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Heritage Advisory Committee
June 22, 2016

TO: Chair and Members of the Heritage Advisory Committee

SUBMITTED BY: Original Signed by:

Bob Bjerke, Chief Planner & Director, Planning and Development

DATE: May 19, 2016

SUBJECT: **Case H00433: Barrington Street Heritage Conservation District Financial Incentives Program 2016-17**

ORIGIN

HRM Barrington Street Heritage Conservation District Financial Incentives Program.

LEGISLATIVE AUTHORITY

Heritage Property Act, and the Barrington Street Heritage Conservation District Revitalization Plan.

RECOMMENDATION

It is recommended that the Heritage Advisory Committee recommend that Halifax Regional Council:

1. Approve a grant of not more than \$100,000 and a tax credit of not more than \$1,000,000 for the restoration of the Keith building located at 1581-89 Barrington Street;
2. Approve a grant of not more than \$78,886 and a tax credit of not more than \$147,487 for the restoration of the Canada Permanent building located at 1646 Barrington Street;
3. Approve a grant of not more than \$23,851 for the restoration of the Former City Club building located at 1580 Barrington Street;
4. Approve a grant of not more than \$7,616 and a tax credit of not more than \$612 for the Colwell building located at 1673 Barrington Street;
5. Approve the grants and tax credits referenced in recommendations 1-4 above conditional upon each the respective applicant having first:

- a) completed the work set out in the respective application to the satisfaction of the Municipality;
- b) provided well organized receipts and invoices, in a format acceptable to the Municipality, to support the total amount approved; and
- c) executed and registered at the Registry of Deeds an agreement that the owner will not apply to demolish, nor will they demolish, the respective property for 20 years from the date of the agreement.

BACKGROUND

In 2009, Regional Council adopted the Barrington Street Heritage Conservation District (BSHCD) Plan and By-law which included a financial incentives program to encourage restoration and renovation of buildings within the District (Map 1). Prior to the adoption of the Plan, Council had approved in principle a financial program budget of \$1 million in grants and \$2 million in tax credits spread over five years. In 2009-10, the grant budget was set at \$200,000 for each year of the subsequent four years.

At the conclusion of the five years of the Barrington Street Heritage Conservation District Financial Incentives program (BSHCD Financial Incentives Program), Council approved a two-year extension for the 2015-16 and 2016-17 fiscal years. The program extension allowed for the relocation of grant funds which had been previously approved but withdrawn, and encouraged additional property owners in the District to restore their properties by participating in the BSHCD Financial Incentives Program. In the two years of the program extension an additional \$350,000 in grant funding was added which raised the total grant budget to \$1.35 million. To date \$1,139,647 of grant funding has been allocated, and \$210,353 remains unallocated of the total grant budget. This is the final year of the BSHCD Financial Incentives program, and remaining grant funding resides in the Cultural Development Reserve (Q312).

Tax credits are calculated at 15% of eligible interior and exterior work, and have been allocated based on the total program estimate expenditure of \$2 million. Unlike the grants the program does not prescribe a maximum tax credit per building; however, the total tax credit expenditure (M310-8007) for the program was expected to fall within the original \$2 million estimate. To date \$1,342,171 in program tax credits have been approved.

DISCUSSION

For the 2016-17 year, staff have received and reviewed 4 applications requesting financial assistance under the BSHCD Financial Incentives program. As this is the last year of the program as much of the remaining funding should be allocated. Building project summaries for the four 2016-17 projects can be found in Attachment A. Staff have reviewed 4 projects and determined that each meet the program eligibility criteria as outlined in the program Terms & Conditions (Attachment B).

As a way to allocate limited budget, applications are ranked according to priority criteria listed in section 2.9 of the Terms and Conditions which state that preference will be given to:

1. Preservation and restoration of historic structural and weatherproofing elements, rather than cosmetic improvements, e.g. restoration of masonry, cladding, windows, doors or roof has greater priority than painting;
2. Restoration of publicly visible features, e.g. an application for restoration of a front façade would have higher priority than a façade facing an interior light well or rear yard;
3. Registered heritage buildings;
4. Buildings in poor condition and at greatest risk for deterioration or loss.

Table 1 gives an overview of the four applications listed in order of those with the highest to lowest score or rank. Those with the highest score are deemed to have the most merit based on the priority criteria.

