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PO Box 1749
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Halifax Regional Council
October 24, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Tom Creighton", written over a horizontal line.

Tom Creighton, Chair, Heritage Advisory Committee

DATE: October 11, 2006

SUBJECT: Heritage Incentives Program

ORIGIN

Heritage Advisory Committee meetings of August 23, 2006, September 27, 2006 and staff report to the Heritage Advisory Committee dated June 2, 2006.

RECOMMENDATION

The Heritage Advisory Committee recommends that Halifax Regional Council, commencing in 2007, approve the revisions to the Heritage Incentive Program in accordance with the Revised Terms of Reference outlined in Attachment "D" of the June 2, 2006 staff report with an amendment to delete the requirement for a Building Conservation Plan BUT include the Building Conservation Plan as part of the priority rating criteria.

The proposed amendments to Attachment "D" have been incorporated into the Terms of Reference (attached)

BACKGROUND

See the attached June 2, 2006 staff report and August 23, 2006 draft HAC minutes extract for background information.

DISCUSSION

At the September 27, 2006 meeting the Heritage Advisory Committee passed a motion to amend the Revised Terms of Reference. The amendments are as follows:

1. Delete the requirement for a Building Conservation Plan for applications more than \$5000
2. Add as part of the Priority Criteria:
“ Preference will be given to those applications supported with Building Conservation Plans”
3. Delete the requirement for a Building Conservation Plan or Facade Improvement Drawing to be prepared by an accredited architect;
4. Include a statement indicating that the Building Conservation Plan may be prepared by an architect, inspector or engineer or any other qualified restoration consultant;
5. Include a statement requiring that the facade drawing be a reasonable illustration or photograph of the work required for the site.

See the attached September 27, 2006 draft HAC minutes extract.

BUDGET IMPLICATIONS

There are no budget implications associated with this report.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

ALTERNATIVES

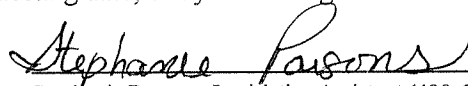
1. Regional Council may choose not to adopt changes proposed to the program’s operational criteria. This is not recommended for the reasons described in the June 2, 2006 staff report.

ATTACHMENTS

1. Proposed Amended Terms of Reference - Attachment “D”
2. Draft minutes extract from the August 23, 2006 meeting of the Heritage Advisory Committee.
3. Draft minute extract from the September 27, 2006 meeting of the Heritage Advisory Committee.

4. Staff report dated June 2, 2006, with attachments.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> 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: Stephanie Parsons, Legislative Assistant (490-6519)
Report Approved by: Tom Creighton, Chair, Heritage Advisory Committee

**ATTACHMENT D
HERITAGE INCENTIVES PROGRAM
REVISED TERMS AND CONDITIONS**

Program Aim

The Halifax Regional Municipality (HRM) Heritage Incentives Program is administered by the Heritage Property Program (Department of Planning & Development Services) to encourage the conservation of privately-owned, municipally registered heritage properties in residential or commercial use. Within the limits of the annual approved budget, the Heritage Incentives Program provides matching grants of up to \$10,000 for eligible exterior conservation work.

Operational Criteria

- The Heritage Incentives Program operates on a fiscal year basis from April 1st to March 31st.
- 25% of the annual heritage incentives budget is allocated to applications relating to commercial heritage properties. This is a proportionate allocation based on the fact that commercial buildings make up 25% of the HRM heritage registry. Any funds not used by commercial applications will be made available to residential applications.

Application Requirements

- Applications will be accepted between January 1st and March 1st and may be submitted by mail to:

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

or by hand delivery to:

Heritage Property Program
HRM Planning & Development Services
West End Mall, 6960 Mumford Road
Telephone: (902) 490-4419

- Email or faxed applications will not be accepted.
- Late or incomplete applications will not be reviewed.

Applications must include:

- A completed application form.
- Recent photographs of all sides of the building, with close-ups of the areas of work for which the grant is applied for.
- ~~OMIT: A Building Conservation Plan (for all applications over \$5,000). A Building Conservation plan is a document prepared by an architect or other qualified restoration consultant which describes existing conditions and all needed restoration/repair work, with associated architectural drawings, specifications, and estimated costs.~~
- Two contractor estimates for the proposed work.

