

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.7.1
Halifax Regional Council
July 22, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

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Emma Sampson, Chair, Heritage Advisory Committee

DATE: July 3, 2014

SUBJECT: Case H00388: 5 Year Overview of the Barrington Street Heritage Conservation District Incentives Program

ORIGIN

Motion passed by the Heritage Advisory Committee, at its May 28, 2014 meeting.

LEGISLATIVE AUTHORITY

Section 21 of the Halifax Charter regarding Standing, Special and Advisory Committees.

By-Law H-200 Respecting the Establishment of a Heritage Advisory Committee and a Civic Registry of Heritage Property.

RECOMMENDATION

The Heritage Advisory Committee recommend that Halifax Regional Council approve a two year extension of the Barrington Street Heritage Incentives Program, with the existing Terms and Conditions as provided in Attachment A of the May 15, 2014 staff report, until March 31, 2016.

BACKGROUND

At the May 28, 2014 Heritage Advisory Committee meeting staff gave a presentation, which provided an overview of the Barrington Street Heritage Conservation District Financial Incentive Program, a five year program that had been approved by Council in 2009 when Regional Council adopted the Barrington Street Heritage Conservation District Plan.

DISCUSSION

When Regional Council approved the Incentive Program it included the possibility of renewal for a further period depending on the effectiveness of the program. While the program has been effective, staff explained that there was a surplus in the Culture Development Reserve from previously approved but withdrawn projects and, therefore, were recommending the program be extended for an additional two years to enable a fuller potential to be achieved. The Committee feels that the program has been very beneficial and that excellent work has been carried out. The Committee endorsed the staff recommendation to extend the program for two years, as noted above.

FINANCIAL IMPLICATIONS

None associated with this report. The attached staff report addresses financial implications associated with processing the application.

COMMUNITY ENGAGEMENT

The Heritage Advisory Committee is an Advisory Committee to Regional Council comprised of 10 volunteer members of the public and two Councillors. The meetings are open to the public and the agendas and minutes are posted at www.Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

The Committee did not provide alternatives

ATTACHMENTS

Attachment 1: Staff report dated May 15, 2014

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

Report Prepared by: Sheilagh Edmonds, Legislative Assistant



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Attachment 1

Heritage Advisory Committee
May 28, 2014

TO: Chair and Members of the Heritage Advisory Committee

SUBMITTED BY: Original Signed
Brad Anguish, Director, Community and Recreation Services

DATE: May 15, 2014

SUBJECT: Case H00388: 5 Year Overview of the Barrington Street Heritage Conservation District Incentives Program

ORIGIN

Section 5.2 of HRM's Barrington Street Heritage Conservation District Revitalization Plan

LEGISLATIVE AUTHORITY

Heritage Property Act

RECOMMENDATION

It is recommended that the Heritage Advisory Committee recommend that Halifax Regional Council approve a two year extension of the Barrington Street Heritage Incentives Program, with the existing Terms and Conditions as provided in Attachment A, until March 31, 2016.

BACKGROUND

The Barrington Street Heritage Conservation District was adopted by Regional Council in June of 2009 in accordance with the *Heritage Property Act* of Nova Scotia. This was accomplished through the adoption of a Heritage Conservation District Plan and By-law aimed to encourage the conservation, restoration and commercial revitalization of Barrington Street's historic buildings, streetscapes, and public spaces.

The Barrington Street Heritage Conservation District Plan recognized that financial incentives were an essential component to encourage the restoration, improvement and enhancement of buildings within District. Therefore, a new financial incentives program, the 'Barrington Street Heritage Conservation District Financial Incentives Program' (Attachment A), was approved by Council. The program is comprised of a package of incentives aimed at the restoration and renovation of buildings within the district which include:

- Matching grants (up to \$100,000) for exterior restoration work up to \$200,000 in value;
- Tax credits for exterior restoration work (over \$200,000 in value);
- Tax credits for interior restoration or renovation work that contributes to the ongoing functional viability of the building; and
- Waiver of application fees for Building Permits and Sign Permits.

Many building restorations focus on the storefront improvements as they are highly noticeable and often result in attracting and retaining tenants. In some cases other building restoration work such as upper storey facade restoration and internal work such as building system upgrades are deferred as they are less noticeable and frequently expensive. Often, both exterior and interior improvements are needed to make a building more economically viable.