Table 1 – Applications Ordered by Rank

| Rank | Building | Maximum Grant | Maximum Tax Credit | Score |
|------|---|---------------|--------------------|--------------------|
| 1st | 1581-89 Barrington Street - Keith Building | \$100,000 | \$1,897,767 | 12/12 |
| 2nd | 1646 Barrington Street - Canada Permanent Bldg. | \$100,000 | \$141,153 | 8.5/12 |
| 3rd | 1580 Barrington Street - Former City Club Bldg. | \$30,235 | n/a | 8.25/12 |
| 4th | 1673 Barrington Street - Coldwell Building | \$9,654 | n/a | 8/12 |
| | * maximum grant per building is \$100,000 | TOTAL | \$239,889 | \$2,038,920 |

Options for Allocation of Funds

There is currently insufficient remaining funding to provide the maximum financial assistance to each of the four applications received this year. Presently there is \$210,353 of grant funding in the Cultural Reserve, which is just over the usual \$200,000 annual grant budget, however it is insufficient to fully fund each of the four applications. As this is the final year of the program staff are recommending full allocation of the remaining funds.

This year the application for the Keith building outlines an extensive restoration project which has a maximum tax credit calculated at \$1,897,767. This one tax credit alone is almost equal to the total program tax credit estimate of \$2 million. Previously, the largest tax credit awarded was \$525,593 for the NFB Building located at 1572 Barrington Street in 2013. Both options outlined below incorporate the staff recommendation of capping the tax credit for the Keith building project at \$1 million, as this will provide a large tax credit for the Keith building project while staying within HRM’s fiscal parameters for the program.

Section 3.15 (tax credits) of the BSHCD Financial Incentives Terms and Conditions states, ‘Funding availability is subject to approval of program budgets and fiscal capacity.’ Additionally, Section 3.16 states, ‘Final approval of all tax credits and their amounts is a decision of Regional Council in its sole discretion.’

Option A: Funding applications by rank

Strictly adhering to the program Terms and Conditions, and due to limited remaining grant funding, only the top two ranked applications would receive full grant awards. The 3rd ranked application would receive a significantly reduced award, and the 4th ranked application would not receive any funding. As a way to provide some financial assistance to all applications, Council could award tax credits for the 3rd and 4th ranked applications for the value of the grant eligible work which cannot be funding as a grant. Table 2 below illustrates this option:

Table 2 – Option A: Allocation of funds by rank

| Rank | Building | Max Grant | Recommend Grant | Max Tax Credit | Recommend Tax Credit | Total HRM Contribution |
|------|--|------------------|--------------------|--------------------|----------------------|------------------------|
| 1st | 1581-89 Barrington St. Keith Building | \$100,000 | \$100,000 | \$1,897,767 | \$1,000,000 | \$1,100,000 |
| 2nd | 1646 Barrington St. Canada Permanent Bldg. | \$100,000 | \$100,000 | \$141,153 | \$141,153 | \$241,153 |
| 3rd | 1580 Barrington St. Former City Club Bldg. | \$30,235 | \$10,353 | *n/a | \$0 | \$10,353 |
| 4th | 1673 Barrington St. Coldwell Building | \$9,654 | \$0 | \$1,448 | \$1,448 | \$1,448 |
| | 2016-17 TOTAL | \$239,889 | \$210,353 | \$2,038,920 | \$1,142,601 | \$1,352,954 |
| | Approved to Date (2009-2016) | | \$1,139,647 | | \$1,342,171 | |
| | Estimated program total (2009-2016) | | \$1,350,000 | | \$2,484,772 | |

* The Former City Club building is owned by the Neptune Theater Foundation, which is in the 100% tax exempt category under Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations, therefore awarding a tax credit is not possible.

Option B: Funding by prorating applications

Another method of equitably distributing the remaining funding would be to prorate all four applications. This option has been used to allocate funding under the BSHCD Financial Incentives program in 2009-10 and in 2010-11. In this option significant funding is still available to the top two ranked applications, however additional more meaningful funding is available to the 3rd and 4th ranked applications. Table three below illustrates this option:

Table 3 – Option B: Funding by prorating all applications

| Rank | Building | Max Grant | Recommend Grant | Max Tax Credit | Recommend Tax Credit | Total HRM Contribution |
|------|---|-----------|--------------------|----------------|----------------------|------------------------|
| 1st | 1581-89 Barrington St. Keith Building | \$100,000 | \$100,000 | \$1,897,767 | \$1,000,000 | \$1,100,000 |
| 2nd | 1646 Barrington St. Canada Permanent Bldg. | \$100,000 | \$78,886 | \$141,153 | \$147,487 | \$226,373 |
| 3rd | 1580 Barrington St Former City Club Bldg. | \$30,235 | \$23,851 | *n/a | \$0 | \$23,851 |
| 4th | 1673 Barrington Street Coldwell Building | \$9,654 | \$7,616 | \$0 | \$612 | \$8,228 |
| | 2016-17 TOTAL | \$239,889 | \$210,353 | \$2,038,920 | \$1,148,099 | \$1,358,452 |
| | Approved to Date (2009-2016) | | \$1,139,647 | | \$1,342,171 | |
| | Estimated Program Total (2009-2017) | | \$1,350,000 | | \$2,490,270 | |

* The Former City Club building is owned by the Neptune Theater Foundation, which is in the 100% tax exempt category under Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations, therefore awarding a tax credit is not possible.