Eligibility of Property

- Property must be a privately-owned, registered municipal heritage property located in HRM.
- Property must be in residential or commercial use.
- Property owner must be in good standing with HRM and shall not have unpaid taxes or any other legal claim outstanding.

Eligible Work & Materials

Projects which restore exterior architectural elements significant to the heritage character of the registered heritage property, including any of the following:

- **Preservation** of existing exterior architectural elements. This includes, for example, repair of deteriorated windows and doors, cladding, roofing, foundation, cornices, mouldings, architectural trim, and other significant features.
- **Replacement** of architectural features which still exist but which are beyond preservation or repair. This includes replacement in kind of deteriorated doors and windows, cladding, roofing, cornices, mouldings, architectural trim, and other significant features, using accurate reconstruction and materials, sizes, and configurations that match the original.
- **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.
- **Painting** in colours appropriate to the period of the heritage property. Generally, colours from the heritage palette of the major paint manufacturers are preferred.
- **Preservation/restoration of historic outbuildings or landscape features**, such as fences, walls or gates which form part of the original, documented heritage character of the property.
- Projects must use traditional materials (wood, stone, brick, etc.) and traditional designs.

Ineligible Work & Materials

- Modern materials such as vinyl or aluminum clad windows, steel doors, vinyl siding, or EFIS cladding.
- Short-term, routine maintenance. This includes, for example, minor repairs to non-original siding or roofing material.
- Poor or defective work.
- Work carried out prior to submission of the application.
- Owner Labour.

Project Evaluation

Projects will be evaluated using the HRM *Heritage Building Conservation Standards* and the *Parks Canada Standards and Guidelines for the Conservation of Historic Places in Canada*.

Priority Criteria

- Preference given to first-time applications.
- Higher priority given to preservation and restoration of historic structural and weatherproofing elements than to cosmetic improvements, e.g., restoration of cladding, windows, doors, or roof has greater priority than painting.
- Preference given to restoration of publicly visible features, e.g., an application for restoration of a front porch would have higher priority than a back porch restoration.
- **INSERT: Preference given to applications supported by a Building Conservation Plan**

prepared by an architect, building inspector, engineer, or other qualified restoration professional. The Building Conservation Plan may be a drawing or report which reasonably illustrates all work required for the building.

- Balance sought between applications from different parts of HRM, e.g., Halifax South End, Halifax North End, Dartmouth, Bedford, South-Western shore, Eastern Shore, etc.

Application Review Process

- Applications will be screened for basic eligibility as they are received. Applicants will be notified promptly if their application is ineligible.
- Eligible applications will be reviewed and evaluated by Heritage staff in consultation with the Heritage Advisory Committee in March.
- Notification of approval or rejection will be mailed to applicants in April.
- Approval of grants will be conditional on approval of program budget and available funds.
- Due to limited funds, not all eligible applications may receive approval.

Maximum/Minimum Grants & Multiple Applications

- Grants are awarded on a 50% cost-sharing, matching grant basis.
- The maximum annual grant is \$10,000.
- The minimum annual grant is \$500.
- The number of grants per property is limited to one per year and two in any four year period.

Conditions of Approval & Payment of Grant

- Projects must be completed within the fiscal year for which they are approved.
- Grant payment is conditional on satisfactory completion of approved work, photographic documentation of completed work, and submission of receipts and paid invoices.
- Deadline for submission of receipts and paid invoices is March 15th. This is necessary to enable grant payments to be processed by end of fiscal year.
- Grant funding for projects not completed by the end of the fiscal year will be forfeited except in exceptional circumstances.
- Grants are tied to specific approved work. Additional work beyond what is budgeted for and approved will not be funded.
- The applicant shall notify HRM of any changes to the approved work prior to it being undertaken and shall not proceed with the work without supplementary approval by staff. 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 heritage property.
- For projects which result in a cumulative grant of \$10,000 or more, no funds shall be paid until after the applicant has signed an *Agreement to Waive Section 18 of the Heritage Property Act* and filed the agreement at the Registry of Deeds. (See Draft Agreement in Attachment E)

Appeals

- Refusal of a grant application or withholding of an approved grant payment may be appealed by the applicant within fourteen days of written notification of the decision.
- Appeals shall be in writing, addressed to the chair of the Heritage Advisory Committee c/o the Heritage Property Program and shall give reasons for the appeal.

