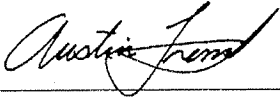


**Heritage Advisory Committee**  
**August 24, 2011**

**TO:** Chair and Members of Heritage Advisory Committee

**SUBMITTED BY:**   
Austin French, Manager of Planning Services

**DATE:** July 14, 2011

**SUBJECT:** **Heritage Incentives: Barrington Street Heritage Conservation District  
2011-12**

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**ORIGIN**

This report originates with a call for applications under HRM's Barrington Street Heritage Conservation District Incentive Program.

**RECOMMENDATION**

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

1. Approve a grant of no more than \$64,766 and a tax credit of no more than \$102,110 for façade restoration, roof replacement, and interior common space improvements on the former Carsand Mosher building located at 1559 Barrington Street as described in this report and subject to recommendation 4;
2. Approve a grant of no more than \$36,105 for façade restoration on the former Brander-Morris building located at 1566 Barrington Street as described in this report and subject to recommendation 4;
3. Approve a grant of no more than \$18,879 for penthouse masonry repair and façade restoration on the former G. M. Smith building located at 1717 Barrington Street as described in this report and subject to recommendation 4;

**RECOMMENDATIONS CONTINUED ON PAGE 2**

4. Approve the grants and tax credit referenced in this report (recommendations 1-3 above) conditional upon, and payment to the respective applicants shall not be made until, the respective application has:
  - a) completed the work set out in the respective applications to the satisfaction of the municipality;
  - b) provided receipts and paid invoices to support the total amount approved, and
  - c) executed and registered at the Registry of Deeds/Land Registration Office an agreement that they will not apply to demolish, nor will they demolish, the respective property for 20 years from the date of the agreement.
  
5. Approve the transfer of any unused grant funds (at fiscal year-end) from the 2011-12 Barrington Street Heritage Conservation District Incentives Program budget of \$200,000 (account C310-8004 Planning & Application-Grants) to the Cultural Development Reserve (account Q312) for expenditure in fiscal 2012-13, once the approved projects are completed.

## **BACKGROUND**

- On June 16<sup>th</sup>, 2009 Regional Council adopted the Barrington Street Heritage Conservation District (HCD) plan which includes a financial incentives program to encourage restoration and renovation of buildings within the HCD. The Plan came into effect on October 24, 2009 following Ministerial approval. Council had earlier, in March 2008, approved in principle a program budget of \$1 million in grants and \$2 million in tax credits spread over five years and, in 2009-10, the grant budget was set at \$200,000. This same amount was budgeted for in 2010-11 and in the current fiscal year, 2011-12.

The program provides:

- 50% matching grants up to \$100,000 for exterior restoration costs up to \$200,000.
  - Tax credits for 15% of exterior restoration costs over \$200,000.
  - Tax credits for 15% of costs for improvement to interior shell space and common areas, and upgrades to HVAC, plumbing, and electrical systems, etc.
  - Tax credits for 15% of costs for the exterior building envelope of approved additions.
  - Waiver of building permit application fees.
- 
- On March 9, 2010 Council approved revision to the Terms and Conditions of the Program to clarify requirements, administrative processes, and evaluation criteria.

## **DISCUSSION**

### **Project Descriptions**

The 2011-12 applications are summarized in Table 1 and illustrated on Map 1. In each case staff have reviewed each application, and the applicable plans and estimated costs to confirm the eligibility of the work for which funding is requested. Staff have calculated the grants and tax

credits for which each application would be eligible, in accordance with the approved program guidelines.

**Table 1: Summary of 2011 Applications**

Property	Project Description	Value of Eligible exterior & interior work	Eligible Grant (request)	Eligible Tax Credit (request)	Total (request)
1559 Barrington Carsand Mosher	Façade restoration, replace roof, & interior common space improvements.	\$810,269	\$64,766	\$102,110	\$166,866
1566 Barrington Brander-Morris	Façade restoration.	\$72,210	\$36,105	N/A	\$36,105
1717 Barrington G.M. Smith	Masonry repair (penthouse), façade restoration.	\$37,759	\$18,879	N/A	\$18,879

**Overall Five-Year Program**

The Barrington Street Heritage Conservation District Incentives Program was adopted with estimated costs of \$1 million in grants and \$2 million on tax credits spread over five years. The table below illustrates the total grants and tax credits recommended for 2011 as well as those approved in both 2009 and 2010, and provides a picture of the progress of the overall program in its first three years.

