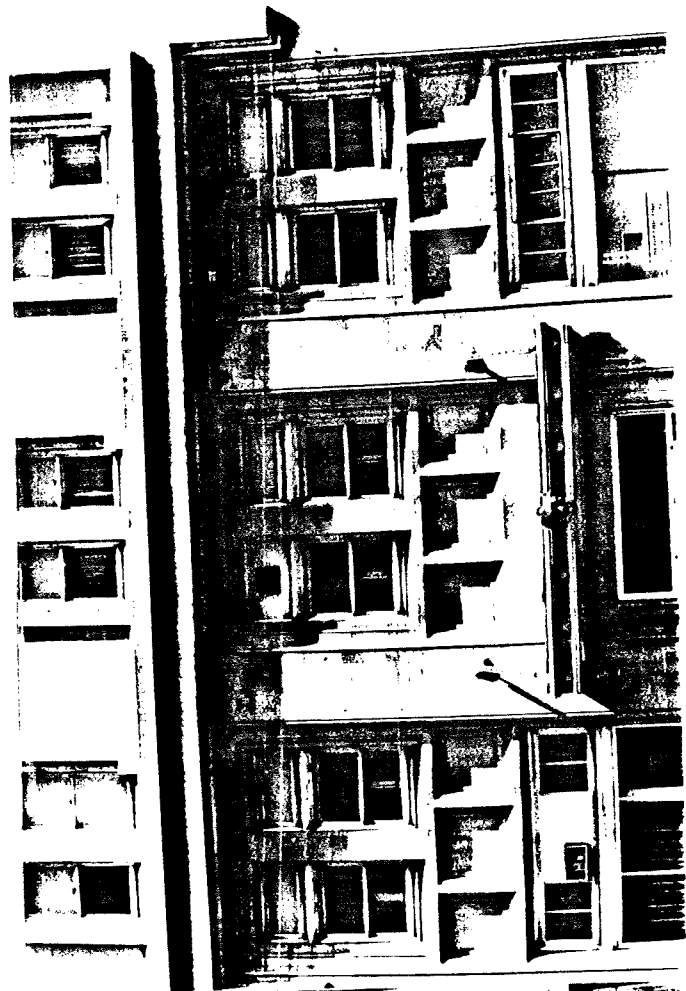
WEST FACADE - OVERHANG

I.1.2.(a)



WEST FACADE - MOULDING

I.1.2.(c)



WEST FACADE - THREE BLIND ARCADES

I.1.2.(b)

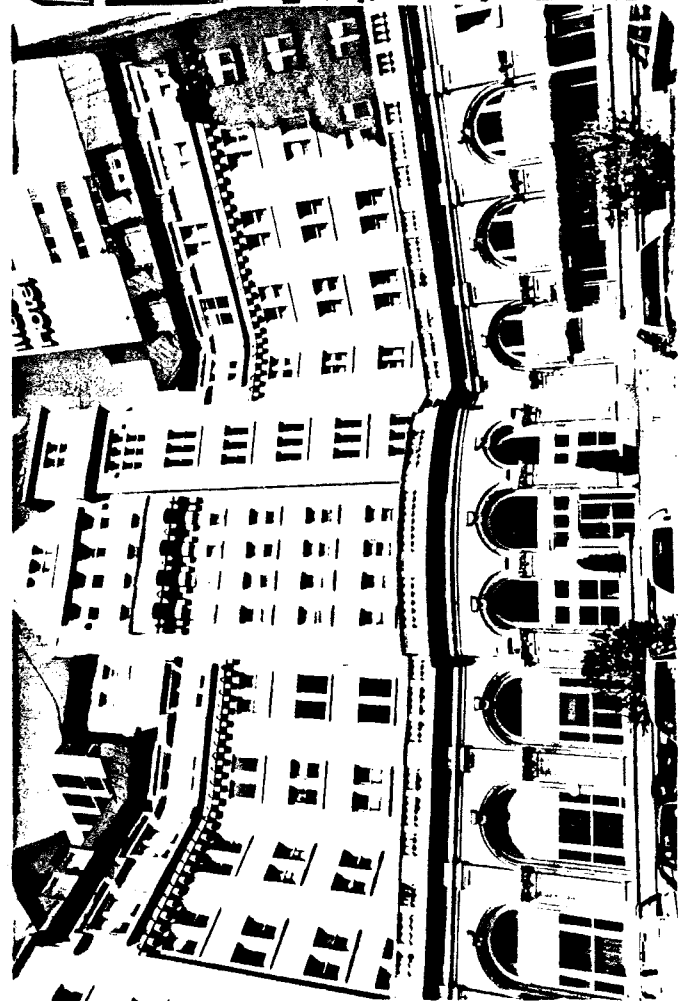


WEST FACADE - BRACKETS AND DECORATIVE CORNICE

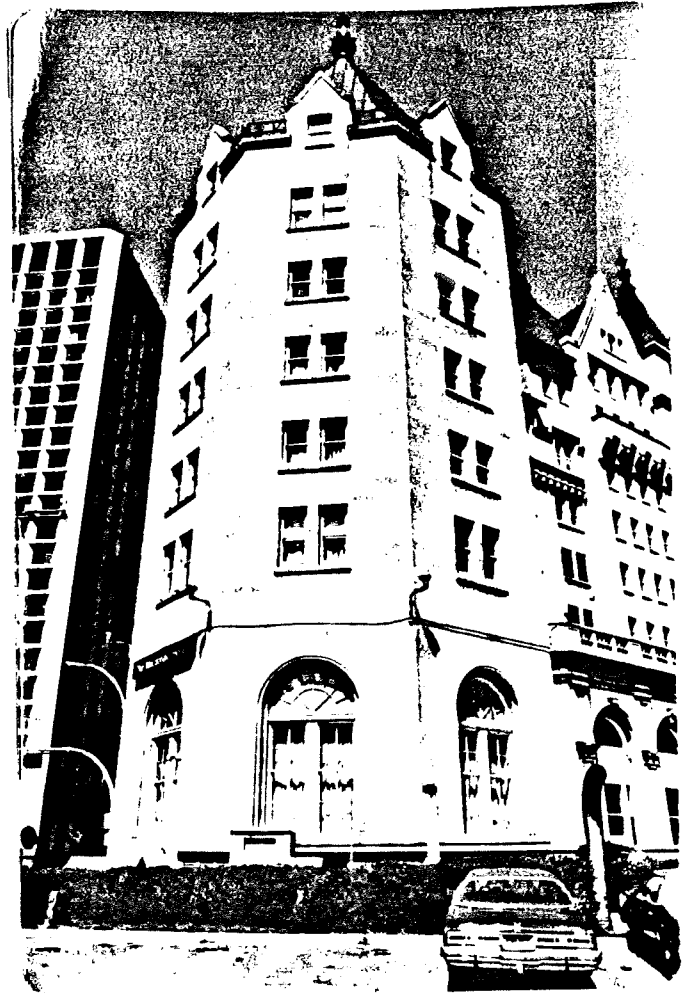
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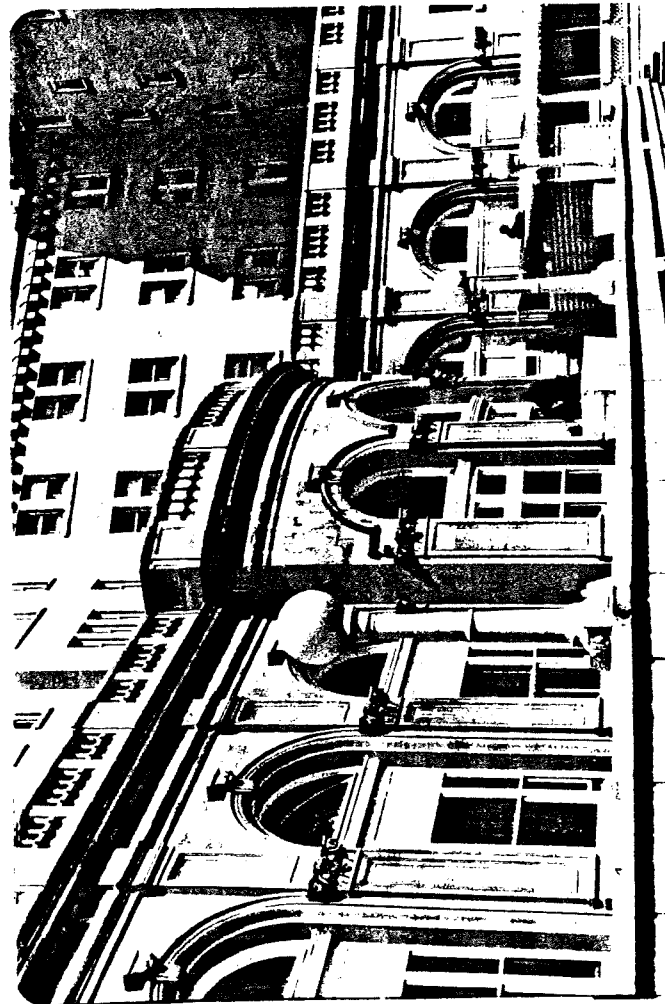
I.1.2.(e) WEST FACADE - CORNICE