Recommendation

All applications have met the basic project evaluation criteria and will result in good building restoration projects. This is the last year for the BSHCD Financial Incentives Program, and unfortunately there is insufficient grant and tax credit funding available to fully fund all of the four applications. Due to this limited remaining program funding staff have outlined two options for the allocation of those funds. Both option recommend capping the tax credit for the Keith building project at \$1 million.

The remaining grant funding is a fixed amount; however, there is a degree of flexibility in the allocation of the tax credit budget. Within the two options outlined in this report there is no change to the allocation of the grant funds, and the two options suggest exceeding the tax credit program estimate as a way to allocate the maximum degree of funding for the last year of the BSHCD Financial Incentives program. Option B will see the program tax credit estimate of \$2,000,000 exceeded by up to 25%, if all approved projects are completed by the property owners. Staff believes that Option B provides the best distribution of funding to the four applications and recommend this option.

FINANCIAL IMPLICATIONS

This report recommends the approval of \$210,353 in Heritage Incentive Grants from C002-8004 (Urban Design) for the 2016-17 fiscal year, with funding from the Cultural Development Reserve (Q312). This report also recommends the approval of \$1,148,099 in Tax Credits for the 2016-17 program year funded from M310-8007 (Other Fiscal Services). Tax credit budgets (M310-8007) are developed to match the approved project construction schedules. The 2016-17 approved tax credits are expected to result in

HRM expenses, primarily, in the 2017-18 and 2018-19 fiscal years as eligible work is carried out by the property owners.

This report also recommends the continued practice of waiving building permit revenues, for this the last year of the BSHCD Financial Incentives program. The amount of waived permit fees will be absorbed through account C430-4903 (Permits & Inspections – Building Permits).

Budget Summary, Cultural Development Reserve, Q312

| | |
|---|-----------------------|
| Balance in Reserve, May 1, 2016 | \$ 973,094 |
| Projected Revenue at May 1, 2016 | \$ 579,592 |
| Commitments as of May 1, 2016 | <u>\$(1,774,147)*</u> |
| Projected net available balance to March 31, 2017 | \$(221,461) |

Q312 – Cultural Development Reserve (Jan 31, 2003)

The current approved Culture Development Reserve Business Case is intended to develop and enhance culture and heritage sites within HRM and support HRM's goals and responsibilities.

For the 2016/17 fiscal year, fiscal services has contributed to this reserve.

*There is no impact to the reserve with the recommendations, as the amounts of newly assigned grants of \$210,353 are within the current total commitment of the reserve to fund Barrington Street Heritage Incentive Program in the amount of \$679,732 of the \$1.7m of current commitments. Remaining commitments are for capital projects, events and showcase program.

As no reserve is permitted to be in a negative position, per AO 2014-015 ADM Respecting Reserve Funding Strategies, the commitments outlined above are not all expected to be withdrawn from the reserve during 2016/17, thus providing cash flow. Through the Reserve Review Project, the negative balance has been noted, and will be corrected through recommendations to Council when the Reserve Review is brought forward at that time.

COMMUNITY ENGAGEMENT

The level of community engagement was information sharing achieved through the HRM website and public accessibility to the require Heritage Advisory Committee meeting and Regional Council. The community engagement process is consistent with the intent of the HRM Community Engagement Strategy.

ALTERNATIVES

1. The Heritage Advisory Committee could recommend allocation of grants and tax credits based upon Option A, as described in this report. This option would only support the highest ranking projects, and it would provide less incentive to the other projects. This is not the recommended option.
2. The Heritage Advisory Committee could refuse to recommend any proposed grant or tax credit for any of the applications outlined in this report. This is not the recommended course of action as staff has determined that all projects meet the basic eligibility criteria.