**Table 2: Overview of Barrington Street Heritage Conservation District Incentives Program**

Year	Grants	Tax Credits	Total
2009-10	\$200,000	\$696,138	\$896,138
2010-11*	\$200,000	\$1,010,110	\$1,210,110
2011-12	\$119,750	\$102,110	\$221,860
Estimated Program Costs	\$1,000,000	\$2,000,000	\$3,000,000
Balance (to reach estimate)	\$480,250	\$191,642	\$671,892

\*In 2010-11, \$1,018,686 in tax credits were approved by Regional Council, however two projects were withdrawn by the applicant, reducing the maximum tax credits by \$8,576.

Table 2 indicates that the uptake on the program has been going well, with a total of thirteen applications (three in 2009, nine in 2010 - however 2 were withdrawn, and three in 2011) accounting for over \$2.3 million – or just over two thirds of the overall projected program budget of \$3 million. This is a positive sign that bodes well for the restoration and renovation of individual buildings and revitalization of the district as a whole. It also indicates that there may be a need to increase the projected tax credit budget for future years, given that there are still a number of medium to large scale projects that could make application in the remaining two years of the program.

### **BUDGET IMPLICATIONS**

This report recommends the approval of \$119,750 in Heritage Incentives Grants for the 2011-12 fiscal year. The funding for these expenditures exists within the Council approved 2011-12 Operating Budget for Community Development in account C310-8004 (Planning & Applications-Grants). Any unused budget will be transferred to the Cultural Development Reserve account Q312 to be applied in the 2012-13 or 2013-12 fiscal year.

This report also recommends the approval of \$102,110 in tax credits for the 2011-12 fiscal year. Tax credits related to eligible work, completed in 2011-12, on approved projects will be accrued as a program expense. Based on the anticipated rate of project completion, this years' tax credit accrual is estimated to be within the 2011-12 budget of \$610,000 (M310-8007).

Building permit revenue estimates for the 2011-12 grant applications will be adjusted to account for the projected waiver of approximately \$2,575 in application fees attributable to the three projects. The amount waived represents a small fraction of HRM's total revenue from permit applications fees and will be absorbed through account C430-4903 Permits & Inspections – Building Permits.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

### **COMMUNITY ENGAGEMENT**

The Barrington Street Heritage Incentives Program is an internal operating process for HRM which was adopted after a public consultation process consistent with the intent of the HRM Community Engagement Strategy.

### **ALTERNATIVES**

1. The Heritage Advisory Committee could recommend allocation of grants and tax credits as described in this report.
2. The Heritage Advisory Committee could refuse to recommend any proposed grant and tax credit for subject applications.

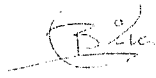
### **ATTACHMENTS**

Map 1	Location Map
Attachment A	Evaluation of Applications

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> 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, 490-4419

Report Approved by: Austin French, Manager Planning Services, 490-6717



Financial Approval by:

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Bruce Fisher, MPA, CMA, A/Director of Finance/CFO, 490-6308

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# MAP 1: Location Map



## ATTACHMENT "A"

### Barrington Street Heritage Incentives Program 2011-12 Evaluation of Applications Based on criteria in section 2.9 of Program Terms & Conditions

	Registered	Structural vs cosmetic	Visibility of Work	Condition / Occupancy	Risk	Score	Rank	Readiness	Revised Rank
Carsand Mosher	1	3	3	bad / vacant	3	10	1	n/a	1
Brander-Morris	1	1	3	fair / full	1	6	3	n/a	3
G. M. Smith	3	2	2	fair / partial	1.5	8.5	2	n/a	2

Priority Criteria

Score

Registered:

Yes = 3, No = 1

Structural vs Cosmetic:

Major structural restoration/repair + building envelope restoration = 3  
Building envelope restoration, e.g., masonry repointing, roof, windows, etc. = 2  
Cosmetic only, e.g., painting, signs, awnings = 1

Visibility of exterior work:

Front facade visible (street facing) = 3  
Side elevation visible (e.g., upper storeys visible from street) = 2  
Not visible (e.g., rear elevation, roof) = 1

Risk:

Risk is evaluated based on building condition and degree of vacancy.

#### Building Risk Category Analysis

Condition	Occupancy	Risk Category	Score
2 Bad	Vacant (1.0)	Extreme	3.0
	Partial (0.5)	Moderate	2.5
	Full (0)	Vulnerable	2.0
1 Fair	Vacant (1.0)	At Risk	1.5
	Partial (0.5)	Low	1.0
	Full (0)		
0 Good	Vacant (1.0)	Minimal	0.5
	Partial (0.5)	None	0
	Full (0)		

Tie-Breaker Criterion

Project readiness: This criterion considers the degree to which a project is or can be ready to proceed, with all necessary permits in place (i.e., site plan approval, certificate of appropriateness, building permit, etc.) upon approval of a grant or tax credit. It functions essentially as a "tie-breaker" between projects that achieve equal scores under the basic Program Terms & Conditions.