I.1.4 SOUTH FACADE



I.1.3 SOUTHWEST FACADE



I.1.4.(a) SOUTH FACADE - SHOWING FIRST FLOOR COMPONENT



I.1.4.(b)

SOUTH FACADE - ONE OF NINE ARCHED WINDOWS



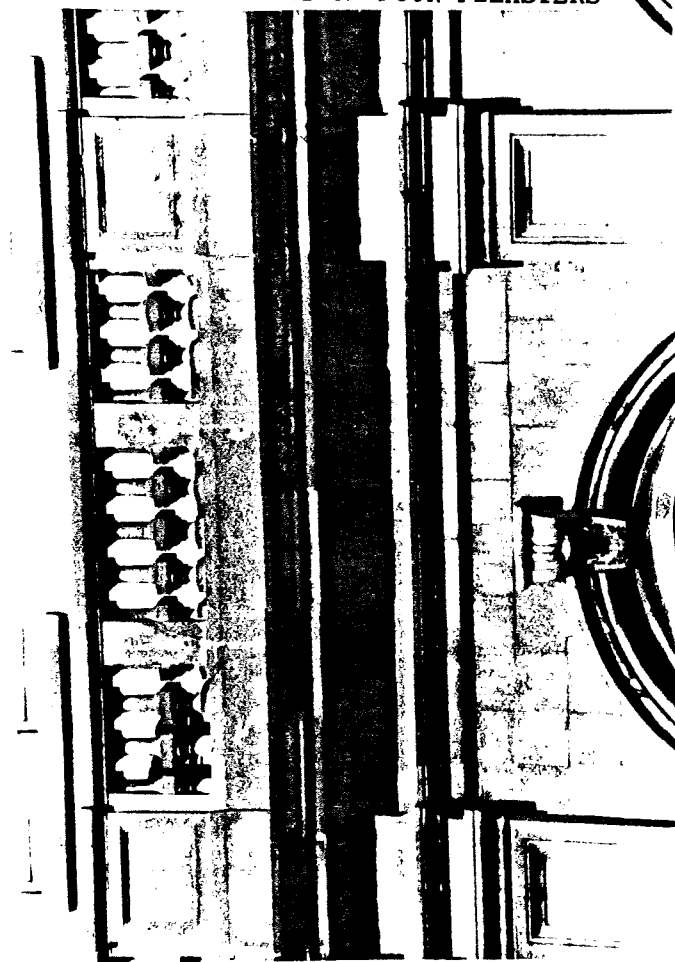
I.1.4.(c)

SOUTH FACADE - ONE OF FOUR PILASTERS



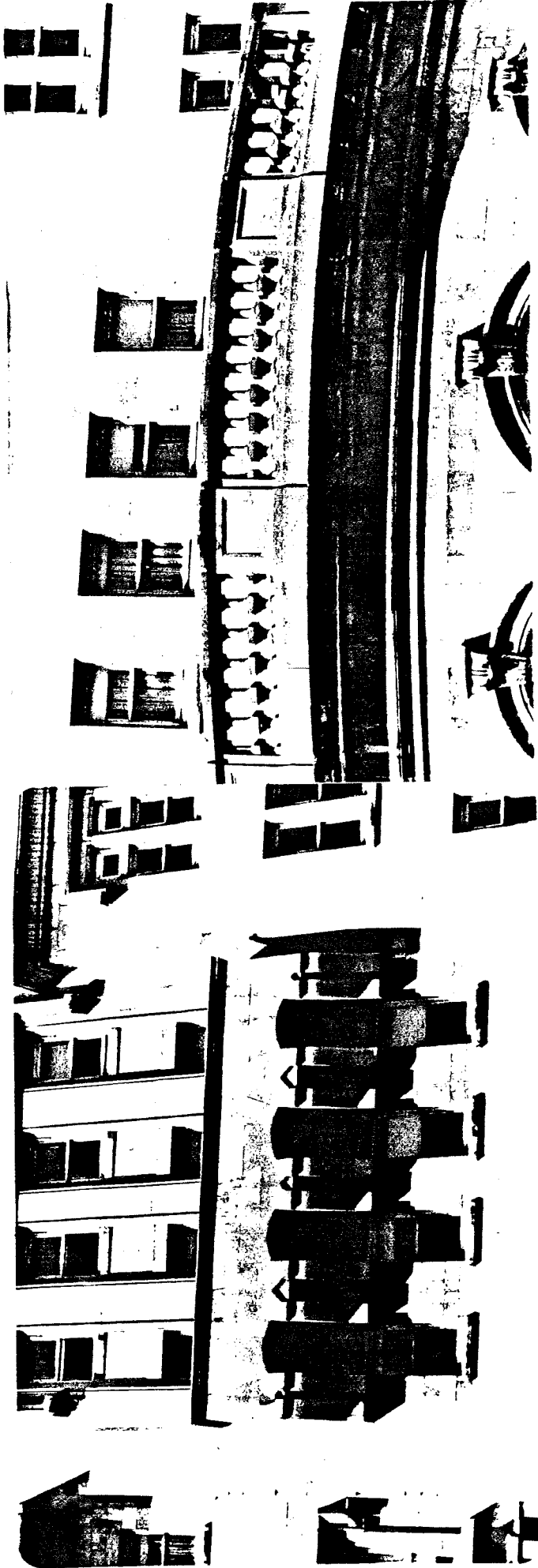
I.1.4.(d)

SOUTH FACADE - ONE OF EIGHT PILASTERS



I.1.4.(e)

SOUTH FACADE - CORNICE



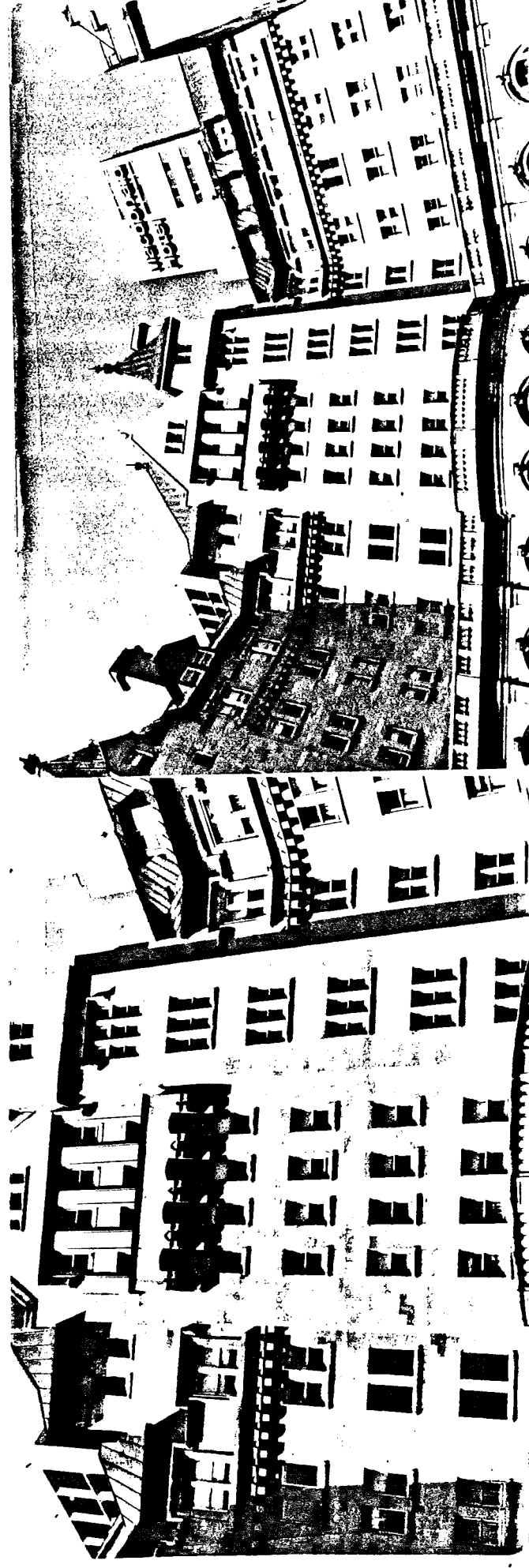
I.1.4.(h)

SOUTH FACADE - BALCONETTE AND BRACKETS



I.1.4.(f)