ATTACHMENTS

Map 1 Location Map

Attachment A 2016-17 Grant Project Summaries

Attachment B Barrington Street Heritage Conservation District Financial Incentives Program - Terms & Conditions

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

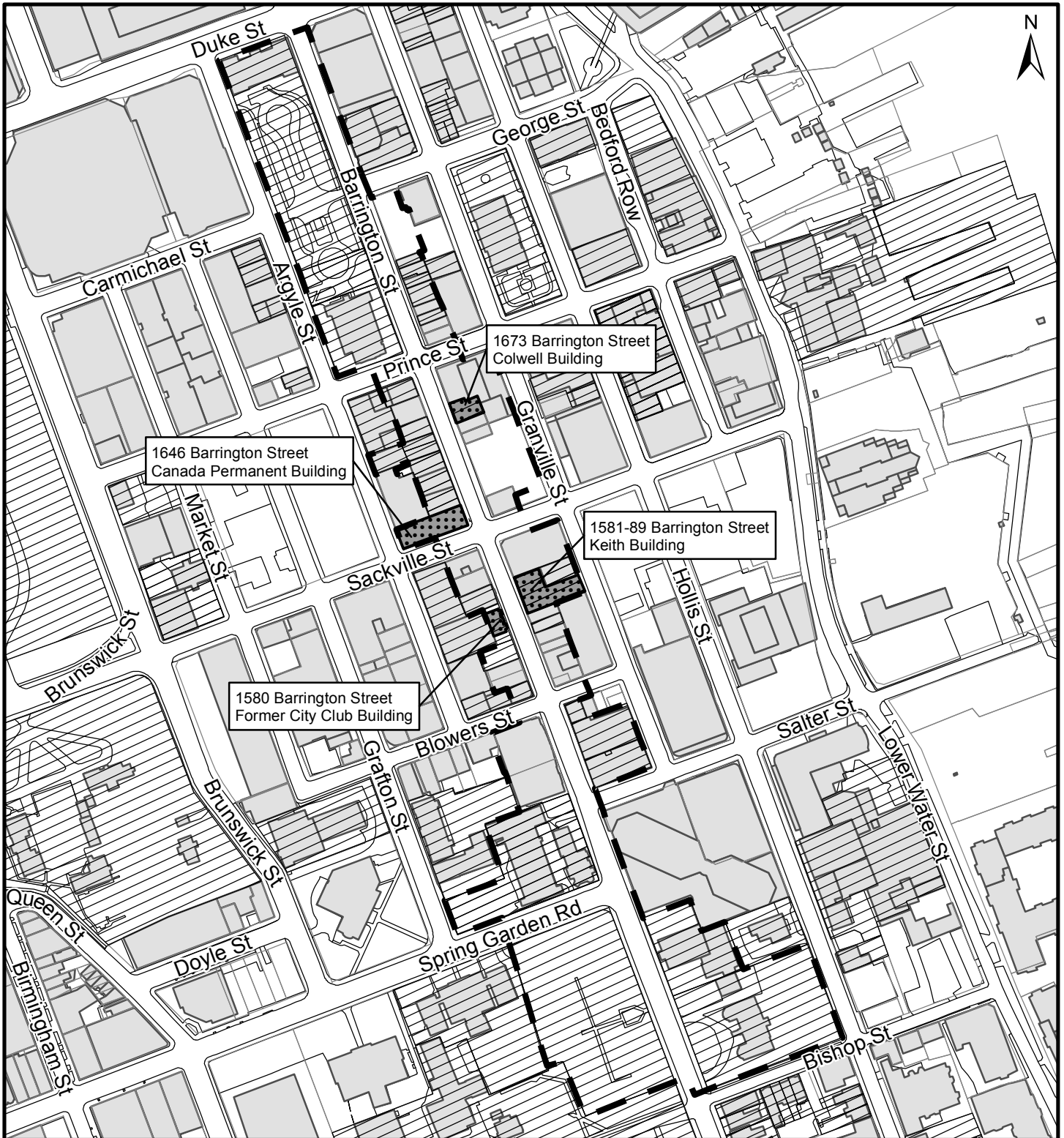
Report Prepared by: Maggie Holm, Heritage Planner (902) 490-4419

Report Approved by: Original Signed by:






Jacob Ritchie, Manager Urban Design 902.490-6510

Original Signed by:

Financial Approval by: Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308



Map 1: Location Map BSHCD - Financial Incentives 2016-2017

-  Application Location
-  Building
-  Existing Municipally Registered Heritage Property
-  Property Parcel
-  Barrington Street Heritage Conservation District