Draft minutes extract from the August 23, 2006 meeting of the Heritage Advisory Committee

7.6 Heritage Incentives Program Review

- A report dated June 2, 2006 on the above noted was before the Committee.

Ms. Holm reviewed with the Committee the current and proposed requirements of the Heritage Incentives Program, as outlined in the June 2, 2006 report, with the aid of an overhead chart.

With regard to #5 Building Conservation Plans, Ms. Holm indicated that a Building Conservation Plan is a useful tool for any property owner to prioritize work, identify work required that the owner was unaware of, and may be used for numerous grant applications. She noted that the Building Conservation Plans must be completed by an architect, should cover a ten year conservation work plan for the property, and normally cost in the range of \$1,000-\$2,000. Ms. Holm commented that the Conservation Plan creates transparency and accountability in paying for private home restorations with tax payers money, by requiring a qualified professional to outline the required work and providing quotes, and thereby removing the subjectivity from the decision making process.

Discussion ensued regarding #5 Building Conservation Plans, with the following comments noted from the Committee:

- There are other qualified individuals that are capable of preparing Conservation Plans, such as engineers or builders, that charge less than architects, and
- Conservation Plans are viewed by some as bureaucratic red tape and may act as a disincentive to apply for grants.

Ms. Holm agreed that the requirement for an architect to prepare the Conservation Plan may be amended to include "or another qualified professional", to be at the discretion of staff, in such instances where a plan was previously prepared by a professional other than an engineer. She advised she will create a list of acceptable qualified professionals in this regard.

Ms. Holm advised, at the request of the Committee, that tax incentives for heritage property owners are being tested with the Barrington Street Conservation Plan. She noted that if the tax incentives work well the Barrington Street Conservation Plan, they may be offered to other heritage properties.

Discussion ensued regarding #7 Waiving One Year Demolition Delay, with the following comments noted:

- The property owners would be required to sign an agreement, which would be recorded at the Registry of Deeds, and
- Deregistration controls should be included with the demolition controls.

Draft minutes extract from the August 23, 2006 meeting of the Heritage Advisory Committee

MOVED by Mr. Clarence Butler, seconded by Ms. Dianne Marshall, to defer discussion of the Heritage Incentives Program Review to the next meeting of the Heritage Advisory Committee and limit discussion on this matter to #5 Building Conservation Plans and amend the Proposed Requirement for #7 Waiving One Year Demolition Delay to read “Grant applications exceeding \$10,000 (including cumulative applications) agree to waive demolition *and deregistration* rights for ten years”.

It was noted that several members, including both Councillors, are not present at this meeting, and discussion should not be limited to #5 Building Conservation Plans.

Mr. Butler, with the agreement of the seconder, amended his motion as follows:

MOVED by Mr. Clarence Butler, seconded by Ms. Dianne Marshall, to defer discussion of the Heritage Incentives Program Review to the next meeting of the Heritage Advisory Committee. **MOTION PUT AND PASSED.**

5.1 Heritage Incentives Program Review

- A staff report dated August 23, 2006 regarding the Heritage Incentives Program was before the Committee.
- A document entitled Heritage Incentive Program for Commercial Development was Circulated to the Committee for information.
A draft minute extract of the August 23, 2006 meeting was circulated to the Board.

Ms. Holm provided an overview of the Heritage Incentive Program for Commercial Properties report and noted the following:

- Staff is requesting that a Building Conservation Plan be provided from an architect to describe the existing conditions of building and to prioritize the restoration/repair work required;
- This requirement will assist staff in justifying an expenditure of taxpayers' money;
- A facade drawing will be required for one time grant applications;
- A Building Conservation Plan will be required for work more than \$5000;

Responding to questions of the Committee staff advised of the following:

- All applications would be received once a year, there will be more applications than funding,
- The applications will be evaluated and ranked against a list of priority criteria. The conservation plan will assist in ranking the applications;
- The recommendation is to eliminate the distinction between commercial and residential buildings;
- Staff has determined that there is no relevance in the distinction; the overarching idea is to make funding accessible to all heritage property owners;
- Any funds not used by commercial applications will be made available to residential applications;

Mr. Shakotko and Mr. Pothier expressed the following concerns:

