


# HALIFAX

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

**Item No. 11.3.1**  
**Halifax Regional Council**  
**June 23, 2015**

**TO:** Mayor Savage and Members of Halifax Regional Council  
Original Signed

**SUBMITTED BY:**   
Emma Sampson, Chair, Heritage Advisory Committee

**DATE:** June 9, 2015

**SUBJECT:** Case H00404: Barrington Street Heritage Incentives – Request for a Special Arrangement for the Freemasons Building

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## ORIGIN

Motion passed by the Heritage Advisory Committee at a meeting held on May 27, 2015.

## 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 recommends Halifax Regional Council:

1. Approve a 'Special Arrangement' pursuant to Section 2.6(c) of the Barrington Street Heritage Conservation District Incentives Program Terms & Conditions allowing eligibility of all completed exterior masonry work, allowing for a grant of \$96,878 and a tax credit of \$124,701 for the former Freemasons Lodge located at 1533 Barrington Street, and subject to recommendation 2; and
2. Approve the payments referenced in recommendation 1 conditional upon the applicant executing and registering 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 signing of the agreement.

## **BACKGROUND**

At the Heritage Advisory Committee meeting of May 27, 2015 staff presented a report in regard to the Heritage Conservation Incentive grant and tax credit that was approved in 2010 for the Freemason's Lodge (located at 1533 Barrington Street). Staff explained that when they reviewed the owner's submission to confirm compliance with the terms and conditions of the incentive program, several items were determined ineligible for funding under the program. This reduced the originally approved amount by \$119,000.

## **DISCUSSION**

The applicant disagrees with the final disbursement figure and is requesting that Regional Council approve the elimination of most of the \$119,000 reduction to their grant and tax credit. While an agreement was reached through meetings with the owner on two of the four ineligible items, the owner has made a specific request for Council's consideration on the two outstanding issues as follows:

1. The costs of the masonry work carried out before the application was made be considered eligible for grant funding; and
2. The work carried out by his own labour forces be considered eligible for incentive funding

The attached staff report outlines these items in more detail.

Following a discussion, the Committee agreed with staff's conclusion that due to the lack of appropriate supporting documentation, 'own forces' work that was carried out should not be eligible for funds. The Committee also agreed that, even though the masonry work carried out prior to application was deemed ineligible because of an early start, it be considered for inclusion because it was work that was essential to protect the building envelope and there is the appropriate documentation for this work. The Committee passed a motion endorsing the staff recommendation.

## **FINANCIAL IMPLICATIONS**

The attached staff report addresses financial implications.

## **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](http://www.Halifax.ca).

## **ENVIRONMENTAL IMPLICATIONS**

None.

## **ALTERNATIVES**

The Committee did not provide Alternatives

**ATTACHMENTS**

Attachment 'A': Staff report dated March 31, 2015.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant

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P.O. Box 1749  
Halifax, Nova Scotia  
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Heritage Advisory Committee  
April 22, 2015

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

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Bob Bjerke, Chief Planner & Director, Planning and Development

**DATE:** March 31, 2015

**SUBJECT:** **Case H00404: Barrington Street Heritage Incentives - Request for a Special Arrangement for the Freemasons Building**

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**ORIGIN**

On February 9, 2010 Regional Council approved a Barrington Street Heritage Incentive application for 1533 Barrington Street, Halifax for a grant of \$96,878 and a tax credit of \$203,033.

**LEGISLATIVE AUTHORITY**

The *Heritage Property Act*, Section 22 Financial Assistance.

**RECOMMENDATION**

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

1. Approve a 'Special Arrangement' pursuant to Section 2.6(c) of the Barrington Street Heritage Conservation District Incentives Program Terms & Conditions allowing eligibility of all completed exterior masonry work, allowing for a grant of \$96, 878 and a tax credit of \$124,701 for the former Freemasons Lodge located at 1533 Barrington Street, and subject to recommendation 2; and
2. Approve the payments referenced in recommendation 1 conditional upon the applicant executing and registering 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 signing of the agreement.

## **BACKGROUND**

The owner of the Freemason's Lodge, located at 1533 Barrington Street, Halifax received approval of a Barrington Street Heritage Incentive grant and tax credit in 2010 based on their submission. Staff reviewed the owners submission to confirm compliance with the incentive program's Terms and Conditions (Attachment A), and determined several items submitted for grant and tax credits were ineligible for funding under the program. The effect of this was an overall reduction of \$119,000 from the originally approved maximums. The owner disagrees with these final disbursement figures and is now requesting Council approval to eliminate most of the \$119,000 reduction to their grant and tax credit.

### **Staff's Review**

On February 9, 2010 Regional Council reviewed the first year of financial applications under the Barrington Street Heritage Conservation District (BSHCD) Financial Incentives Program and approved three applications. One of those applications was made by the owner of 1533 Barrington Street, requesting both a grant and tax credit based on estimates provided by the applicant. Regional Council approved a grant not to exceed \$96,878 and a tax credit not to exceed \$203,033 for the renovations.