SOUTH FACADE - BALUSTRADE



I.1.4.(i)

SOUTH FACADE - TWO DECORATIVE CORNICES

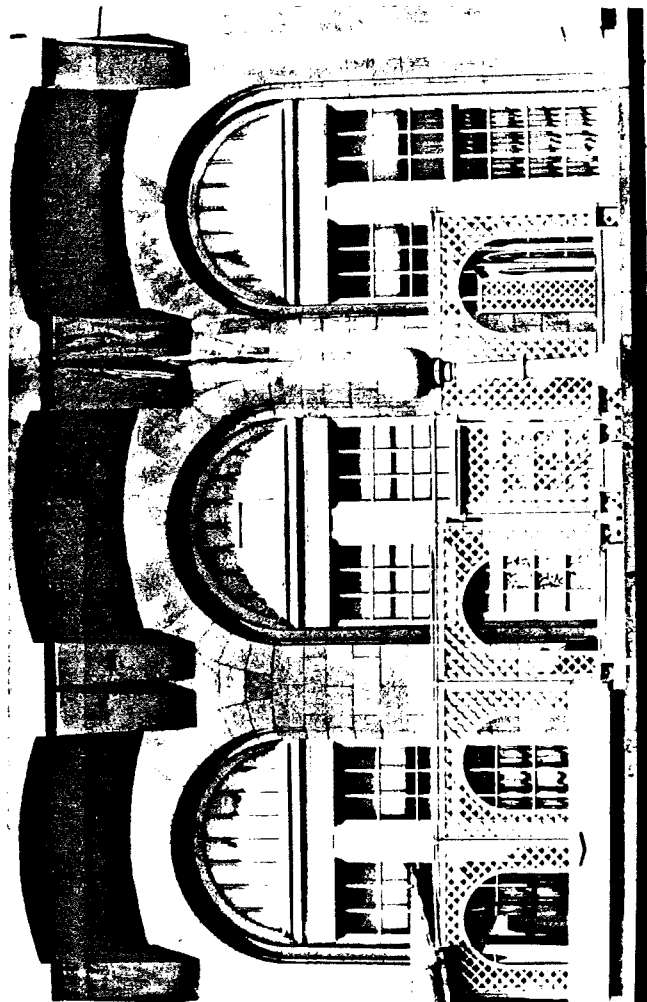


I.1.4.(g)

SOUTH FACADE - REMAINING PORTION OF FACADE



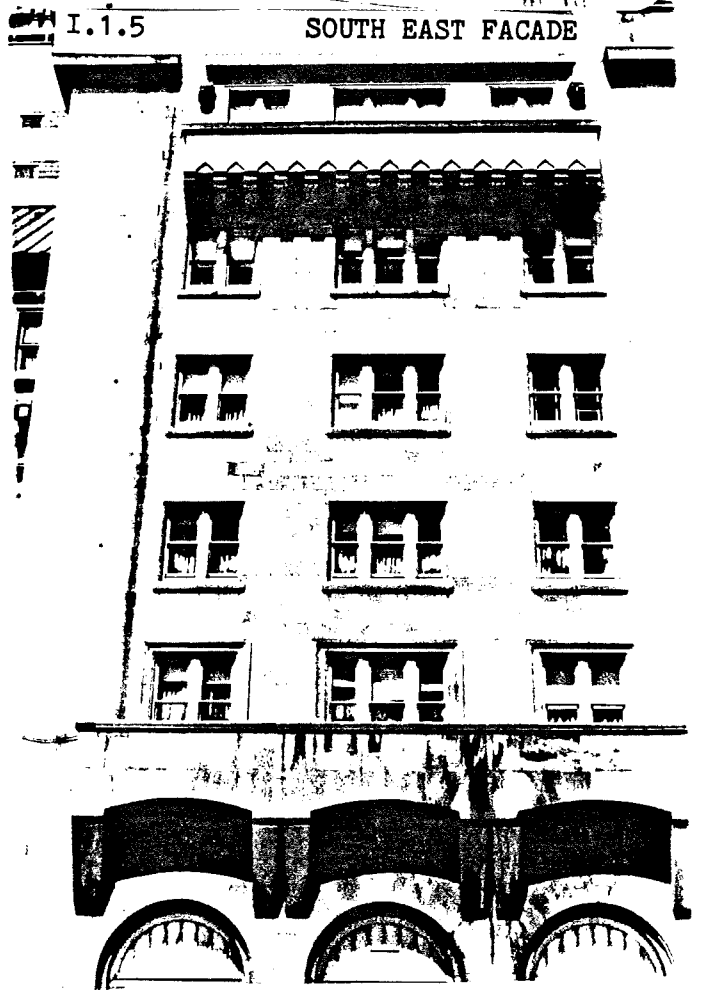
I.1.4.(j) SOUTH FACADE - SIMPLY DECORATED CORNICE