The Barrington Street Heritage Conservation District (BSHCD) incentives program was intentionally structured to provide assistance to those buildings in need of upper facade repair and restoration which is quite costly, particularly with larger buildings. It also provides assistance to buildings which require significant interior upgrading to meet Building Code, to facilitate adaptive re-use, or to achieve full building occupancy.

Section 5.2 of the Barrington Street Conservation District Plan, 'New Financial Incentives for the District', called for the creation of a five year program with the possibility of renewal by Regional Council for a further period, depending on take-up and effectiveness. This report will evaluate the effectiveness of the program and make a recommendation on possible program extension.

DISCUSSION

The Barrington Street Heritage Conservation District was created with two key goals; heritage conservation and economic revitalization of Barrington Street. The Barrington Street Heritage Conservation District Revitalization Plan included policies designed to target the conservation of

Barrington Street's unique heritage character and to encourage economic revitalization of the District.

Four Pillars

The policies were structured around four pillars that would help realize these goals:

- (a) development policies and demolition controls;
- (b) financial incentives and regulatory provisions to encourage property owners to restore, rehabilitate and enhance their buildings;
- (c) marketing initiatives to promote the district and attract new business; and
- (d) public realm improvements to enhance the aesthetic and functional quality of the street and sidewalks within the public right-of-way.

These pillars were considered to be integrated and interdependent with all being necessary for the successful implementation of the Plan. Both the development policies and the financial incentives were implemented in accordance with the Plan's recommendations, and both of these tools have been successful in conserving the building fabric of the District, and creating clear design standards for future growth. Marketing initiatives were not fully realized, however, "Barrington Street Historic District" banners were hung on all of the light poles along Barrington Street marking the district (Attachment B).

The fourth pillar dealt with public realm improvements to enhance the aesthetic and functional quality of the street. In the Barrington Street Heritage Conservation District Revitalization Plan, this was described as a Functional Design for public realm improvements on Barrington Street. However, this work did not advance to the detailed schematic design phase because of limited funds dedicated to the projects and competing priorities for similar work to be undertaken for Spring Garden Road.

A staff report entitled "*A 5 Year, 50 Million Capital Improvement Campaign*" was endorsed by Regional Council on February 11, 2014. One of the five strategic goals of HRM's Economic Strategy is a focus on the Regional Centre with an aim to build a vibrant and attractive regional centre that attracts private investment and new residents. Achieving this goal requires improving the liveability and attractiveness of the urban core, and to that end a dedicated strategic urban reserve fund for urban core beautification, pole free areas, public art and infrastructure improvements has been created. Barrington Street is a key street within the urban core, and it is likely that public realm improvements envisioned in the Barrington Street Heritage Conservation District Revitalization Plan will begin to occur in the near future through the Capital Improvement Campaign.

Program Effectiveness

HRM has had a successful matching grants program in place for heritage properties since 2006, however, the Barrington Street Heritage incentives program is unique to HRM in that it offers much larger matching grants and for the first time, tax credits. Tax credits (also referred to as property tax abatements or property tax relief) have become a more widely used heritage

incentive tool, and are used in various forms in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

In 2008, HRM hired consultant Halifax Global to examine the possible effectiveness of a financial incentives program which combined both grants and tax credits for property owners within the Barrington Street Heritage Conservation District. This study estimated that a likely participation rate among district property owners would be approximately 30 buildings, and that combined estimated renovation project costs would range from \$60,000 to 7.5 million.

In the five years of the Barrington Street Heritage Incentives program, 22 applications have been submitted. Of these applications: 1 application was deemed ineligible, 3 applications were withdrawn, and 4 applications were withdrawn but resubmitted in a subsequent year. This reduced the total number of 'active' applications to 14. Additionally, 2 properties received multiple grants and tax credits, and therefore a total of 12 of the 49 properties in the District benefitted from the program.

Of these 14 active projects, 5 projects have been fully completed and paid out, and 9 projects are still ongoing. While 14 active projects is less than the 30 anticipated by the Halifax Global study, the renovation costs (value of work) for these 14 projects was higher. The total estimated value of work for the 14 projects is approximately \$9.7 million. The cost to HRM, in grants and tax credits, to encourage this work to occur was just under \$3 million (Attachment C, Table 1).

As successful as the program has been there were a few factors which impacted its effectiveness. The Incentives Program only came into effect when the Barrington Street Heritage Conservation District Plan and By-law gained Ministerial approval in October of 2009. Therefore, the first year of the program was delayed with only a small number of applications being received. Other factors which may have impacted the effectiveness of the program include: the complicated nature of heritage restoration, difficulty in obtaining accurate quotes from experienced tradespeople, and the ability for owners to secure finances to begin projects.