In December of 2011, the owner determined the project complete and submitted invoices supporting the work. After an inspection of the completed work, staff undertook a detailed review of the submission for compliance with the BSHCD program's Terms & Conditions (Attachment A). Though this review staff identified significant costs which were not eligible for funding based on compliance with the Terms and Conditions:

- Section 2.6(c): work which was carried out prior to making the funding application;
- Sections 3.5(f) & 3.6(a): work which was considered tenant fit up rather than base building work;
- Sections 2.17 & 2.19: invoices for 'owners own labour' which are not clear have been paid, or broken down into work type or number of labour hours spent on the approved work; and
- Section 2.17: one item of approved work valued at \$60,000 was not undertaken.

As result of staff's review, the overall grant and tax credit reduced by \$119,000 from the originally approved maximums to which the owner was notified. Several meetings with the owner took place to negotiate a solution; however these attempts have been unsuccessful. Therefore, staff is in a position to release a grant of \$75,386 and tax credit of \$105,589 (for a total HRM contribution of \$180,976) based on compliance with the BSHCD Terms & Conditions. These figures exclude the ineligible work types listed above.

### **Applicants Request**

Through meetings with the owner, an agreement was reached on two (tenant fit up and work not undertaken) of the four ineligible work types. The owner has made specific requests for Council's consideration on the two outstanding issues as follows:

1. That the costs of the masonry work carried out before the application was made (valued at \$170,395) be considered eligible for grant funding; and
2. That the work carried out by his own labour forces (estimated by the owner at \$470,805) be considered eligible for incentive funding.

The chart below illustrates the increased dollar amounts for these requests:

**Chart 1: Grant and Tax Credit Breakdowns**

	Staff Position (based on terms/conditions)	Report Recommendation Incl. Masonry work	Incl. Owners Own-Forces' work	Incl. Masonry + Own-Forces' work
Grant	\$75,386	\$96,878	\$96,878	\$96,878
15% Tax Credit	\$105,589	\$124,701	\$176,210	\$195,322
<b>Total Contribution</b>	<b>\$180,975</b>	<b>\$221,579</b>	<b>\$273,088</b>	<b>\$292,200</b>

Staff has considered these requests but have been unable to reach agreement with the owner on any additional level of incentives earned, and therefore the owners have requested resolution from Council on their two requests.

**DISCUSSION**

Staff reviews each grant application for compliance with the Council approved BSHCD Terms and Conditions at several points in the process. The first review occurs when the application is accepted and a recommendation is presented to Regional Council for approval. The second time is when grant and tax credit funding is paid to the property owner for the completed project. In this instance, staff has identified two issues which can't be resolved within the authority staff has under Council's approved Terms and Conditions. The two issues are outlined, discussed, and a staff recommendation is provided for Council consideration.

**Masonry Work**

Terms and Conditions

Section 2.6(c) of the BSHCD Terms and Conditions (Attachment A) outline costs which are ineligible for funding as 'work carried out prior to submission of the application (except by special arrangement)'. It is clear from the invoices that the masonry work was started prior to the grant application being made. However, the owner has argued that there was ambiguity about how this aspect of the Terms & Conditions would be applied, especially considering this work occurred during the first year of the new Incentives program.

Discussion

In retrospect, staff believes that this argument warrants some consideration. The owner did not recognize, nor did HRM staff advise him, that the work would be ineligible as it had commenced before the application date. This oversight may have contributed to the owner's expectation that the full cost of the masonry work would be eligible. Staff do not question that the masonry work was an important part of the overall project. The work on the Granville Street elevation began in late May of 2009 as it was urgently needed as the deteriorated masonry had been leaking. The early start was also needed to ensure that the entire masonry project would be completed before cold weather set.

Recommendation

The masonry work in question is well documented. The invoices paid by the owner clearly specify what work was done, the date when it was complete, and the total cost. The amount requested does not exceed the maximum previously approved by Council. For these reasons, staff recommends that Council approve a retroactive 'special arrangement' for this project to enable the cost of masonry work carried out before the application to be considered eligible for incentive funding. Additionally, it should be understood that the special circumstances around this project do not set a precedent for any future applications. The value of work involved is \$170,395 which would bring the eligible grant to the approved maximum of \$96,878 and increase the total grant and tax credit from \$180,976 to \$221,579 (see Chart 1: Including Masonry Work).

## Work by Own Forces

### Terms and Conditions

Section 2.6(d) of the program Terms and Conditions states that 'the cost of labour undertaken by the owner' are ineligible for funding. When the BSHDC Incentives program was established in 2009, this was understood to mean that incentive-assisted work must be undertaken by a contractor or tradesperson. This clause was adopted from HRM's other Heritage Incentives program, and in those instances 'own forces' typically refers to the owner of a building personally undertaking the work. Therefore, after some consideration, staff determined that work by 'own forces' – i.e. work carried out by persons hired directly by the property owner or through a company of the property owner – would be considered eligible. However, these costs must be broken down into hours for each worker, and be tracked by specific, approved grant work. Additionally, this would need to be supported by proof that the costs (i.e. wages) have been paid.