- A requirement for a Conservation Plan maybe a barrier to those who want to register heritage properties; .
- The requirement for a Conservation Plan creates another level of bureaucracy;
- A professional architectural drawing is not required to evaluate the property;
- A property owner should not be required to spend funds in advance for a program they may not receive funding from;
- Most applications are for roof or window repairs;

Responding to comments made by Mr. Shakotko and Mr. Pothier staff advised of the following:

- The requirement for a Conservation Plan maybe seen as a disincentive however, it may provide the applicant with access to a larger pool of funds;
- The funds needs to be distributed equitably and there needs to be checks and balances in spending taxpayers' dollars;
- The expenditure of funds is to obtain professional advice on the best approach to restore the property and determine what should be fixed first; .
- The registration of a property is a commitment in recognizing the heritage value;
- It is assumed that the owner intends to protect the property for present and future generations;
- Assistance is also available from the province for Conservation Plans,
- It is staff's opinion that a requirement for a Conservation Plan is reasonable.

Staff further suggested that the Conservation Plan requirement be removed and included as party of the priority criteria. Those applicants who see the value in a Conservation Plan will receive a higher priority.

Further discussion ensued, while the Committee agreed that this was a better option concern was expressed that an applicant who can afford a Conservation Plan would receive a higher ranking, while another applicant whose property requires more significant repairs and cannot afford a Conservation Plan would receive a lower ranking.

Staff advised that only applications more than \$5,000 would require a conservation plan, and that a facade improvement drawing will also be required.

Mr. Elias Metlej, pointed out:

- Page 4 of the staff report item five states that Building Conservation Plans should be required for all residential and commercial heritage incentive's applications, where the cumulative grant value exceeds \$5000. This means that an application can be received in year one for \$2000 and in a few years the applicant may put in an application for \$4000 for other work, this would before than \$5000 cumulatively and would still require the applicant to provide a Conservation Plan.
- The requirement for a Conservation Plan prepared by an architect is too strict and expensive,
- A Property Inspector can provide pictures and an explanation on the condition of the building as well as an engineer;

- He suggested that the wording be open to persons other than a professional architect;
- A facade drawing should not be required for work such as repairing a roof or painting;

Councillor Sloane suggested that the distinctions between residential and commercial properties be put back in and only require a conservation plan for commercial buildings.

Mr. Bill Mont entered the meeting at 4:05 p.m.

Further discussion ensued and the following was noted:

- That HRM inspectors be used to conduct a cursory overview of the property based on preestablished criteria and submit a report to staff;
- This allows HRM to control the process as you do not know who the applicant is going to hire and avoids adding any additional cost to HRM and the applicant.
- It was suggested that an application for a conservation plan not be counted as a grant.
- In reference to the facade drawings it was suggested that it be open to a reasonable illustration of the work required of the site, which can include photographs.

MOVED BY Mr. Butler, seconded by Councillor Sloane that the Heritage Advisory Committee recommends that Halifax Regional Council, commencing in 2007, restructure the Heritage Incentive Program in accordance with the Revised Terms of Reference outlined in Attachment "D" with the following amendments:

- 1. Delete the requirement for a Conservation Plan for applications more than \$5000**
- 2. Add as part of the Priority Criteria:
" Preference will be given to those applications supported with Conservation Plans"**
- 3. Delete the requirement for a Conservation Plan or Facade Improvement Drawing to be prepared by an accredited architect;**
- 4. Include a statement indicating that the Conservation Plan may be prepared by an architect, inspector or engineer or any other qualified restoration consultant;**
- 5. Include a statement requiring that the facade drawing be a reasonable illustration or photograph of the work required for the site.**

MOTION PUT AND PASSED.



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Heritage Advisory Committee
August 23, 2006

TO: Chair & Members of the Heritage Advisory Committee

SUBMITTED BY:


Paul Dunphy, Director, Planning & Development Services

DATE: June 2, 2006

SUBJECT: Heritage Incentives Program Review

ORIGIN

Staff

RECOMMENDATION

It is recommended that:

The Heritage Advisory Committee recommend to Regional Council that, commencing in 2007, the Heritage Incentive Program be re-structured in accordance with the Revised Terms of Reference outlined in Attachment D.

BACKGROUND

Since its inception in 2002, the Heritage Incentives Program has been very successful and has become increasingly popular. Operating on a 50% cost-sharing basis, the program has provided assistance to almost 100 heritage property owners over the past four years and has triggered approximately \$600,000 in private investment in heritage property restoration. However, a recent staff review has identified a number of issues that need addressing to make the program more effective, more equitable, and easier to administer.

