

Policy Title:	Applies to:		Reference #
Heritage Incentives Policy (Formerly known as the <i>Municipal Heritage Incentives for the Preservation of Heritage Properties</i>)	<i>City of Regina Social and Cultural Development Branch</i>		###-XXX-##
Approved by:	Dates:		Total # of Pages
City Council	Effective:	02-Mar-2022	6
	Last Review:	02-Mar-2022	
	Next Review:	02-Mar-2024	
Authority:			
Heritage Grants and Property tax exemption is permitted under Section 28 (a) of The Heritage Property Act			

1.0 Policy Statement

Through flexible and responsive incentives, the City of Regina supports heritage property owners to conserve their properties, revitalize neighbourhoods and ensure that Regina’s history is preserved and shared for current and future residents.

2.0 Purpose

The objectives of the incentives provided under this policy are:

- To encourage investment in the maintenance and upgrading of heritage properties to support their long-term conservation, extend their effective life and/or to ensure their structural integrity.
- To reduce barriers associated with premium costs of rehabilitating heritage buildings.
- To ensure diverse heritage properties continue to contribute to neighbourhood character and vitality and tell the full story of Regina.

3.0 Definitions

Character-Defining Elements: The materials, forms, location, spatial configurations, uses and cultural associations or meanings that contribute to the heritage value of an historic place, which must be retained to conserve its heritage value.

Conservation: All actions or processes that are aimed at safeguarding the character-defining elements of a historic place to retain its heritage value and extend its physical life. This may involve “Rehabilitation,” “Preservation,” “Restoration” or a combination of these actions or processes in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada*.

Conservation Plan: A plan describing the proposed methods used to conserve the heritage values and character-defining elements of a historic place. A Conservation Plan should also indicate the overall condition of the historic place and longer-term plan to maintain it in a sound and attractive state.

Designated Heritage Property: Any Municipal Heritage Property, any pre-1965 property within the Victoria Park Heritage Conservation District or any Provincial Heritage Property.

Eligible Conservation Work Costs: The expenses incurred to conserve a building, structure or landscape as further described in 5.8 Eligible Conservation Work below.

Executive Director: Executive Director, City Planning and Community Development, or their designate.

Heritage Alteration Permit: A permit authorizing the alteration of a designated property.

Heritage Fund: The annual budget for heritage grants, including any carry forward of unspent amounts from previous years.

Heritage Inventory An inventory of non-designated properties located within the corporate boundaries of the City of Regina that have been identified as having Heritage Value in accordance with the Thematic Framework.

Heritage Value: The aesthetic, historic, scientific, cultural, social, or spiritual importance or significance for past, present, and future generations. The heritage value of a historic place is embodied in its character-defining elements.

Incentive Review Panel: A panel comprised of heritage experts and community stakeholders tasked with the review of heritage incentives application and making recommendations to Administration.

Maintenance: Routine, cyclical, non-destructive actions necessary to slow the deterioration of a designated or Inventory property. It entails non-destructive cleaning, minor repair and refinishing operations.

Statement of Significance: A statement that identifies the description, heritage value and character-defining elements of a Property.

Thematic Framework: A structure for the Heritage Inventory that uses themes to help conceptualize past events and to place sites, places, and events within their historical contexts.

4.0 Transition Provisions

Tax exemption and grant agreements established under the former policy remain valid and are covered under the terms and conditions of the former policy. Any applications for incentives received on or after March 16, 2022, are subject to this policy.

5.0 Incentive Policy

5.1 General Eligibility Requirements

- 5.1.1 Subject to the restrictions below relating to the Victoria Park Heritage Conservation District, the application of this policy is limited to buildings, structures or landscapes that have been formally recognized by City Council as designated property pursuant to *The Heritage Property Act*, those properties on the Heritage Inventory, or provincially designated property pursuant to *The Heritage Property Act*. With respect to the Victoria Park Heritage Conservation District, only those designated properties that were built before 1965 are eligible. In determining the date when properties were built, the City uses the dates provided in the Assessment and Taxation records.
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- 5.1.2 Owners that have property taxes or other charges past due to the City of Regina are not eligible.
- 5.1.3 Eligible work carried out up to a year prior to the application deadline may be considered for Incentives.
- 5.1.4 Where a development is also eligible for tax exemption under the Housing Incentives Policy, the full benefit under both policies may be provided. The Heritage Incentives Policy will be provided first unless otherwise approved by the Executive Director.
- 5.1.5 Incentives provided under this policy may be stacked with incentives offered by the Municipal, Provincial and Federal Governments.