I.1.5.(a) SOUTHEAST FACADE - THREE ARCHED WINDOWS

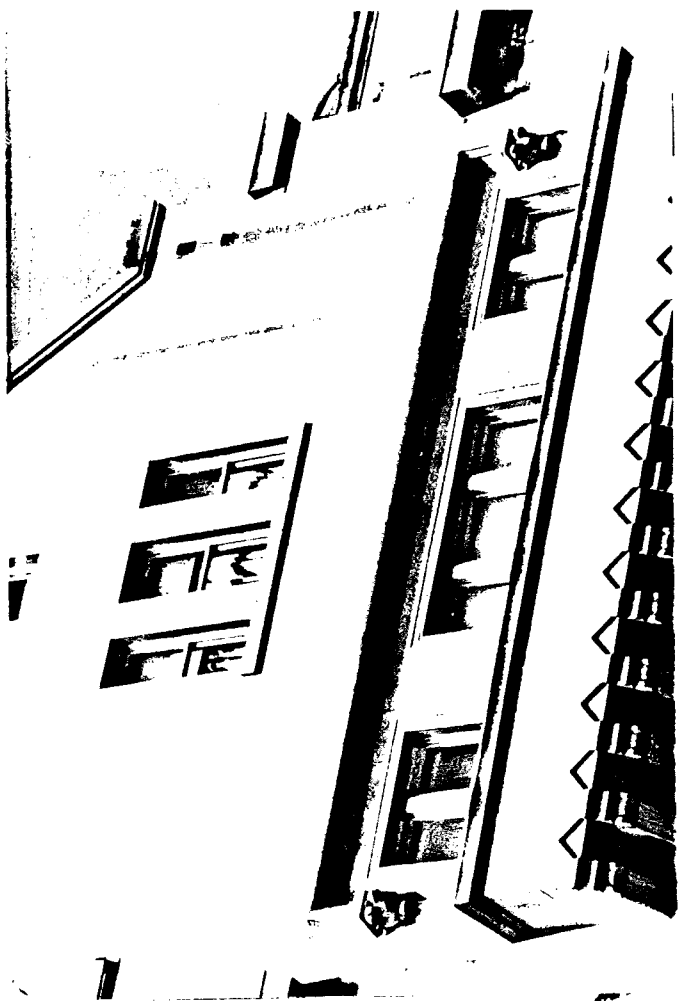


I.1.5 SOUTH EAST FACADE

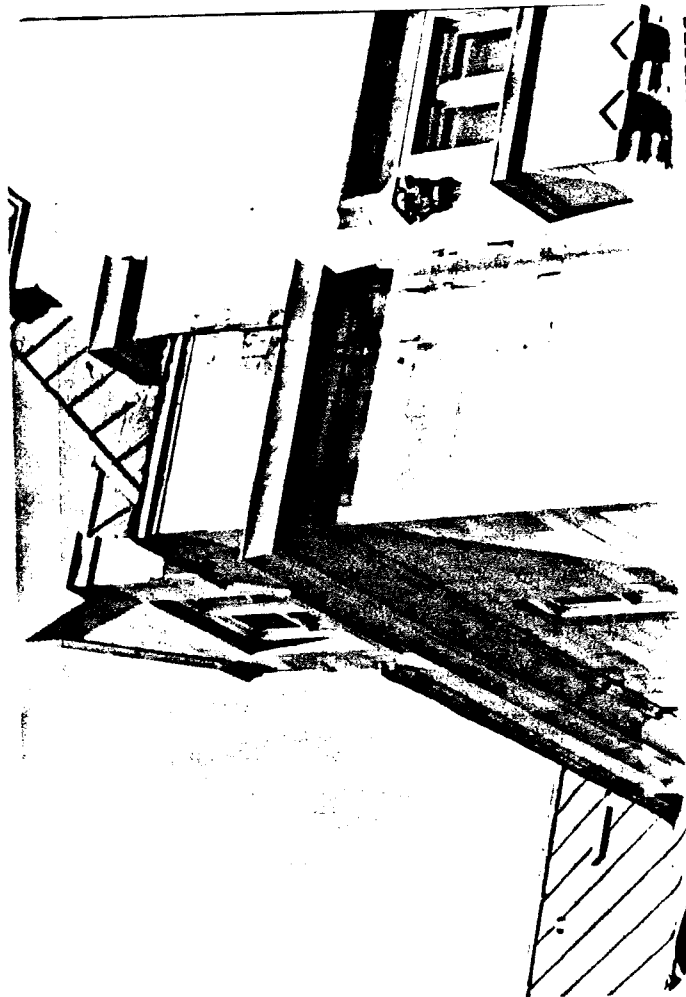


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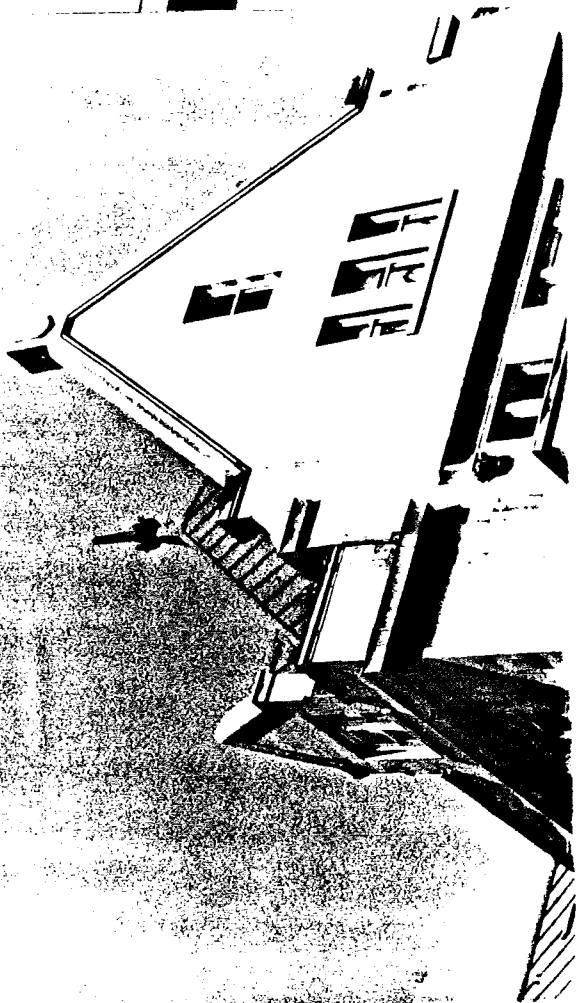
SOUTHEAST FACADE - TWO LARGE BALCONETTES



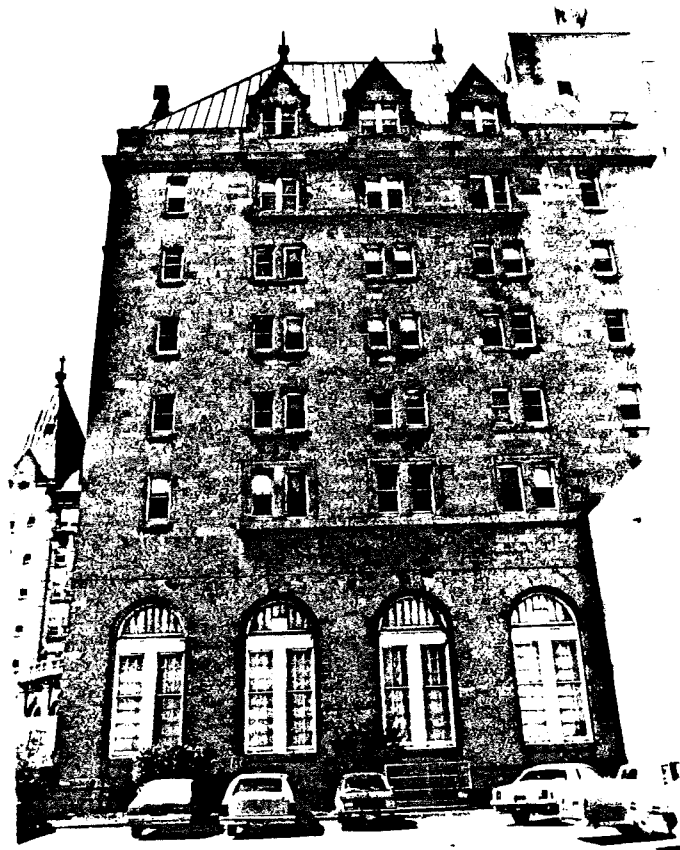
I.1.5.(c) SOUTHEAST FACADE - ONE DECORATIVE CORNICE