DISCUSSION

I. Application Deadlines, Work Completion Deadlines & Project Carry Over

To date, the program has allowed grant-assisted projects to be approved in one fiscal year but not completed, invoiced, and paid for until the following fiscal year or later. This has been done as a convenience to applicants to accommodate the limited building season and the unpredictable nature of restoration work but has led to tracking problems and accounting difficulties. These difficulties have been compounded by a practice of accepting applications four times per year (in the Spring, Summer, Fall, and Winter) and approving applications without deadlines for completion of work.

The charts in Attachments A and B illustrate how this has led to the current situation where the anticipated budget for 2006 (\$150,000 subject to Council approval) is almost totally committed (\$146,507.26) to projects approved or applied for in previous fiscal years. This leaves very little room for new applications to be accepted in the current fiscal year.

Recommendations

- *Projects should be approved, completed, and paid for within the same fiscal year, and 'carry over' into the next fiscal year should be allowed only in exceptional circumstances. This will bring the program in line with standard fiscal year accounting practice.*
- *The program should operate on a one-application-per-fiscal year basis, similar to the HRM Community Grants Program. Applications would be received between January 1st and March 1st, evaluated by staff in March/April, and approved in consultation with the Heritage Advisory Committee by May. Approved projects would be required to be completed by the end of the fiscal year, i.e., by March 31st. Funding for projects not completed by the end of the fiscal year would be forfeited except in exceptional circumstances. At staff discretion situations such as project materials not being delivered or extortionary weather conditions would be given consideration. It is the applicants responsible to ensure adequate time for project completion.*

2. Maximum Grants & Cumulative Grants

At present the program allows matching grants up to \$5,000 for residential properties and \$10,000 for commercial. It also allows two grants per property per year, which effectively raises the allowable annual grants to \$10,000 and \$20,000 respectively. Some property owners have made multiple applications over two or three years and, in a few cases, have received cumulative grants totalling up to \$20,000 for residential properties and \$30,000 for commercial properties (see Attachment C). While this has enabled larger, more costly restoration projects to occur it has also created an imbalance in the distribution of funds with a disproportionate amount going to a small number of commercial property owners over the four year period, as illustrated in the following chart.

Use Type	Number of applicants receiving grants	Total value of grants	Number of applicants making cumulative applications	Total value of grants to cumulative applications
Residential	86	\$369,097 (73%)	15 (17% of residential applicants)	\$127,652 (34% of residential grants; 25% of total grants)
Commercial	9	\$137,597 (27%)	6 (66% of commercial applicants)	\$123,099 (89% of commercial grants; 24% of total grants)
Totals	95	\$506,694 (100%)	21 (22% of total applications)	\$250,751 (50% of total grants)

As a matter of principle, a balance needs to be struck between providing an equitable distribution of funds to as many heritage properties as possible, regardless of use, and a sufficient level of funding to individual properties to enable significant restoration projects to be carried out.

Recommendations

- *The maximum annual grant for residential and commercial properties should be \$10,000. This would not preclude applications for smaller grants but would enable larger applications from both residential and commercial buildings to be considered on an equal footing.*
- *25% of the annual heritage incentives budget should be allocated to commercial applications. This is a proportionate allocation based on the fact that commercial buildings make up 25% of the HRM heritage registry. Any funds not used by commercial applications would be made available to residential applications.*
- *The number of grants per property should be limited to two in any four year period. This would enable more costly restoration projects to be phased over two seasons (as has been done in cumulative applications the past) but would also ensure that new, first-time applications have fair access to available funding.*

3. 8-Unit Residential Eligibility Limit

Currently, the program excludes multi-unit residential properties containing more than eight units. This eligibility criterion was presumably put in place to guard against large residential applications consuming a large portion of the available funds through multiple, cumulative applications. However, with other safeguards in place, as recommended in this report, the 8-unit limit is no longer justified. Removal of the 8-unit limit would also improve the fairness of the program by making it accessible to all residential and commercial heritage property owners.