It should also be noted that while the program was envisioned to encourage the restoration of larger buildings in the District such as the Green Lantern building; the program has been successful in encouraging both small and large scaled restoration and adaptive reuse projects.

Budget Considerations

The Barrington Street Incentives program has been effective during its initial term, but an extension for an additional two years would enable a fuller potential to be achieved. Presently, a surplus exists which resides in the Culture Development Reserve, Q312 from previously approved but withdrawn projects. Table 2, of Attachment C, illustrates that there are presently \$317,172 of grant funds from previously approved but withdrawn applications which could be reallocated to new projects. Additionally, the estimated tax credit funding of \$2 million has not been fully allocated, and it is possible for the tax credit budget to be continued for a two-year extension period without an increase in planned program expenditure.

In accordance with the Incentives program Term & Conditions, staff would review and prioritize any new applications and prepare a report outlining all applications to be forwarded to the Heritage Advisory Committee for review for approval/refusal by Regional Council.

In addition to the \$317,172 of previously approved but withdrawn grant funding, the annual \$150,000 funding for the Conservation District has been included in the approved 2014/15 operating budget. Together, these funds total \$467,172 in possible grant funding that could be used over the extended two years. Additionally, it is proposed that the annual \$150,000 funding also be continued in the 15/16 operating budget, subject to Regional Council approval.

Program Effectiveness – Other Outcome Measures

The February 4, 2009 staff report for the 'Regional Centre Urban Design Study – Downtown Halifax Urban Design Plan' included the following possible outcome measures for the Barrington Street Heritage Incentives Program:

- Number of storefront restorations and façade improvements;
- Number of sign and awning installations;
- 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; and
- Public perception/media coverage of improvements.

Data is not available for all of the outcome measures, however, the following commentary provides a general overview of most. As noted above, it was estimated that 19 of the 49 property owners in the District would apply for financial assistance. In actuality 14 active applications for financial assistance were processed. The majority of these projects included a combination of storefront restorations, façade improvements and interior restoration. There were no applications for sign or awning installations. As stated earlier, the total estimate value of work for these 14 projects is approximately \$9.7 million, and the cost to HRM, in grants and tax credits, to encourage this work to occur was just under \$3 million.

Information gathered to date about occupancy, total rental revenues and increases in assessment will not be indicative of the actual situation as many of the projects are still ongoing. Additionally, there is generally a few years delay in any increase in property assessment and tax revenues. It is also interesting to note that the applications were spread throughout the entire district (Map 1) resulting in an impact on the improvement in the overall streetscape cohesiveness.

Future Improvements to the Program

While changes to the existing program are not being proposed in this report, there are ‘lessons learned’ that could be applied to heritage incentive programs for this or other possible heritage districts in the future. In the five years of administering the program, staff are aware of where the program has been successful and where improvements might be warranted. Consultation with property owners within the District would also be recommended to gain a fuller understanding of how future Heritage Incentives program might be structured.

Staff would recommend minor improvements to procedure, such as clarification to eligible work types and property owner documentation required to support the pay-out of funds and allocation of tax credits. Additionally, the program is administratively heavy, and simplifications in this area could ease the burden on staff and property owners as well as speed up the process. Ideally, allowing lead time for applicants to prepare for applications would also benefit the program.

Some comments have been made from district property owners who took advantage of the program. These owners suggested that tax credits were more valuable in the long run (than grants), since they help compensate for the increased property taxes (from increased property assessments). The tax credits – for which interior work such as building system upgrades and base building costs is eligible – can provide a reduction in property taxes over several years (on larger projects). A more detailed survey of stakeholders will be needed to obtain a more fulsome sense of their experience with the program. Staff would anticipate conducting this survey at the end of the two year extension, should it be approved. This information will be essential in the formulation of any possible future Heritage Conservation Districts Incentive programs.

With five years of the program completed, and a two year extension proposed, staff believe the most equitable approach is to leave the program Terms and Conditions unchanged. This would ensure continuity and predictability in the program for its participants. A restructuring of the Terms and Conditions now would require additional review and research to recommend an alternate program to Council for approval. This would divert resources away from administering the program and delay the ability to keep the program in operation.