I.1.5.(d) SOUTHEAST FACADE - ONE OF TWO LARGE CORNICES

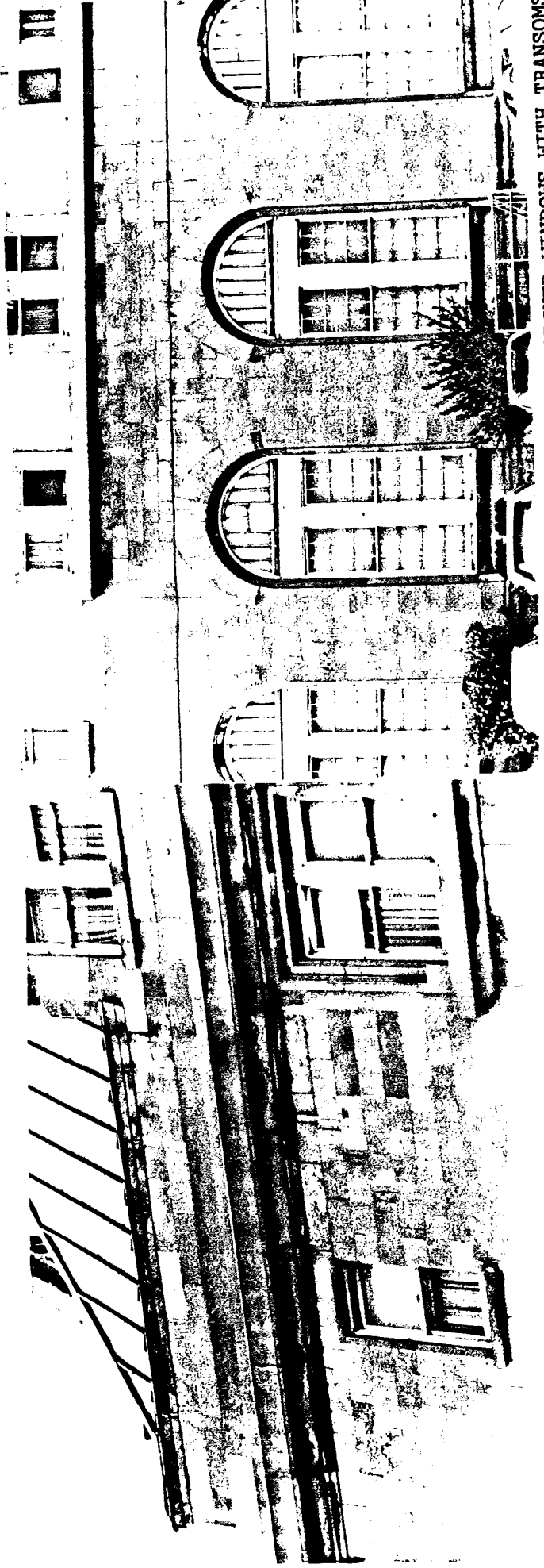


I.1.5.(e) SOUTHEAST FACADE - TWO DORMERS



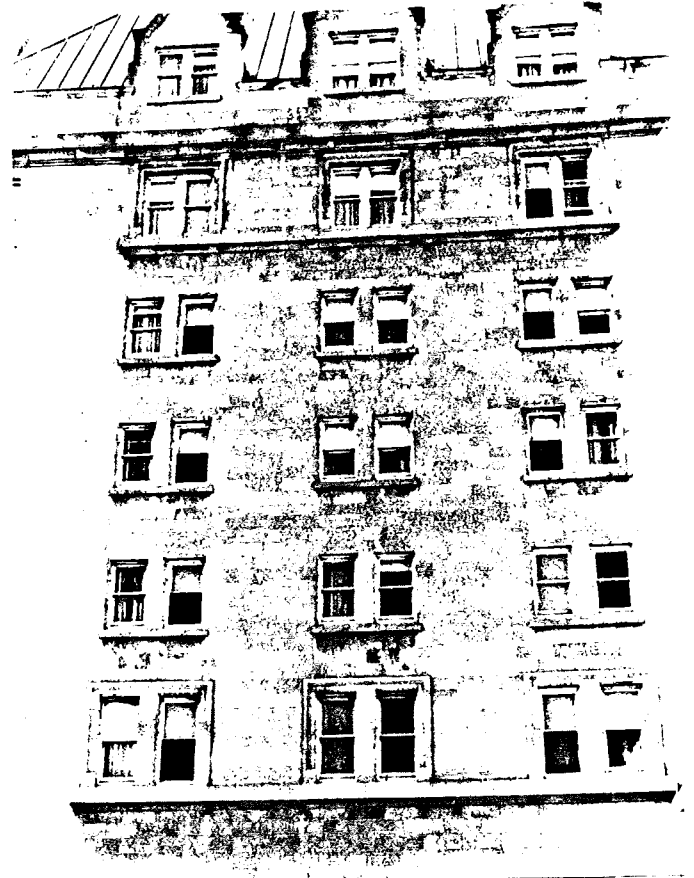
I.1.6

EAST FACADE

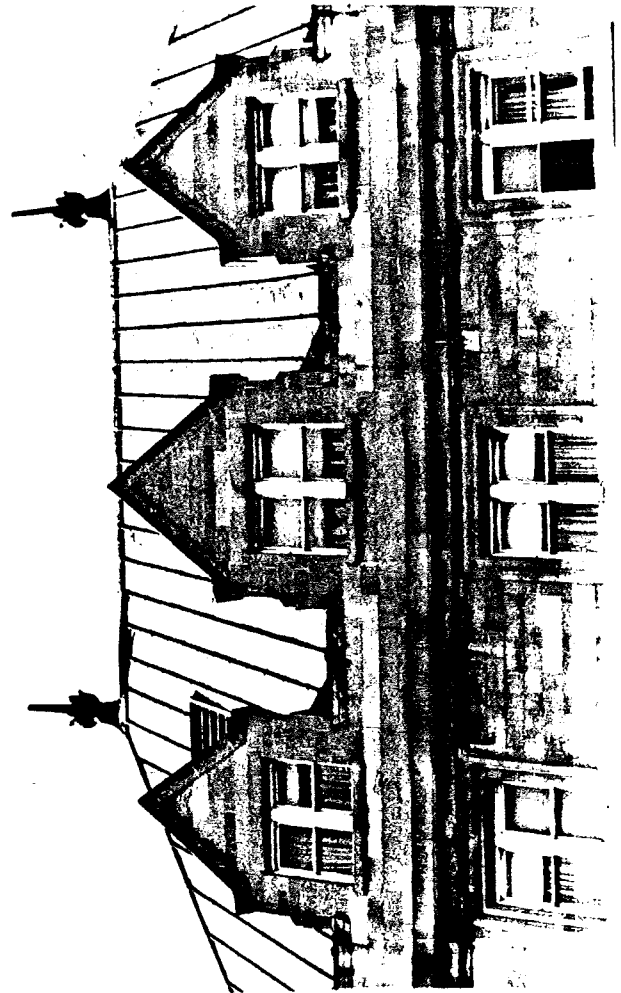


I.1.6.(c) EAST FACADE - ONE LARGE CORNICE

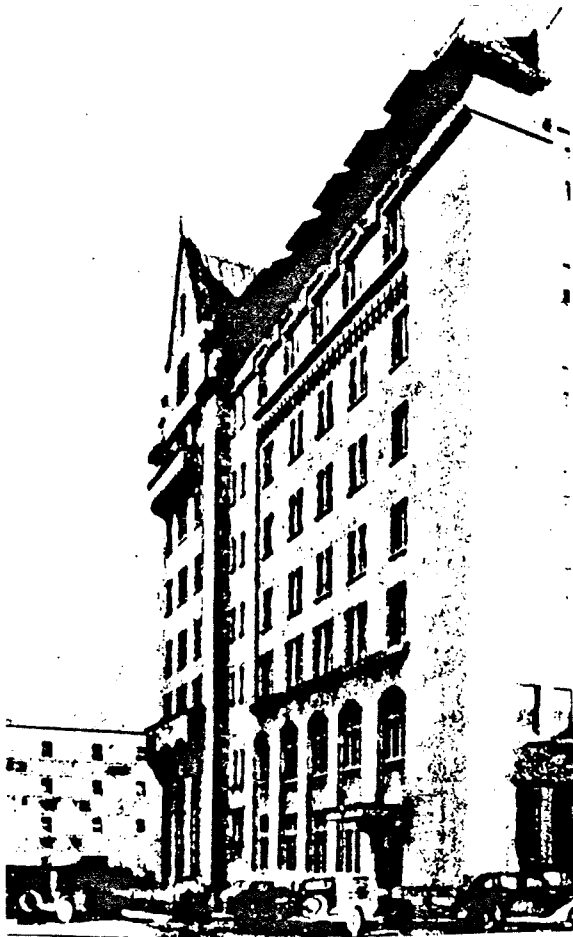
I.1.6.(a) EAST FACADE - FOUR ARCHED WINDOWS WITH TRANSOMS



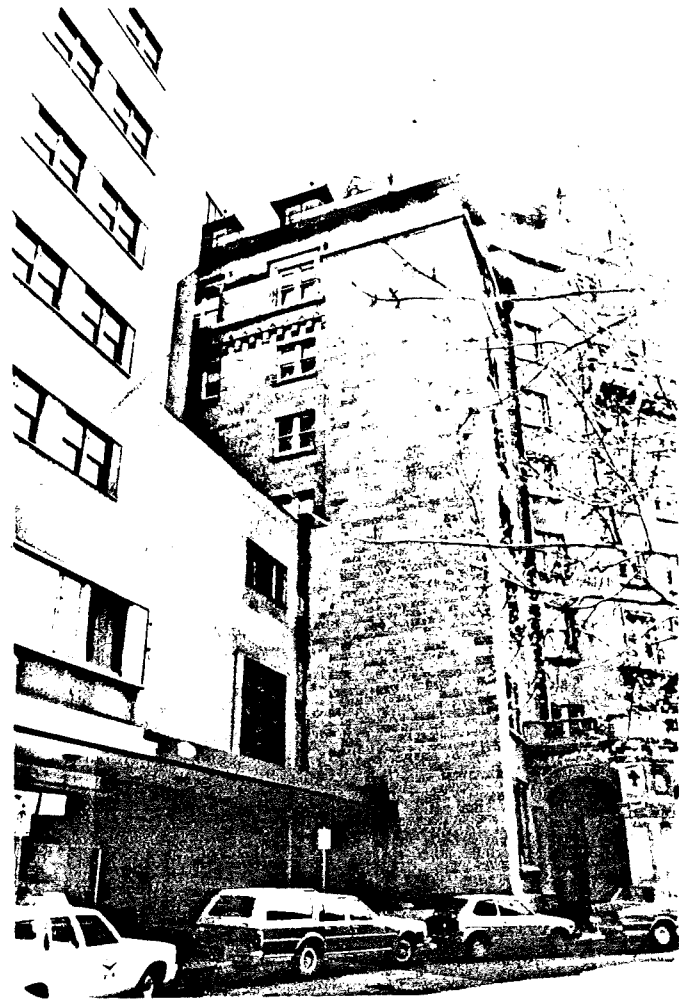
I.1.6.(b) EAST FACADE - TWO LARGE WINDOW SILLS