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Attachment A: 2016-17 Grant Project Summaries

| <i>Application</i> 16-01 | <i>1580 Barrington Street</i> <i>Former City Club Building</i> | <i>Project Summary</i> | <i>Value of Construction</i> |
|-----------------------------|---|---|---|
| |  | <ul style="list-style-type: none"> • Replacement of the existing deteriorated sandstone columns, bases and capitals; • Repair existing granite steps, and replace the existing metal handrails. | <p>The value of construction is based on the applicants' submission of an estimate of \$68,470.</p> <p>A maximum grant of \$34,235 has been calculated; however staff recommends a grant of \$23,851.</p> |
| <i>Application</i> 16-02 | <i>1673 Barrington Street</i> <i>Colwell Building</i> | <i>Project Summary</i> | <i>Value of Construction</i> |
| |  | <ul style="list-style-type: none"> • Restoration of stucco finish on the front façade; • Replacement of façade lighting. | <p>The value of construction is based on the applicants' submission of an estimate of \$19,307.</p> <p>A maximum grant of \$9,654 has been calculated; however staff recommends a grant of \$7,616 and a tax credit of \$612.</p> |
| <i>Application</i> 16-03 | <i>1646 Barrington Street</i> <i>Canada Permanent Bldg</i> | <i>Project Summary</i> | <i>Value of Construction</i> |
| |  | <ul style="list-style-type: none"> • Restoration of the exterior curtain wall, replacement of rooftop railings, addition of accent building lighting. • Interior renovations include upgrading of common areas, restoration of the main lobby area. | <p>The value of eligible construction costs is based on the applicants' submission of a detailed estimate of \$1,141,020.</p> <p>A maximum grant of \$100,000 has been calculated; however staff recommends a grant of \$78,886.</p> <p>A 15% tax credit of \$141,153 has been calculated; however staff recommends (with the reduced grant) a tax credit of \$147,487.</p> |

| Application 16-04 | 1581 Barrington Street Keith Building | Project Summary | Value of Construction |
|----------------------|---|---|---|
| |  | <ul style="list-style-type: none"> • Restoration of the Barrington Street façade including masonry repair, window replacements and the creation of contemporary storefronts. • Interior work such as restoration of the residential lobby and common areas. • New construction of the integrated rooftop addition. | <p>The value of eligible construction costs is based on the applicants' submission of a detailed estimate of \$12,851,780.</p> <p>A maximum grant of \$100,000 has been calculated, and staff recommends this amount.</p> <p>A tax credit of \$1,897,767 has been calculated; however staff recommends a tax credit of \$1,000,000.</p> |

Note: All recommended grants and tax credits are based on Option B: Grants & Tax Credits. All figures are based on a full staff review of the application for conformance with the Barrington Street HCD Incentives Program.

**TERMS AND CONDITIONS
FOR CAPITAL GRANTS, TAX INCENTIVES, AND PERMIT FEE WAIVERS
Updated March 18, 2010**

INTRODUCTION

The Barrington Street Heritage Incentives Program (the Program) is administered by the Heritage Property Program (Community Development Department) to encourage restoration and renovation of buildings in the Barrington Street Heritage Conservation District. Within the limits of the annual approved budget, the Program provides:

- Matching grants (up to \$100,000.00) for exterior restoration work up to \$200,000.00 in value;
- Tax credits for exterior restoration work (over \$200,000.00 in value); and
- Tax Credits for interior restoration or renovation work that contributes to the ongoing functional viability of the building.
- Waiver of application fees for Building Permits and Sign Permits.

The Program will operate for five years from the time of the adoption of the Barrington Street Heritage Conservation District Plan and Bylaw (June 16, 2009 to March 31, 2014).

The Program operates on a fiscal year basis from April 1st to March 31st.

The success and effectiveness of the grant and tax incentive program will be measured in relation to the following outcomes.

- Number of storefront restorations.
- Number of sign improvements.
- Number of new awning installations.
- Number of facade restorations.
- Number of interior improvements.
- Number of applications in relation to program participation estimate of 19 property owners.
- Value of applications in relation to program budget estimate of \$14 million.
- Value of investment leveraged from private sector.
- Increase in occupancy and total rental revenues.
- Increase in assessment and tax revenues.
- Improvement in overall streetscape cohesiveness.
- Public perception/media coverage of improvements.

1.0 GENERAL TERMS

1.1 Program opens on January 1st of each year and applications must be received no later than March 1st. (*Note: For 2010, the application deadline has been extended to March 31st*).

1.2 Applications can be mailed to:

HRM Heritage Property Program
P.O. Box 1749, Halifax, NS B3A 3J5

Or hand delivered to:

HRM Heritage Property Program
Community Development Department, Heritage & Design
2nd Floor, Alderney Gate, 40 Alderney Drive, Dartmouth
Telephone: 490-4419 or 490-4663

Applications received by email or fax will not be accepted. Late or incomplete applications will not be reviewed.

1.3 Applications must include:

- a. A completed application form;
- b. Recent photographs of the building with close-ups of the areas of work for which the grant or tax credit is applied for;
- c. Professionally prepared design documents including plans, elevation drawings, and technical specifications for all aspects of the proposed restoration/renovation work;
- d. Professionally prepared cost estimates or two contractors quotes, exclusive of HST, for each component of the proposed work shown on the plans and specifications (e.g., masonry restoration, window replacement, roofing, electrical, plumbing, etc.);
- e. Where applicable, an itemized breakdown of costs distinguishing between eligible and ineligible work and materials, in accordance with the eligibility criteria listed below; and
- f. Copies of applicable permits for all aspects of the proposed work shown on the plans or proof of submission of application for such permits.