Recommendation

- *The 8-unit limit for eligibility of residential properties should be removed.*

4. Owner Labour

In past applications, owner labour (sweat equity) has been eligible for grant assistance. The logic for this is has been that owner labour is less costly than contractor labour, thus leaving more funds available for material costs. However, this practice has been problematic for several reasons including the question of what hourly rate should be applied to such labour and how to address the potential for over-billing of hours worked.

Recommendation

- *Grants should only be paid for labour costs invoiced by a third party.*

5. Requirement for Building Conservation Plans

A building conservation plan is a document prepared by an architect describing the existing building condition and all needed restoration and repair work, with associated architectural drawings and estimated costs. A conservation plan helps the applicant develop a budget and work schedule and helps staff understand the context of the proposed work and anticipate future grant applications. To date, the program has only required building conservation plans for commercial applications. However, it is reasonable to require this for all applications, except minor, one-time applications where the value of the grant request is small. The cost of preparing the plan is absorbed by the property owner. However, the Province has a program which enables owners of municipally registered heritage properties to recover a portion of this cost by applying for a *Conservation Advice Grant* (50% cost sharing to a maximum of \$1,000).

Recommendation

- *Building conservation plans should be required for all residential and commercial heritage incentives applications, where the cumulative grant value exceeds \$5,000.*

6. Evaluation & Prioritization of Applications

So far, the program has operated on a first-come-first-served basis, with any applications that cannot be accommodated within one fiscal year being automatically considered within the next year's budget. If the program is changed as suggested in this report (with a limit of one application per year,

an April 1st submission deadline, and a no-carry-over policy) then, in all probability, there will be more applications than funding for any given fiscal year can support, and not all projects will be able to be approved. This means that project evaluation and priority criteria will be needed.

Recommended Project Evaluation & Priority Criteria:

- *No retroactive applications. In other words, any work completed prior to the application will not be eligible for funding.*
- *Preference given to first-time applications.*
- *Higher priority given to preservation and restoration of historic structural and weatherproofing elements than to cosmetic improvements, e.g., restoration of foundation, structural walls, masonry, cladding, or roof has greater priority than painting.*
- *Preference given to restoration of publicly visible features, e.g., an application for restoration of a front porch would have higher priority than a back porch restoration.*
- *Balance sought between applications from different parts of HRM, e.g., Halifax South End, Halifax North End, Dartmouth, Bedford, South-Western shore, Eastern Shore, etc.*

7. Waiver of the One Year Demolition Delay as Condition of Grant

In the four year history of the incentives program there has been one case where a heritage property owner received a grant and subsequently applied for de-registration in order to enable demolition. As a matter of principle it is reasonable to require that where substantial public funds are put into privately owned heritage properties, the grant should be conditional upon the owner agreeing that the property will not be demolished or substantially altered. It is also reasonable for there to be a threshold below which small grants could be made without conditions tied to demolition control.

Currently, under Section 18 of the Nova Scotia Heritage Property Act, municipally registered heritage properties can be protected from demolition or substantial alteration for only one year from the date of application. Section 20 of the Act, however, enables a municipality to enter into an agreement with heritage property owners regarding the “use, preservation or protection” of the heritage property and requires that the agreement be filed in the Registry of Deeds so that the agreement ‘runs with the land’. Section 22 of the Act enables a municipality to grant financial assistance to owners of registered heritage properties on “whatever terms and conditions it sees fit”.

Recommendation

- *Where any heritage incentive grant application exceeds \$10,000 (including any cumulative applications adding up to this amount or higher) the applicant shall enter into an agreement with the municipality to waive any rights under section 18 of the Heritage Property Act in respect to the property for which the grant is to be made, such waiver to be effective for ten years from the date of the grant approval.*

8. Recommended Revised Overall Terms of Reference

The abovementioned recommendations are incorporated into a revised Terms of Reference for the Heritage Incentives Program, along with some of the existing program criteria, as shown in Attachment D, and it is these revised Terms of Reference which are recommended for adoption by Council.

BUDGET IMPLICATIONS

There are no budget implications as the recommended alterations to the Heritage Incentive Program Terms of Reference are administrative and operational in nature rather than financial. While a case could be made for an increase in the annual budget due to the popularity of the program and the increasing demand, that request is not presently being made.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

ALTERNATIVES

1. The Heritage Advisory Committee may prefer to leave the program's operational criteria as they are and not recommend changes to Council. This is not recommended as there are significant operational issues that need addressing, as described in this report.
2. The Heritage Advisory Committee could recommend adoption of some changes and not others, or could recommend other changes not addressed here, in which case it would be appropriate to request a supplementary report based on committee input for possible future recommendation to Council.