Conclusions

There is a high level of activity on Barrington Street and the effects of the Barrington Street Heritage Incentives Program are starting to become evident with a sense of renewed confidence among property owners. While the marketing initiatives and public realm improvements were not implemented and will not be included in this proposed extension; an extension of the financial Incentives Program will show continued support to the District and support additional renovation projects (Attachment D). Therefore, staff is recommending a two year extension of the incentives program that will provide an opportunity for other important buildings in the District to bring forward restoration projects which will benefit the District as a whole.

A two year extension of the Barrington Street Heritage Incentives program would also provide opportunity for staff to create an overarching framework for what heritage incentive packages might look like for the other Conservation Districts that Council may adopt in the future. However, each potential District is unique in its heritage values, physical attributes, land uses,

and development pressures. Therefore, any new incentive programs should fit within both an overarching framework and allow for consideration of contextual difference between districts.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the approval of the recommendation. This report recommends a two year extension of the Barrington Street Heritage Incentives Program by utilizing previously approved unexpended grant funds and annual operating funding in the amount of \$150,000. Previously approved but unexpended grant funds have been transferred to the Culture Development Reserve account Q312, following each year of the program. In addition, an annual amount of \$50,000 from the Culture Development Reserve has been allotted as funding towards this initiative.

The tax credit budget (M310-8007) would be continued for the two-year extension period, plus one or two years following the program closure, if work on large projects continues past March 2016. The approved tax credits are expected to total between \$1.75 and \$2.0 million for the seven year program.

This report also recommends the continued practice of waiving building permit revenues, and these amounts will be determined at the end of each of the upcoming two years as projects are brought forward to Council. This amount of waived permit fees traditionally represents a small fraction of HRM's total revenue from permit application fees and will be absorbed through account C430-4903 Permits & Inspections – Building Permits. To date, waived permit fees have averaged almost \$17,000 per program year.

COMMUNITY ENGAGEMENT

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

ALTERNATIVES

1. The Heritage Advisory Committee may recommend that Regional Council approve the proposed extension of the Barrington Street Heritage Incentives program with modifications or proposed changes. This may require a supplementary staff report.
2. The Heritage Advisory Committee may recommend that Regional Council refuse the proposed extension of the Barrington Street Heritage Incentives program, as outlined in this report. In recommending a refusal, the HAC should provide Council with reasons for the refusal. This is not the recommended course of action.

ATTACHMENTS

Map 1: Barrington Street Heritage Incentives Program Applications (2009-2014)

Attachment A:	Barrington Street Heritage Conservation District Financial Incentives Program Terms & Conditions
Attachment B:	Photograph of Barrington Street Historic District Banner
Attachment C:	Tables
Attachment D:	BSHDC Incentives Program: Before and After

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

Original Signed

Report Approved by:  Kelly Denty, Manager of Development Approvals, 490-4800



Map 1 - Barrington Street Heritage Incentive Program Application (2009-2014)



HRM does not guarantee the accuracy of any representation on this plan.

-  Barrington Street Heritage Conservation District Boundary
-  Barrington Street Heritage Incentive Program Application (2009-2014)
-  Properties with two applications
-  Barrington Street Heritage Incentive Program Application (2009-2014)

Barrington Street Heritage Conservation District

**TERMS AND CONDITIONS
FOR CAPITAL GRANTS, TAX INCENTIVES, AND PERMIT FEE WAIVERS
Updated February 2014**

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 on-going functional viability of the building.
- Waiver of application fees for Building Permits and Sign Permits.

The Program will initially be in effect for five years from the time of the adoption of the Barrington Street Heritage Conservation District Plan and Bylaw on October 24, 2009 until March 31, 2014. Any extension of the program beyond this will be subject to approval by Regional Council.

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 was 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
7071 Bayers Road, Suite 2005, Halifax
Telephone: 490-4419 or 490-5113

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; &
- 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.

Attachment B: Photograph of Barrington Street Historic District Banner



Photo credit HRM Heritage Property Program, 2009.