1.4 Only those buildings listed on Map 1 of the Barrington Street Heritage Conservation District Revitalization Plan are eligible for funding through the Financial Incentives Program.

1.5 Each building listed on Map 1 of the Barrington Street Heritage Conservation District Revitalization Plan is eligible for funding through the Financial Incentives Program.

- a. For the purposes of the Financial Incentives Program, St. Mary's Basilica & Glebe shall be regarded as one building.
- b. Separate applications shall be made for each building, regardless of ownership or lot consolidation.

- 1.6 Building owners must be in good standing with HRM and shall not have any unpaid taxes or legal claims outstanding.

2.0 GRANTS

- 2.1 Grants are awarded on a 50% cost-sharing basis for eligible costs, exclusive of HST.
- 2.2 The maximum total grant allowable for each building is \$100,000.00, with the following maximum amounts for certain components:
- a. Maximum grant per storefront: \$15,000.00 (buildings with more than one storefront may receive more than one storefront restoration grant).
 - b. Maximum grant for storefront signs: \$3,000.00 per storefront.
 - c. Maximum grant for awnings: \$1,000.00 per storefront.
- 2.3 Minimum grant: \$1,000.00.
- 2.4 Building Owners may apply for one grant each year per building, but may not receive more than two grants per building during the five-year time frame of the Program. Maximum cumulative value of grants is \$100,000.00 per building.

Eligible Work & Materials

- 2.5 Costs associated with projects that restore exterior architectural elements significant to the heritage character of the building are eligible for grant funding, including:
- a. Preservation of existing exterior architectural elements such as repair (including structural repair) of deteriorated exterior-facing: walls, cladding, masonry, windows, doors, lintels, sills, storefronts, roofs, roofing, chimneys, foundations, cornices, mouldings, parapets, architectural trim, and other significant features;
 - b. Replacement of exterior architectural features which exist but which are beyond preservation or repair. This includes replacement in kind of deteriorated exterior-facing: walls, cladding, masonry, lintels, sills, storefronts, roofs, roofing, chimneys, foundations, cornices, mouldings, parapets, architectural trim, and other significant features, using accurate reconstruction and materials, sizes, and configurations that match the original;
 - c. Replacement of exterior windows and doors:
 - (i) at street level with traditional materials (typically wooden); and
 - (ii) on upper storeys with traditional materials or aluminum clad windows;
 - d. Storefront projects using traditional design and materials, as per section 4.5.2 of the Land Use Bylaw Design Manual;
 - e. Restoration of significant architectural features which have been lost but for which the appearance can be clearly determined from physical evidence or documentary sources such as historic drawings or photographs;
 - f. Painting;
 - g. Signs;
 - h. Awnings; or
 - i. Architect and other design consultant fees.

Ineligible Work & Materials

- 2.6 The following costs are ineligible for grant funding:
- a. Projects using modern materials such as vinyl windows, steel doors, vinyl siding, or EIFS cladding;
 - b. Short-term, routine maintenance, including minor repairs to non-original siding or roofing;
 - c. Work carried out prior to submission of the application (except by special arrangement); or
 - d. The cost of labour undertaken by the owner.

Project Evaluation

- 2.7 Projects will be evaluated under the *HRM Heritage Building Conservation Standards* and the *Heritage Design Guidelines of the Downtown Halifax Land Use Bylaw Design Manual*.
- 2.8 Cost estimates will be evaluated for their correspondence and consistency with plans and specifications for the proposed work.
- 2.9 Preference will be given to:
- a. preservation and restoration of historic structural and weatherproofing elements, rather than to cosmetic improvements, e.g., restoration of masonry, cladding, windows, doors, or roof has greater priority than painting;
 - b. restoration of publicly visible features, e.g., an application for restoration of a front facade would have higher priority than a facade facing an interior light well or rear yard;
 - c. registered heritage buildings;
 - d. buildings in poor condition and at greatest risk of deterioration or loss.

Application Review Process

- 2.10 Applications will be screened for basic eligibility and completeness as they are received. Applicants will be notified if their application is ineligible or incomplete.
- 2.11 Eligible applications will be evaluated by staff and a report and recommendations will be prepared for consideration by the Heritage Advisory Committee (HAC).
- 2.12 The staff report will be reviewed by HAC for recommendation to Regional Council.
- 2.13 Funding availability is subject to approval of program budgets and available funds.
- 2.14 Final approval of all grants and their amount is a decision of Regional Council in its sole discretion.