### Discussion

There have been difficulties on the owner's part in producing documentation acceptable to HRM staff. Staff have found it difficult to verify what work was done by 'own forces' and what work was done by hired contractors, given the lack of documentation. The owner could not supply copies of relevant payroll documents or a professionally-verified summary of 'own forces' labour used during the project period.

HRM staff and the owner have worked toward finding solutions to this problem, however no agreement has been found. Staff suggested the owner provide a summary of cost associated with each component of the 'own forces' work, but the owner has only been able to provide estimates without any supporting documentation. Similarly, staff requested an accountant's certification of payment of the 'own forces' labour costs. The owner was able to provide a letter from the company controller (not an accounting professional) stating that they "have not performed an audit and express no assurance; however, on the basis of information provided by Management... work carried out... from the Owners own funding amounts to \$724,316..." including non-eligible work.

### Recommendation

In the absence of payroll records or detailed summaries, it is essentially impossible for staff to verify the figures supplied by the owner. Due to the issues surrounding the appropriate documentation of 'own forces' costs, staff do not support the inclusion of these costs in the calculation of total eligible incentive funding.

## Conclusions

While HRM staff agree that 'own forces' costs related to the Freemason's project are eligible for funding, in this case, the documentation provided by the owner does not meet basic accounting principles to enable the issuance of these funds. For this reason, staff recommends not including this work in the overall Heritage Incentives grant/tax credit calculations. Should Council choose to approve the acceptance of incomplete documentation of expenses relative to this heritage funding, Council may put the municipality at risk of not adhering to its own accounting practices, and could set an unfavourable precedent.

The masonry work was carried out prior to application; however, while the work was deemed ineligible due to its early start, it was essential to protecting the building envelope, it has been completed, and record keeping for this work was well documented. It is reasonable for Council to consider the inclusion of the masonry work, and staff recommends that Council agree to its inclusion by a retroactive special arrangement.

## FINANCIAL IMPLICATIONS

This report recommends conditional payment of \$96,878 in Barrington Street Heritage District Incentive grants. This funding, from C310-8004, Planning & Applications - Grants, has been accrued based on the eligible work completed during fiscal years 2009-10 and 2010-11 and is available for payment.

This report also recommends conditional payment of \$124,701 in Barrington Street Heritage District Incentive tax credits. This funding, from M310-8007, Tax Concessions - Commercial, has been accrued based on eligible work completed during fiscal years 2009-10 & 2010-11 and is available for payment, up to the value of the property owner's municipal tax bill, each year.

### **COMMUNITY ENGAGEMENT**

The administration of the Barrington Street Heritage District Incentives Program is an internal process within HRM, which was adopted after the completion of a public consultation process consistent with the HRM Community Engagement Strategy. This level of community engagement is consistent with the intent of the Community Engagement Strategy.

### **ENVIRONMENTAL IMPLICATIONS**

The Barrington Street Heritage Incentives Program supports the rehabilitation and/or adaptive reuse of heritage buildings as they contain considerable investment of materials, energy, labour and resources. This program supports HRM's efforts to support sustainable development.

### **ALTERNATIVES**

1. The Heritage Advisory Committee could forward a negative recommendation with respect to a 'special arrangement' for the inclusion of the masonry work for the former Freemasons Building located at 1533 Barrington Street, as described in this report.
2. The Heritage Advisory Committee could forward a positive recommendation with respect to the inclusion of the requested \$470,805 of 'own forces' costs in the calculation of eligible financial incentives for the former Freemasons Building, 1533 Barrington Street, as described in this report.

### **ATTACHMENTS**

Attachment A                      Barrington Street Heritage Conservation District Terms and Conditions

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A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/hac/index.php> then choose the appropriate Heritage Advisory Committee meeting date, or by contacting the Office of the Municipal Clerk at (902) 490-4210, or Fax (902) 490-4208.

Report Prepared by:              Maggie Holm, Heritage Planner, (902) 490-4419  
   Andre MacNeil, Senior Financial Consultant, (902) 490-5529

Report Approved by:              Original Signed  
   Kurt Pyle, Acting Manager of Development Approvals, (902) 490-6011

Financial Approval by:              Original Signed  
   Greg Keefe, Director of Finance & ICT/CFO, (902) 490-6308

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**BARRINGTON STREET  
HERITAGE CONSERVATION DISTRICT  
FINANCIAL 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 1<sup>st</sup> to March 31<sup>st</sup>.

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 1<sup>st</sup> of each year and applications must be received no later than March 1<sup>st</sup>. (*Note: For 2010, the application deadline has been extended to March 31<sup>st</sup>*).

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  
2<sup>nd</sup> 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 15<sup>th</sup>.

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 15<sup>th</sup>.

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 15<sup>th</sup>.

- 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.