ATTACHMENTS

Attachment A:	Heritage Incentives Program: Overview of Expenditure by Fiscal Year
Attachment B:	Approved Grants & New Applications for Fiscal 2006
Attachment C:	Multiple / Cumulative Applications
Attachment D:	Recommended Revised Terms & Conditions
Attachment E:	Draft Agreement: Waiver of Section 18 of the Heritage Property Act

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Maggie Holm, Heritage Planner, 490-4419
Bill Plaskett, Heritage Planner, 490-4663

Financial Review: 
Ferdinand Makani, Financial Consultant, 490-6902

ATTACHMENT "A"
HERITAGE INCENTIVES PROGRAM
OVERVIEW OF EXPENDITURES BY FISCAL YEAR

FISCAL YEAR	Number of applications received and approved	Year of payout	Amount paid out	Amount approved but unpaid (See details in Attachment B)
2002	21 (included 20 retro-active applications)	14 paid in 2002 7 paid in 2003	\$49,248	
2003	25	21 paid in 2003 3 paid in 2004 1 paid in 2005.	\$149,226.57 (included 7 projects approved in 2002)	
2004	45	34 paid in 2004 7 paid in 2005 4 not yet completed and expected to be paid in 2006	\$130,701.33 (included 3 projects approved in 2003)	\$22,447.15 (4 approved applications with work not yet completed and expected to be paid in 2006)
2005	49 received 38 approved 11 pending approval	29 paid 9 approved but not yet completed and expected to be paid in 2006	\$150,000 (includes 7 projects approved in 2004 but completed in 2005)	\$36,360 (9 approved applications with work not yet complete and expected to be paid in 2006) \$1036.24 (one application approved and completed in 2005 and partially paid for out of 2005 budget, with \$1036.24 remaining to be paid) \$86,201 (14 applications pending approval by HAC)
2006				Anticipated pre-allocation of funds out of 2006 budget: \$146,044.39 comprised of: \$59,843.39 (13 approved projects from 2004 and 2005) and \$86,201 (14 projects pending approval by HAC and Council budget approval). See details in Attachment B.

ATTACHMENT "B"
APPROVED GRANTS UNPAID AS OF MAY 2006 AND NEW APPLICATIONS PENDING APPROVAL FOR FISCAL 2006

Applic #	Address	Description	Approval Date	Grant Approved	Completion deadline	Amounts approved but unpaid
74	5188 Morris St	Hamachi House: restore masonry on upper facade	Approved June 04	\$10,000 (commercial)	none	Total approved amounts from 2004 \$22,447.15
83	5680 Inglis St	Thorndean: restore front steps	Approved Sept 04	2,447.15	none	
103	41 Pleasant St, Dartmouth	Paint	Approved Feb 05	\$5000	none	
104	4745 Inglis St	Paint	Approved Feb 05	\$5000	none	
114	95 King St, Dartmouth	Windows front facade	Approved July 05	\$5000	one year (Jul 06)	Total approved amounts from 2005 \$36,170.11
118	5188 Morris St	Hamachi House: Restore Skylights	Approved July 05	\$10,000 (commercial)	one year (Jul 06)	
119	5188 Morris St	Hamachi House: Restore masonry on west wall	Approved July 05	\$5000 (commercial)	one year (Jul 06)	
124	5224 Smith St	Restore wooden door	Approved July 05	\$2000	one year (Jul 06)	
126A	5509 Young St	Fence: \$5419.50 approved \$4383.26 paid from 2005 budget	Approved July 05	\$1036.24 remaining	one year (Jul 06)	
128	2146 Brunswick St	Restore Bay Window, Paint	Approved July 05	\$1633	one year (Jul 06)	
129	5660 Fenwick St	Restore Bay window, basement window, trim and paint	Approved July 05	\$4997.30	one year (Jul 06)	
137	17 George St, Dartmouth	Windows	Approved Oct 05	\$1500	one year (Oct 06)	
142	72 Johnstone Ave, Dart	Chimney, porch, windows, trim & gutters	Approved Oct 05	\$5000	one year (Oct 06)	