2.15 Notification of grant approval or rejection will be mailed to applicants following the decision of Regional Council.

Conditions of Approval & Payment of Grant

2.16 Grant approval is conditional on issuance of all applicable permits.

2.17 The amount paid to the building owner shall be the amount of the grant approved by Regional Council or the amount supported by receipts and paid invoices, whichever is less.

2.18 Where the total amount of both the grant and tax credits approved by Regional Council exceeds \$10,000, such approval is conditional on the owner entering into, and registering at the Land Registration Office/Registry of Deeds, an agreement:

- a) that the owner will not apply for demolition or demolish the building to which the grant and tax credits are applied for twenty years from the date of execution of the agreement;
- b) that should the building be damaged or destroyed during the term of the agreement, any unused portion of the tax credit will be suspended pending the completion of the reconstruction and be null and void should the building not be reconstructed;
- c) that the owner will maintain insurance against normal perils that are coverable on an all risk policy basis, including fire, in an amount equal to the replacement cost of the building; and
- d) that the agreement shall run with the land.

2.19 Grant payment is conditional on satisfactory completion of approved work in accordance with approved plans, specifications, and applicable code requirements, free of deficiencies; final inspection by HRM heritage and building inspection staff in consultation with the project architect; photographic documentation of completed work; and submission of receipts and paid invoices.

2.20 Deadline for submission of receipts and paid invoices is March 15th.

2.21 Projects must be completed within the fiscal year(s) for which they are approved unless otherwise approved by Regional Council.

- a. Where it is anticipated that work will not be completed by the end of the fiscal year(s) for which it was approved, the applicant shall notify HRM by February 15th.

2.22 Grants are tied to specific approved work. Additional work not approved will not be funded.

2.23 The applicant shall notify HRM of any changes to the approved work prior to it being undertaken. Work that deviates from the approved work without a supplementary approval may not be eligible for funding and, at the discretion of HRM, such funding may be withheld and re-allocated to another property in the heritage conservation district.

3.0 TAX CREDITS

- 3.1 Tax credits will be calculated on the basis of 15% of the value of eligible work, excluding HST.
- 3.2 There is no maximum tax credit; however, the annual payout cannot exceed the municipal portion of taxes (the general rate) due in that year.
- 3.3 When required, e.g., for large projects, the balance of tax credits earned is carried forward until the total tax credits applied to taxes equal the total tax credits earned.
- 3.4 Minimum tax credit: \$1,000.00.

Eligible Work & Materials

- 3.5 Costs associated with the following projects are eligible for tax credits:
 - a. Exterior restoration work on an existing building which meets the eligibility requirements for grants but which is in excess of the \$200,000.00 for which a cost-sharing grant was applied;
 - b. Exterior elements on new rooftop additions including cladding and trim, windows, doors, and roofing, but excluding structural components. This may include contemporary design and materials approved under applicable Design Guidelines;
 - c. Exterior storefront work using contemporary (non-traditional) design and modern (non-traditional) materials, as per section 4.5.3 of the Design Manual;
 - d. Interior renovations needed to meet building code and fire safety requirements;
 - e. Interior structural repairs and improvements to the existing building, including those required for support of approved rooftop additions;
 - f. Interior renovation of the base building shell and structure, including demising walls between tenant spaces to base building specifications, e.g., taped drywall and ceilings ready for paint, and sub-floors ready for finishing, but does not include partition walls within tenant spaces;
 - g. Renovation of base building:
 - (i) plumbing to provide capped hot and cold water and sewer connections within the base building shell and structure, including demising walls, to code. This does not include water and sewer extension inside commercial tenant spaces beyond demising walls but does include roughed in plumbing in residential units;
 - (ii) electrical & telecommunications to provide roughed-in electrical and telecommunications wiring within the base building shell and structure and demising walls, to code. This does not include interior cabling, panels, outlets, or furniture connections, etc., inside commercial tenant spaces beyond demising walls but does include roughed-in wiring inside residential units;
 - (iii) HVAC to provide a complete HVAC distribution system with diffusers, installed to code to a standard grid, in all common areas, unpartitioned commercial spaces, and residential units in the building;

- (iv) sprinklers and fire alarms to provide a complete sprinkler and fire alarm system installed to code to a standard grid, in all common areas, unpartitioned commercial spaces, and residential units in the building;
- h. Renovation of common interior circulation areas including lobbies, hallways, stairs, common washrooms, and elevators to a finished condition, including fixtures and finishes, i.e., finished walls, floors and ceilings, doors, lighting, and washroom fixtures;
- i. Energy efficiency improvements including renovations to building envelope;
- j. Restoration of historic interior features or finishes located in common, publicly accessible circulation areas; or
- k. Restoration of historic interior features or finishes located in spaces outside common areas (e.g. leased spaces) in special cases.