Attachment C: Tables

Table One: Estimated Value of Construction (14 projects) vs HRM Investment Value

Ap #	Approved: Paid Out			Approved: In Progress		
	Value of Construction	Grant	Tax Credit	Value of Construction	Grant	Tax Credit
09-01	-	-	-	\$1,547,313	\$96,878	\$203,033
09-03	\$46,383	\$6,244	\$2,542	-	-	-
10-03	-	-	-	\$941,733	\$90,602	\$1,104,079
10-04	-	-	-	\$887,714	\$9,398	\$130,338
10-05	-	-	-	\$1,048,484	\$0	\$157,273
11-01	-	-	-	\$810,269	\$64,766	\$102,110
11-02	-	-	-	\$72,210	\$36,105	\$0
11-03	-	-	-	\$37,759	\$18,879	\$0
12-01	-	-	-	\$178,488	\$89,244	0
12-03	\$171,700	\$79,550	\$1,890	-	-	-
12-04	\$151,480	\$62,170	\$1,255	-	-	-
13-01	-	-	-	\$65,309	\$22,236	\$3,125
13-02	\$23,121	\$1,395	\$3,051	-	-	-
13-03	-	-	-	\$3,703,955	\$100,000	\$525,593
Subtotal	\$392,684	\$149,359	\$8,738	\$9,293,234	\$528,108	\$2,225,551

Table 2: Overview of Barrington Street Heritage Conservation District Incentive Program

<i>Fiscal Year</i>	<i>Grants</i>	<i>Tax Credits</i>	<i>Total</i>
Year 1: 2009-10 (approved)	\$200,000	\$696,138	\$896,138
Year 1 adjustments*	-\$97,442	-\$490,562	-\$588,004
Year 2: 2010-11 (approved)	\$200,000	\$1,018,686	\$1,218,686
Year 2 adjustments**	-\$100,000	-\$591,503	-\$691,503
Year 3: 2011-12 (approved)	\$119,750	\$102,110	\$221,860
Year 4: 2012-13 (approved)	\$236,889	\$28,011	\$264,900
Year 4 adjustments***	0	-\$345	-\$345
Year 5: 2013-14 (approved)	\$123,631	\$531,769	\$655,400
Year 5 adjustments ****	0	-\$2,816	-\$2,816
Subtotal	\$682,828	\$1,291,488	\$1,974,316
Estimated Program Costs	\$1,000,000	\$2,000,000	\$3,000,000
Balance (from budget/estimated costs)	\$317,172	\$708,512	\$1,025,684

* In 2009-10 one project was completed under budget reducing the anticipated grant by \$564 and the tax credits by \$2,542. Additionally a large project was withdrawn thereby reducing the approved grants by \$96,878 and tax credits by \$488,020.


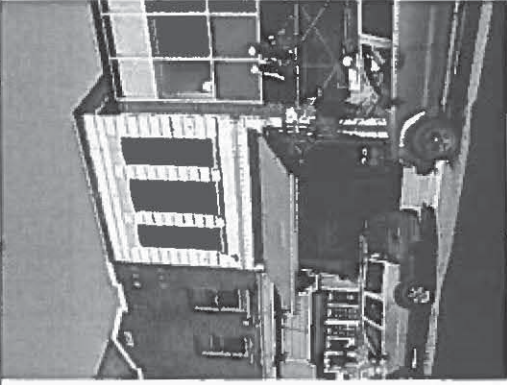
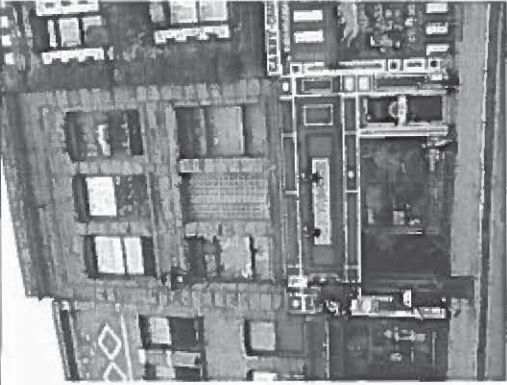


** In 2010-11 two projects were withdrawn by the applicant, reducing the approved tax credits by \$8,576. The NFB projects was withdrawn (when buildings sold) reducing the approved grants by \$100,000 and tax credits by \$581,403. A third project was not constructed built to heritage standards, so \$1,524 in approved tax credits was not paid out.

*** In 2012-13 one project was completed under budget reducing the anticipated tax credits by \$345.

**** In 2013-14 one project was completed under budget reducing the anticipated tax credits by \$2,816.

Attachment D

BCHCD INCENTIVES PROGRAM: BEFORE (TOP) AND AFTER (BOTTOM)

<p>Acadian Insurance Building (1919)</p> 	<p>Mary MacAlpine Building (c. 1890)</p> 	<p>Cabot Building (1890)</p> 
<p>Total value of work: \$2,877,931 (3 buildings)</p> 	<p>Total value of work: \$286,789 (2 grants)</p> 	<p>Total value of work: \$194,821 (2 grants)</p> 