I.1.6.(d) EAST FACADE - THREE DORMERS



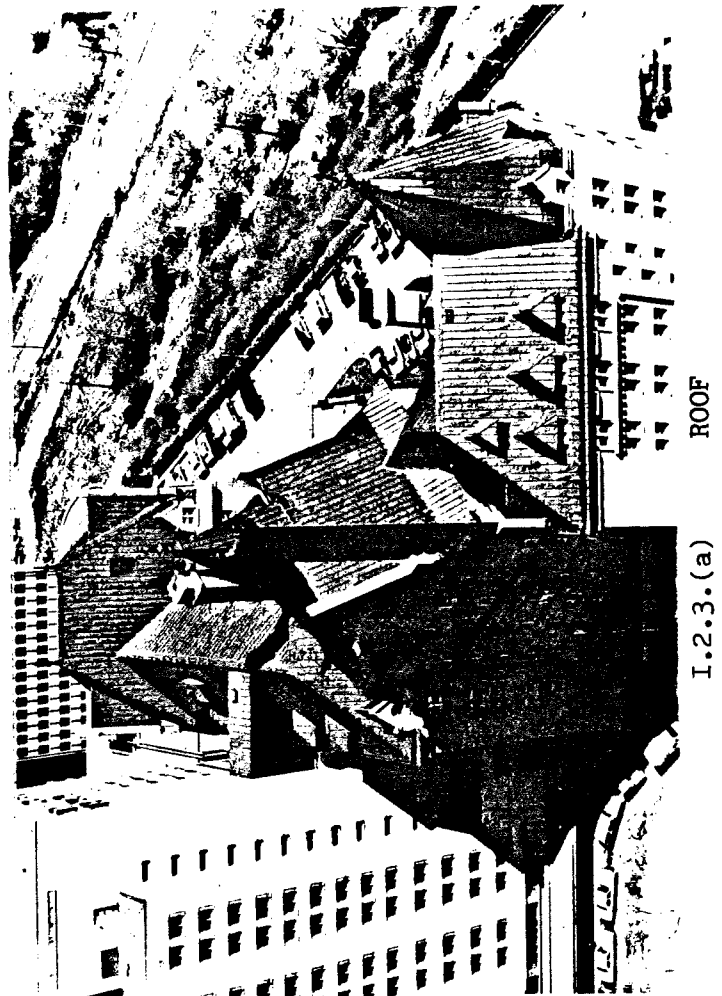
I.1.7 NORTH FACADE



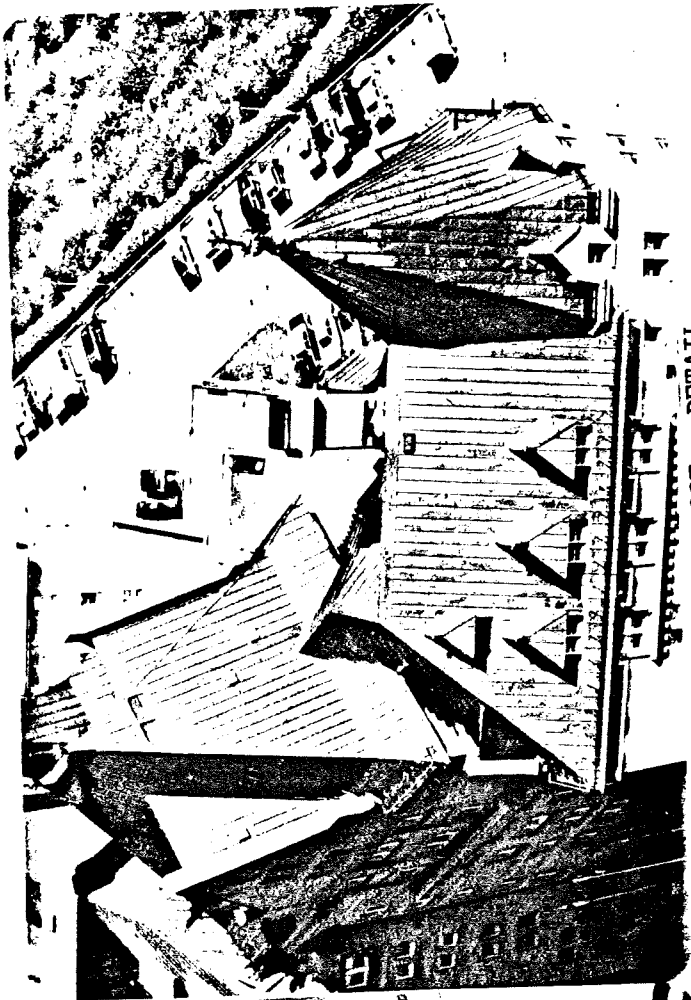
I.1.7.(a)
NORTH FACADE - EXISTING ELEMENTS



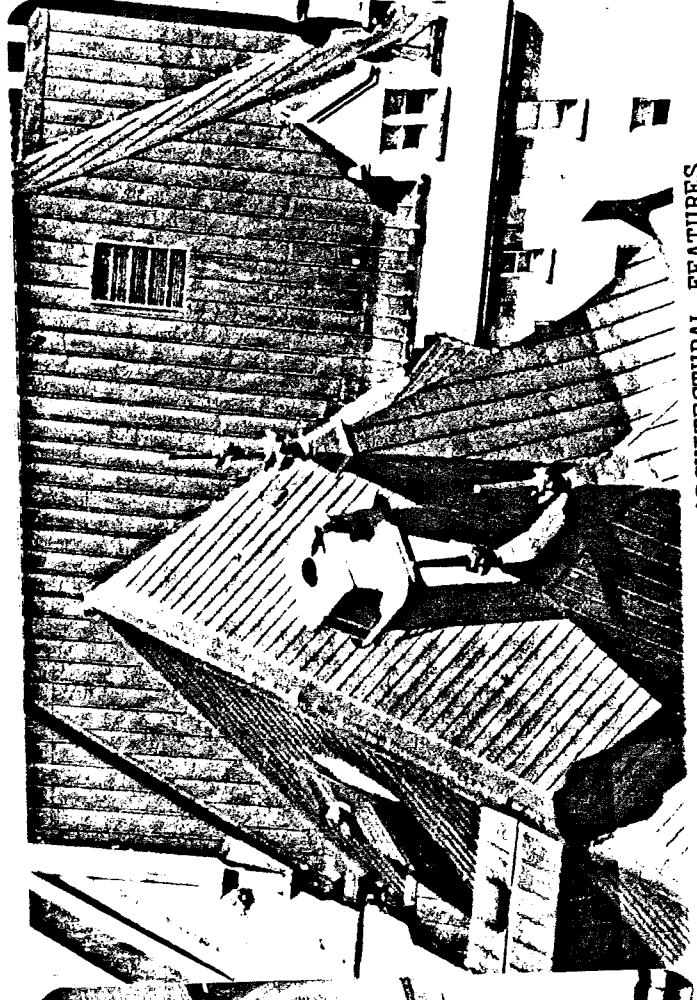
I.1.7.(b)
NORTH FACADE - EXISTING ELEMENTS (DETAIL)