Ineligible Work & Materials

3.6 The following costs are ineligible for tax credits:

- a. Fixtures, finishes in spaces outside common areas, e.g. improvements to leased spaces, condominium units, or storage areas;
- b. Distribution of central building systems outside common areas, beyond base building requirements;
- c. Any interior work within rooftop additions, including structural, plumbing, HVAC, electrical, telecommunication, sprinkler and fire alarm systems; or
- d. Interior work on projects without adequate exterior restoration.

Project Evaluation

3.7 Projects involving exterior work eligible for tax credits will be evaluated on the same basis as for grants, as listed in Part 2.0.

3.8 Cost estimates will be evaluated for their correspondence with plans and specifications for the proposed work.

3.9 Base building renovations will be evaluated for consistency with applicable code requirements (not needed where applicable permits have been granted prior to submission of incentives application).

3.10 Projects involving restoration of historic interior features or finishes will be evaluated for consistency with the *HRM Heritage Building Conservation Standards*.

3.11 Preference will be given to:

- a. registered heritage buildings;
- b. buildings in poor condition and at greatest risk of deterioration or loss.

Application Review Process

- 3.12 Applications will be screened for basic eligibility and completeness as they are received. Applicants will be notified if their application is ineligible or incomplete.
- 3.13 Eligible applications will be evaluated by staff and a report and recommendations will be prepared for consideration by the Heritage Advisory Committee (HAC).
- 3.14 The staff report will be reviewed by HAC for recommendation to Regional Council.
- 3.15 Funding availability is subject to approval of program budgets and fiscal capacity.
- 3.16 Final approval of all tax credits and their amount is a decision of Regional Council in its sole discretion.
- 3.17 Notification of tax credit approval or rejection will be mailed to applicants following the decision of Regional Council

Conditions of Approval

- 3.18 Tax credit approval is conditional on issuance of all applicable permits.
- 3.19 The amount of the tax credit shall be the amount of the tax credit approved by Regional Council or the amount supported by receipts and paid invoices, whichever is less.
- 3.20 Where the total amount of both the grant and tax credits approved by Regional Council exceeds \$10,000, such approval is conditional on the owner entering into, and registering at the Land Registration Office/Registry of Deeds, an agreement:
 - a) that the owner will not apply for demolition or demolish the building to which the grant and tax credits are applied for twenty years from the date of execution of the agreement;
 - b) that should the building be damaged or destroyed during the term of the agreement, any unused portion of the tax credit will be suspended pending the completion of the reconstruction and be null and void should the building not be reconstructed;
 - c) that the owner will maintain insurance against normal perils that are coverable on an all risk policy basis, including fire, in an amount equal to the replacement cost of the building; and
 - d) that the agreement shall run with the land.
- 3.21 Tax credit payment is conditional on satisfactory completion of approved work in accordance with approved plans, specifications, and applicable code requirements, free of deficiencies; final inspection by HRM heritage and building inspection staff in consultation with the project architect; photographic documentation of completed work; and submission of receipts and paid invoices.
- 3.22 Deadline for submission of receipts and paid invoices is March 15th.

- 3.23 Tax credits will be applied against taxes due beginning in the fiscal year following completion of eligible work.
- 3.24 When requested, tax credits will be paid out to the property owner in the form of a grant equivalent following payment in full of all applicable taxes
- 3.25 Tax credits are tied to specific approved work. Additional work not approved will not be funded.
- 3.26 The applicant shall notify HRM of any changes to the approved work prior to it being undertaken. Work that deviates from the approved work without a supplementary approval may not be eligible for funding and, at the discretion of HRM, such funding may be withheld and re-allocated to another property in the heritage conservation district.

4.0 PERMIT FEE WAIVERS

4.1 Fees for any building permit or sign permit application submitted within five years of the adoption of this Plan shall be waived for any property within the Barrington Street Heritage Conservation District.

4.2 This waiver shall not apply to other construction related fees such as plumbing fees, encroachment fees, sidewalk café rental fees, SANS deposits, future settlement fees, and sewer redevelopment charges, and shall not apply to application fees for demolition or de-registration of a building in the Historic District.

**5.0 SPECIAL CASE:
NEW CONSTRUCTION - FORMER NFB FACADE (1572 Barrington Street)**

5.1 Special consideration may be given a customized grant and tax incentive package to assist in the cost of constructing a new building behind the former NFB facade, by amendment or re-negotiation of the Heritage Agreement dated 16 July, 1997.