5.2 Types of Incentives

Eligible properties may access the following incentives under this Policy, subject to the approval of Council:

- 5.2.1 Designated Heritage Properties are eligible for Tax Exemptions, Maintenance Grants and Major Grants as further described in 5.3 and 5.4.
- 5.2.2 Heritage Inventory Properties are eligible for Maintenance Grants and Major Grants as further described in 5.4.

5.3 Calculation of Tax Exemption

- 5.3.1 A property tax exemption may be provided to taxable Designated Heritage Properties equivalent to 50 per cent of eligible conservation work costs to a maximum of 10 years of exemption.
- 5.3.2 The amount of the property tax exemption, including calculation of any percentage or portion and the determination of any use or cost, shall be conclusively determined by the City Assessor. The amount shall only apply to the portion of the property containing the building, structure, or landscape with heritage value pursuant to *The Heritage Property Act*.
- 5.3.3 Notwithstanding subsection 5.3.1, *The Education Property Tax Act*, contains provisions which require Provincial approval to exempt the education portion of the property taxes where the value of the educational tax is equal or greater than \$25,000 in a single year. If this approval is not granted, the exemption will cover the municipal and library portions of the taxes only.
- 5.3.4 The tax exemption does not apply to local improvement fees, business improvement fees, and the non-exempt portion of taxes (i.e. laneway improvements) and other charges to tax accounts; these must be paid during the term of the agreement in the year in which they are due. No abatement of outstanding or current taxes will be negotiated.

5.4 Calculation of Grants

- 5.2.1 Designated Heritage Properties can access:
 - Maintenance Grants equivalent to 50 per cent of eligible maintenance costs, to a maximum grant amount of \$5,000
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- Major Grants equivalent to 50 per cent of eligible conservation work costs to a maximum of \$50,000. Amounts larger than \$50,000 may be recommended by the Incentive Review Panel, subject to the availability of funds, when financial need and the importance of the investment to Regina's heritage portfolio can be demonstrated.

5.2.2 Heritage Inventory Properties can access

- Maintenance Grants equivalent to 50% per cent of eligible maintenance costs, to a maximum grant amount of \$2,500.
- Major Grants equivalent to 25% of eligible conservation work costs to a maximum grant amount of \$50,000.

5.5 Combination of Incentives.

5.5.1 Owners of eligible properties may apply for both tax exemptions and Major Grant if the combined value of the incentives does not exceed 50% of eligible conservation work costs. Approval is subject to the review and recommendations of the Incentive Review Panel, availability of funds and approval of City Council.

5.6 Consideration of Incentives Outside the Application Process

5.6.1 When Council is considering designation of a property without the owner's consent, or issuance of a repair order for a property that is already designated, the Incentive Review Panel may prepare a recommendation for Administration to bring forward to Council on incentives that would support viable conservation.

The Panel's assessment will consider:

- the premium costs of heritage conservation and retention that cannot be recouped through sale, lease, or rental revenue
- history of investment in repair and maintenance of the property
- the importance of the investment to Regina's heritage portfolio
- the public benefit of conservation, including the level of public visibility or access to the heritage property
- The impact on the Heritage Fund and future funding cycles.

5.6.2 In the absence of an application, the Panel will have access to any relevant information submitted to the City by the owner as well as any additional reviews undertaken by the City including third-party condition assessment and opinion of costs.

5.6.3 Incentives require Council approval and are subject to agreement with the property owner.

5.7 Exemption and Grant Agreement

The property tax exemption or cash grant will be subject to an agreement between the City of Regina and the property owner(s). The term of the agreement will be dictated by the number of years it will take to complete the work in addition to the term of the exemption.

5.7.1 The expiry date for the agreement may be extended by one year at the sole discretion of the Executive Director to accommodate unanticipated construction delays.

- 5.7.2 The applicant is required to notify the Social and Cultural Development Branch of the City of Regina when the project work is complete. A representative of the Branch will inspect the project to verify its completion.
- 5.7.3 The agreement may be assigned to a new owner at the sole discretion of the Executive Director. An assignment agreement will be required.
- 5.7.4 Owners of designated heritage properties are required to ensure ongoing maintenance and conservation of the property.
- 5.7.5 Incentives will only be provided after confirmation of eligible conservation or maintenance work is done and the required documents are submitted.

