

Appendix C

HERITAGE INCENTIVE POLICY (Approved August 25, 2014)

Formerly known as the *Municipal Heritage Incentives for the Preservation of Heritage Properties*.

Authority: Property tax exemption is permitted under Section 28 (a) of The Heritage Property Act.

An application fee will be required for projects that seek an exemption worth \$200,000 or more.

1.0 Purpose

The objectives of the incentives provided under this policy are:

- To encourage the full upgrading of designated heritage properties to ensure their long-term conservation, extend their effective life and/or to ensure their structural integrity.
- To stimulate the economic development of the Downtown through the rehabilitation of commercial facades in the Victoria Park Heritage Conservation District.
- To encourage the development of an attractive city that contributes to a better quality of life.

2.0 Scope

Stakeholders involved with the conservation of designated property including property owners, non-profit organizations, and developers.

3.0 Definitions

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

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 in order to conserve its heritage value.

Conservation Plan: A plan describing the proposed methods used to conserve the heritage values and character-defining elements. 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.

Eligible Work Costs: The expenses incurred to conserve the character-defining elements of a building, structure or landscape.

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

Executive Director: Executive Director, City Planning and Development.

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

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.

Historic Place: A structure, building, or landscape that has been formally recognized for its heritage value by City Council.

Statement of Significance: A statement that identifies the description, heritage value and character-defining elements of a historic place. A Statement of Significance is required in order for an historic place to be considered for designation by the Council of the City of Regina.

Maintenance: Routine, cyclical, non-destructive actions necessary to slow the deterioration of an historic place. It entails periodic inspection; routine, cyclical, non-destructive cleaning; minor repair and refinishing operations; replacement of damaged or deteriorated materials that are impractical to save.

4.0 Transition Provisions

Owners of properties with Exemption Agreements established under the former Municipal Incentive Policy for the Preservation of Heritage Properties (last amended October 22, 2001) that provide for an exemption in 2015 will be required to reapply under this new Policy no later than October 31, 2015. Otherwise, the existing Exemption Agreement will not be amended.

5.0 Incentives Policy

A property tax exemption may be provided for properties that meet the policy criteria as outlined below.

5.1 General Eligibility Requirements

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 Section 11(1) of *The Heritage Property Act*.

Only those designated properties in the Victoria Park Heritage Conservation District that were built before 1965, according to the dates provided in the Assessment and Taxation records.

In general, eligible work costs must be based on the assessment of a qualified architect or professional engineer.

Properties that have property taxes or other charges past due to the City of Regina are not eligible.

5.2 Calculation of Exemption

Property tax exemption may be provided to the owner(s) of taxable property for a period of up to 10 years to a maximum value equivalent to 50 percent of eligible conservation work costs; whichever is less.

Subject to the availability of funds, a cash grant of up to \$50,000 may be provided for tax exempt properties but limited to a maximum of 50 percent of eligible conservation work costs.

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 Section 11(1) of *The Heritage Property Act*.

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.

5.3 Exemption Agreement

The property tax exemption 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.

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

The applicant is required to notify the Current Planning 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.

The total cumulative tax exemption will be equal to either (a) 50% of the eligible conservation work costs, or (b) ten years of tax exemptions, whichever is less.

The agreement may be assigned to a new owner at the sole discretion of the Executive Director. An assignment agreement will be required.

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.

Incentives provided under this policy may be stacked with incentives provided through programs offered by the Municipal, Provincial and Federal Governments.

5.4 Eligible Work

Eligible conservation work must be specifically aimed at extending the life and increasing the 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:

- Qualified architectural or professional engineering services not related to the preparation of the application.
- Conservation of exterior character-defining elements or significant landscape elements.
- Façade-only conservation in the Victoria Park Heritage Conservation District.
- 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). Such work will be evaluated on the basis of its importance to the conservation of the character-defining elements of the building.
- Conservation of significant or rare character-defining interiors or interior elements.

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.

Cosmetic improvements, painting, repairs, regular maintenance, tenant improvements and new additions are NOT eligible.

5.5 Application Requirements

Applications must include:

- (a) a completed application form
- (b) current colour photographs
- (c) archival photographs and historical documentation

in cases where the value of the exemption is greater than \$200,000:

- the application must include a Heritage Alteration Permit application with an architect's drawings in addition to the architect's report that provides the following: a description of the proposed development highlighting new repairs and conservation work, the Conservation Plan, a construction schedule and, where applicable, an engineer's report on the structural improvements and costs.
- the application must include some financial evidence indicating why the tax exemption is needed in the form of a development pro forma that provides detailed costs, overall budget breakdown and cash flow. The pro forma should include financing details, two estimates for all materials and labour, leasing specifications, project soft costs (e.g. labour), project hard costs (e.g. materials), operating statement, and an explanation of how the tax incentives will affect the economic viability of the project.

OR in cases where the value is less than \$200,000:

- the application must include a Heritage Alteration Permit application with an architect's drawings in addition to the architect's report that provides the following: a description of the proposed development highlighting new repairs and conservation work, the Conservation Plan, a construction schedule and, where applicable, an engineer's report on the structural improvements and costs.
- the application must also 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. The total project costs must be a minimum of \$20,000.

In addition to these requirements, the City may require additional historic research, engineering, or other studies in support of the application. All Conservation Plans and architectural drawings are to be carried out by an architect, engineer or equivalent professional, each having substantive experience and expertise in heritage conservation.

The costs of preparing and submitting an application, including any consultant fees, are the sole responsibility of the applicant. The application may apply to recover such costs as part of the incentives; however the City will only approve such recovery for successful applications.

5.6 Application Process

A complete application under the Heritage Incentives Policy, including details and costs of conservation work to be undertaken, must be submitted to the City of Regina in writing, before commencement of any work or development that is intended to qualify for an incentive.

A Heritage Alteration Permit application will also be required for the project. The timing of this Heritage Alteration Permit in relation to this application should be discussed with staff. The Heritage Alteration Permit application may require Council approval unless the authority has been delegated to the Administration.

Applications for an incentive must be made before issuance of a heritage alteration, building or development permit. Exception of this requirement is at the discretion of the Executive Director where Council has delegated authority to the Administration to approve the alteration of a designated property. The approval must be provided in writing by the Executive Director before any project work begins.

If the property is not designated, an application for designation and an application for an incentive may be submitted at the same time, but the application for an incentive may not be formally considered until after the property has been designated by City Council.

Upon completion of the Administration's review, the application for an incentive will be considered by the City's Finance and Administration Committee which, in turn, will make a recommendation to City Council.

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), which will be authorized by City Council's passage of an enabling bylaw.

For further information or assistance, please contact:

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