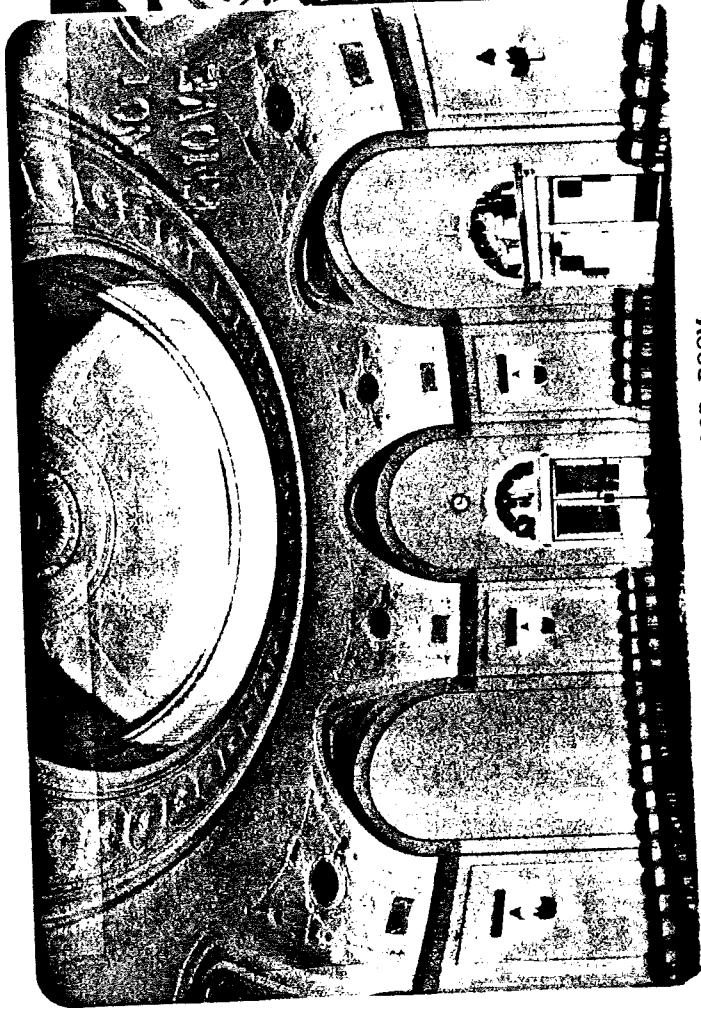
I.2.3.(a) ROOF



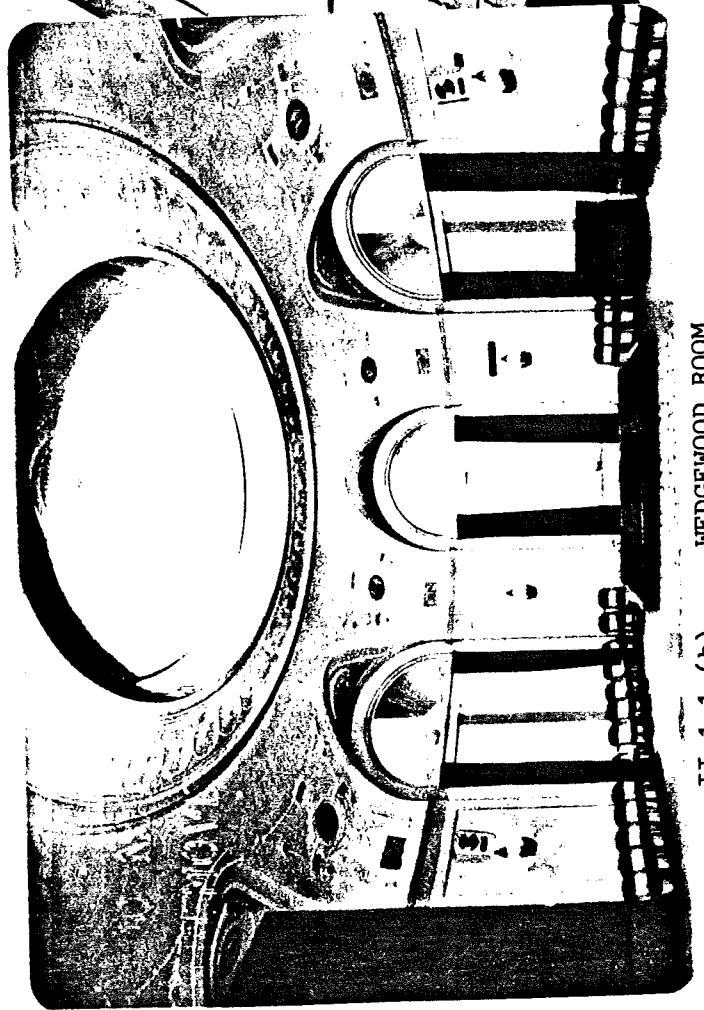
I.2.3.(b) ROOF - DETAIL



I.2.3.(c) ROOF - ARCHITECTURAL FEATURES



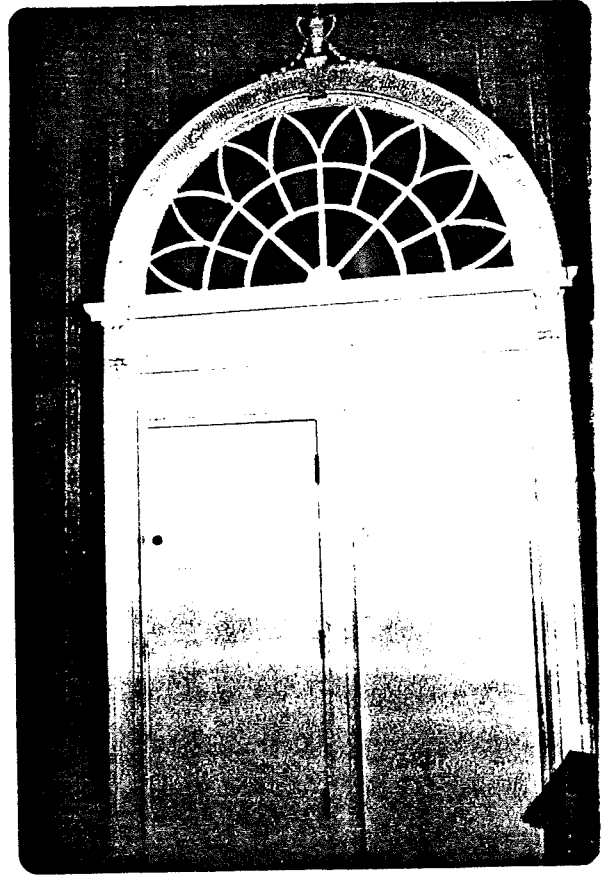
II.1.1.(a) WEDGEWOOD ROOM



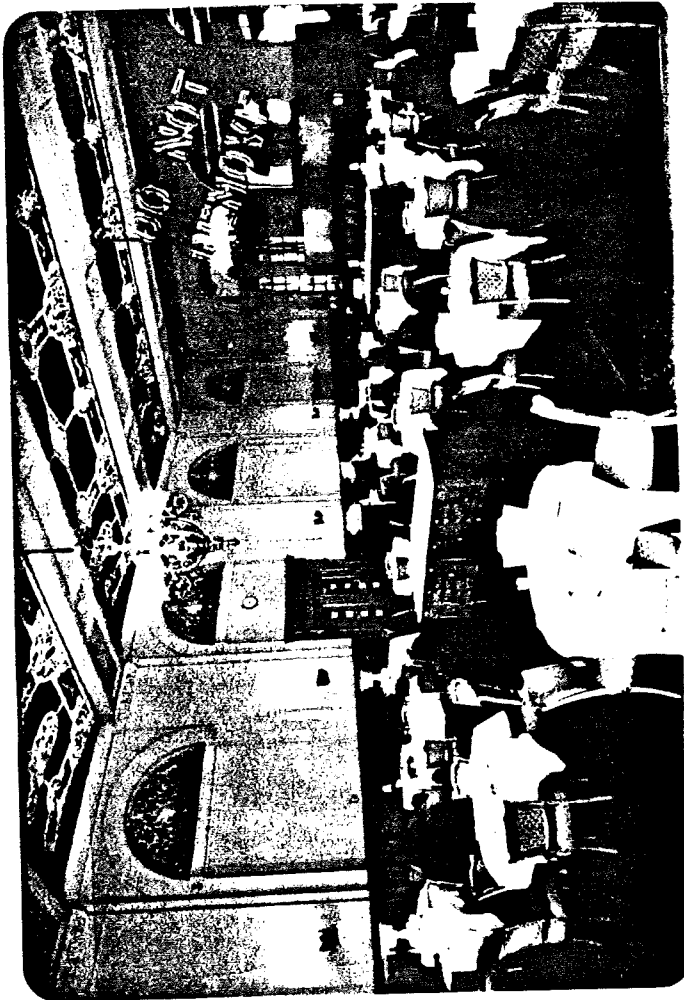
II.1.1.(b) WEDGEWOOD ROOM



II.1.1.(c) WEDGEWOOD ROOM - DETAIL



II.1.1.(d) WEDGEWOOD ROOM - DETAIL



II.1.2.(a) EMPIRE DINING ROOM - CIRCA 1930



II.1.2.(b) EMPIRE DINING ROOM - CIRCA 1930



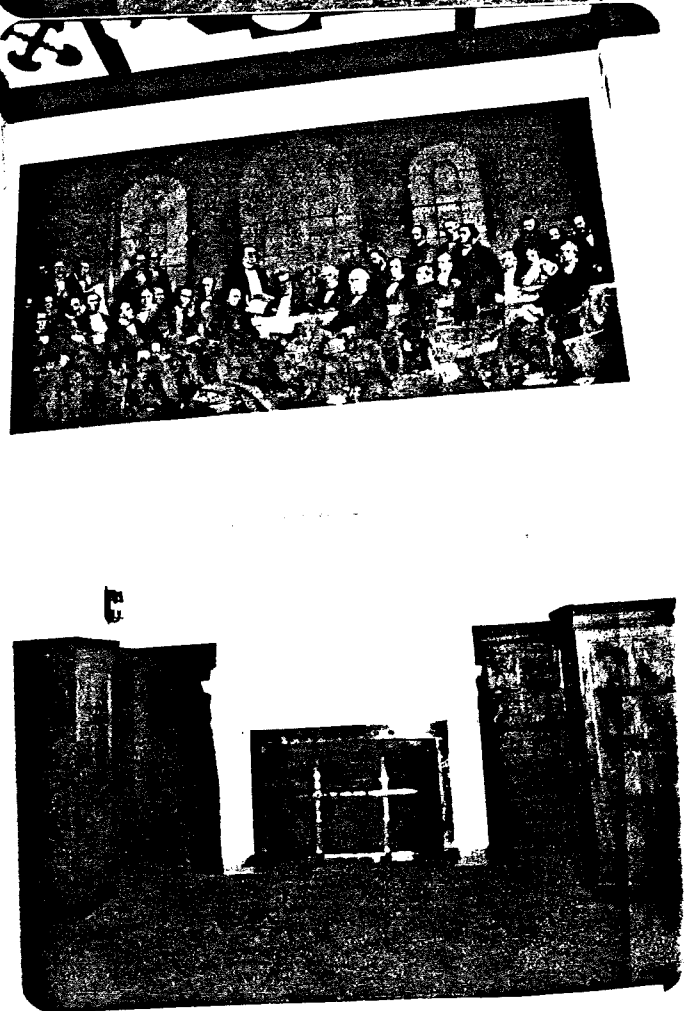
II.1.2.(c) EMPIRE DINING ROOM - CIRCA 1930