5.8 Eligible Conservation Work

- 5.8.1 Eligible conservation work must be specifically aimed at extending the life and conserving the heritage value of designated property. The conservation work must also be in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada*. The following work is eligible:
- Conservation Plans and other research and documentation.
 - Accessibility upgrades
 - Building Permit Fees
 - Qualified architectural or professional engineering and consulting services
 - Conservation of exterior character-defining elements or significant landscape elements.
 - Conservation of significant or rare character-defining interiors or interior elements as noted in the designating bylaw.
 - Structural stabilization.
 - Improvements required to meet National Building Code (NBC) or City of Regina bylaw requirements, including the repair or upgrading of mechanical and electrical systems.
 - Improvements to energy efficiency (e.g. insulation, windows, furnace).
- 5.8.2 The conservation of exterior character-defining elements may include the cleaning of surfaces, removal of unsympathetic materials and painting associated with the replacement of these elements.
- 5.8.3 Cosmetic improvements, tenant improvements and new additions are NOT eligible.

5.9 Eligible Maintenance Work

- 5.9.1 Eligible maintenance work must be aimed at slowing the deterioration of a designated or inventory property. The following work is eligible:
- Non-destructive cleaning
 - Minor repair
 - Refinishing operations
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5.10 Application Requirements

5.10.1 Application packages must include the following general information:

- a. Completed Application Form
- b. Statement of Significance
- c. Description of the proposed use of the building(s) and property (if different from current use)
- d. Detailed description of the proposed work
- e. Rationale for proposed work and current photos
- f. Explanation of financial need including identification of any premium costs associated with conservation of the property.
- g. Assessment of how the proposed work aligns with the *Standards and Guidelines for the Conservation of Historic Places in Canada* and rationale for any areas where proposed work may not align with the Standards & Guidelines.
- h. Any additional archival photographs and historical documentation
- i. Construction schedule with estimated start and completion dates

5.10.2 In cases where the value of the requested incentive is greater than \$200,000 applicants must provide the following further information in addition to the general information required above:

5.10.2.1 A development pro forma that provides detailed costs, budget, cash flow and future anticipated revenue if applicable. The pro forma should include financing details, two estimates for materials and labour, leasing specifications, project soft costs and hard costs, operating statement and an explanation of how the exemption will affect the financial viability of the project

5.10.3 In cases where the value of the incentive is less than \$200,000 applicants must provide the following further information in addition to the general information required above:

5.10.3.1 The application must include two estimates for all work to be done or project costs based on the assessment of a qualified architect or professional engineer or qualified quantity surveyor.

5.10.4 In addition to these requirements, the City may require additional historic research, engineering, or other studies in support of the application.

5.11 Application Review and Approval Process

5.11.1 Complete, eligible applications will be reviewed by an Incentive Review Panel comprised of heritage experts and other community stakeholders. The panel will make recommendations for grant and tax exemption incentives to Administration. These recommendations require Council approval.

5.11.2 The Panel will assess incentive applications based on:

- Importance of the investment to the heritage value of the property which may include investments that improve financial viability of conservation over the long term.
 - Urgency of the investment; e.g. where the integrity of the heritage property may be at risk if the work does not proceed
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- Public benefit of the investment, including the level of public visibility or access to the heritage property.

5.11.3 To the extent possible the Panel's recommendations will represent a variety of projects and property types. When applications for grants exceed the funding available, those projects that demonstrate financial need and that cannot benefit from tax exemptions or for which tax exemptions would provide minimal value will be prioritized for grant funding.

5.11.4 The Panel may choose not to recommend investment of the full Heritage Fund budget in a given year provided clear rationale is provided for that recommendation.

5.11.5 If the property is not designated, an application for designation and an application for an incentive may be submitted at the same time. Consideration of the designation application may occur concurrently with the incentive application. Both designation and Incentives application require Council approval.

5.11.6 If approved by City Council, the incentive will be provided in accordance with a formal agreement between the City and the subject property owner(s). Agreements will be authorized by City Council's passage of an enabling bylaw.

6.0 Roles & Responsibilities

The Executive Director, or their delegate, in their sole discretion conclusively determines compliance with the eligibility criteria for tax exemptions and grants under this policy. Council approval of all tax exemptions and grants under this Policy is required through the passing of a bylaw. The Executive Director is authorized to finalize and approve the terms of any agreements entered into pursuant to this policy, and the City Clerk is authorized to execute the agreements after review and approval by the City Solicitor.

7.0 Related Forms

Application for incentives under this policy should be made using the Heritage Incentives Application Form.

8.0 Revision History

Date	Description of Change	(Re)-Approval Required (y/n)
25-Aug-2014	Increase in length of property tax exemption to 10 years Increase cash grants for tax exempt properties to \$50,000	Yes