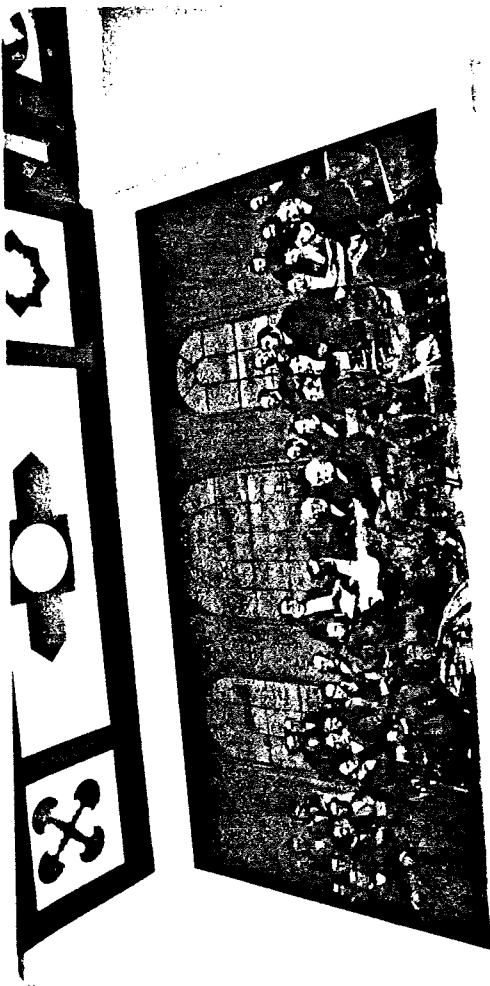
II.1.3.(a) ORIGINAL LOUNGE - CIRCA 1915



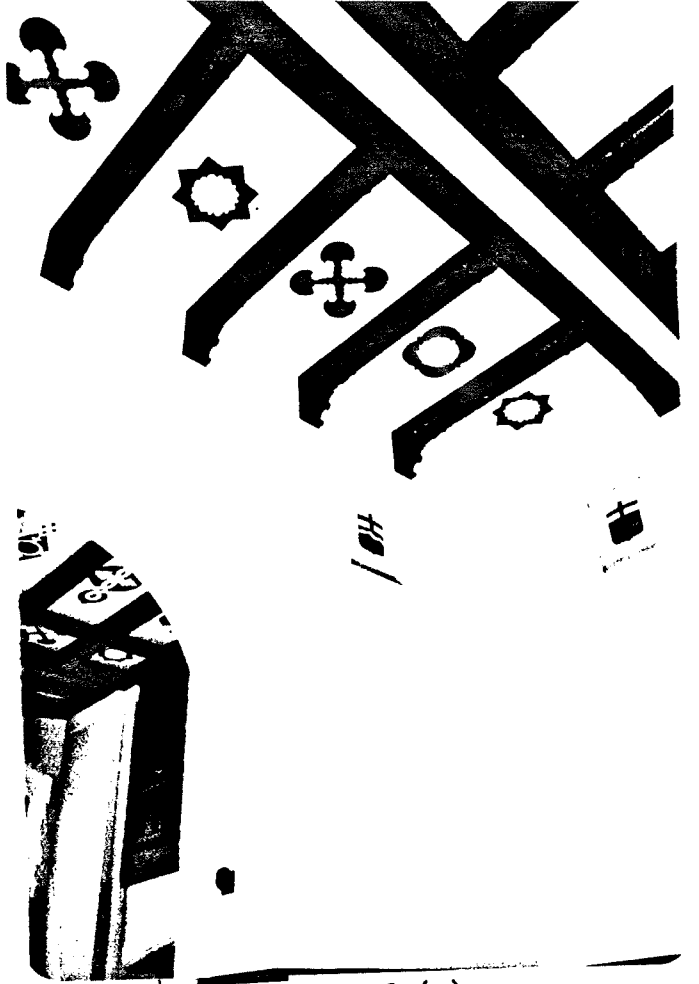
II.1.3.(b)
ORIGINAL LOUNGE - CIRCA 1950



II.1.3.(c)
ORIGINAL LOUNGE - FIREPLACE AND PAINTING



II.1.3.(d) ORIGINAL LOUNGE - FATHERS OF CONFEDERATION PAINTING



II.1.3.(e)

ORIGINAL LOUNGE - CEILING



II.1.4.(a) ORIGINAL MAIN STAIRCASE



II.1.4.(b)
ORIGINAL MAIN STAIRCASE WITH IRON BALUSTERS

"Schedule C" to Bylaw # 7700 to Designate Certain Portions of the Macdonald Hotel and the Designated Site as a Municipal Historic Resource

1. Terms used in this Schedule C to Bylaw # 7700 shall have the meaning assigned to them in the Development Agreement between the City of Edmonton ("City") and the Canadian National Railway Company ("CN") and made as of JANUARY 14, 1985 ("the Development Agreement").

2. The City is required by law to grant compensation for the designation of the Original Macdonald Hotel and the Designated Site as a municipal historic resource pursuant to the Historical Resources Act ("the Act"). The City and CN have agreed in the Development Agreement that

- (a) the potential transfer of unused density relating to the said lands to other lands, and
- (b) the granting of tax relief in the form of a rebate of a portion of the municipal taxes collected by the City with respect to the Renovated Macdonald Hotel

represent adequate compensation for such designation.

3. The City recognizes that in the event the Project on the said lands, as defined in the Development Agreement is constructed and completed in its entirety there will be unused density related to the said lands to the extent of unbuilt commercial floor area of 16,179 square metres and unbuilt residential floor area of 27,846 square metres ("the unused density"). In the further event that City Council adopts, either by resolution or by bylaw, a policy permitting the transfer of development rights or unused density then in such event the unused density, as herein described, shall be recognized by the City in such policy and may be transferred by the then owners of the said lands to other lands in the City of Edmonton.

4. The City intends to grant and hereby grants:

- (a) insofar as it is legally able to do so under Sec. 24(4) of the said Act as part of the compensation for such designation, tax relief in the form of a cancellation or

rebate of a portion of the municipal property taxes levied by the City on the Renovated Macdonald Hotel and the Designated Site during the five year period commencing on January 1 of the year in which an occupancy permit for any portion of the residential component of the first phase of the Renovated Macdonald Hotel is issued by the City ("the five year period"). For the purposes of this Bylaw # 7700 "municipal property taxes" shall mean the tax amount levied by the City based on the City assessment and the millrate established by Edmonton City Council but specifically excludes the school taxes levied by the School Boards in Edmonton and the Provincial Department of Education.

- (b) It is the intention of the parties to the Development Agreement that during each year of the five year period CN shall pay to the City \$35,000.00 in municipal property taxes on the first phase of the Renovated Macdonald Hotel and the Designated Site. The portion of municipal taxes which shall be cancelled or rebated each year during the five year period shall be the difference between \$35,000.00 and the municipal property taxes levied in each year of the five year period on the first phase of the Renovated Macdonald Hotel and the Designated Site. PROVIDED HOWEVER, that in no event shall the City be obligated to cancel or rebate a total amount of municipal property taxes related to the Renovated Macdonald Hotel and the Designated Site in excess of \$900,000.00 during the five year period. If the total of municipal property taxes cancelled or rebated during the five year period for the Renovated Macdonald Hotel and the Designated Site exceeds \$900,000.00 during the said five year period then the City shall not be obligated to cancel or rebate any sum in excess of that amount but CN has agreed in the Development Agreement that the CN shall be obligated to pay municipal property taxes due in excess of that amount with respect to the first phase of the Renovated Macdonald Hotel and the Designated Site.
- (c) CN shall be entitled to apply for such tax cancellations or rebates forthwith upon receiving notice of the amount of municipal property taxes due for the Renovated Macdonald Hotel and the Designated Site and due for each year of the five year period. Upon receipt of such application City Council shall forthwith consider such claim for cancellations or rebates having regard to the intent of this Article and City Council shall, pursuant to the power granted in Sec. 24(4) of the Act, make the cancellation or rebate according to the terms of this Article 2.3.

- (d) If at any time during the five year period CN is issued an occupancy permit by the City for the second phase of the Renovated Macdonald Hotel, Office Tower No. 1 or Office Tower No. 2, then in that event on January 1 of the year in which such an occupancy permit is issued all tax relief as described in this Bylaw # 7700 shall cease and determine and CN shall not be entitled to apply for such cancellation or rebate thereafter. In the event CN has already received a cancellation or rebate for municipal property taxes in that particular year and related to the Renovated Macdonald Hotel and the Designated Site the liability for municipal property taxes for that year shall revive and shall be paid to the City by CN as agreed by CN in the Development Agreement.