Applications		Application Date		Grant Proposed		
144	1740 Argyle St	Five Fishermen Restaurant: restore windows and entrance	submitted Dec 05	\$10,000 (comm'l)		
146	1350 Queen St	Re-parging wall (work already completed)	submitted Dec 05	\$5000		invoices submitted
147	32 Dundas St, Dartmouth	Restore storm porch	submitted Dec 05	\$5000		
150	5650 Fenwick St	Replace windows	submitted Dec 05	\$5000		
151	5172 Morris St	Haliburton Inn: roof repair & dormer restoration	submitted Dec 05	\$10,000 (comm'l)		
155	5739 Inglis St	SAAM Holdings: Window replacement and painting	submitted Feb 06	\$8140 (comm'l)		
156	5147 Morris St	Halifax Mercantile: Restore storefront	submitted Feb 06	\$10,000 (comm'l)		
157	2507 Brunswick St	Paint house	submitted Feb 06	\$5000		
158	5266 South St	Replace windows	submitted Feb 06	\$5000		
159	1721 Barrington St	Kaiser Building (Freak Lunch Box): Replace windows & door	submitted March 06	\$10,000 (comm'l)		
160	7 Newcastle St, Dartmouth	Wood windows & door	submitted March 06	\$4000		
161	50 Summit St, Dartmouth	Replace front steps	submitted March 06	\$3000		
162	296 Portland St, Dartmouth	New wood windows	submitted April 06	\$5000		
163	5675 North St	Foundation & porch repair - WITHDRAWN	submitted April 06	\$5000 WITHDRAWN		WITHDRAWN
164	47 Pleasant St, Dartmouth	Windows, porch repair, gutters	submitted April 06	\$2750		
TOTAL AMOUNT COMMITTED FOR 2006 PENDING APPROVAL OF APPLICATIONS AND PENDING BUDGET						\$146,507.26

Total amount from applications pending approval
\$87,890.00

dated May 31/06

ATTACHMENT "C"
HERITAGE INCENTIVES PROGRAM
MULTIPLE / CUMULATIVE APPLICATIONS

Residential

Address	Number of applications	Total amount of grants
95 King, Dartmouth	3	\$13,127
2064 Brunswick, Halifax	3	\$1428
7 Newcastle, Dartmouth	3	\$10,141
17 George, Dartmouth	2	\$2782
1105 Tower Road, Halifax	3	\$7777
47 North, Dartmouth	2	\$5366
64 Queen, Dartmouth	3	\$9509
6201 Shirley, Halifax	4	\$19,925
5476 Clyde, Halifax	2	\$6651
5482 Clyde, Halifax	2	\$6568
149 Prince Albert, Dartmouth	2	\$7179
289 Portland, Dartmouth	2	\$8969
296 Portland, Dartmouth	2	\$9700
1714 Robie, Halifax	2	\$8530
2507 Brunswick, Halifax	2	\$10,000
47 Pleasant, Dartmouth	2	\$3850
16 properties in total	38 applications in total	\$130,402

Commercial

Address	Number of Applications	Total Amount of Grants
6 Armada Drive (Caribou Lodge)	2	\$15,000
1325 Hollis (D. McVicar Offices)	4	\$24,853
1729 Barrington (Hilltribe)	3	\$20,487
1222 Barrington (Henry House)	3	\$30,000
5188 Morris (Hamachi House)	4	\$30,000
5128 Morris (Halliburton House)	2	\$2765
6 properties in total	18 applications in total	\$123,105

ATTACHMENT D HERITAGE INCENTIVES PROGRAM REVISED TERMS AND CONDITIONS

Program Aim

The Halifax Regional Municipality (HRM) Heritage Incentives Program is administered by the Heritage Property Program (Department of Planning & Development Services) to encourage the conservation of privately-owned, municipally registered heritage properties in residential or commercial use. Within the limits of the annual approved budget, the Heritage Incentives Program provides matching grants of up to \$10,000 for eligible exterior conservation work.

Operational Criteria

- The Heritage Incentives Program operates on a fiscal year basis from April 1st to March 31st.
- 25% of the annual heritage incentives budget is allocated to applications relating to commercial heritage properties. This is a proportionate allocation based on the fact that commercial buildings make up 25% of the HRM heritage registry. Any funds not used by commercial applications will be made available to residential applications.

Application Requirements

- Applications will be accepted between January 1st and March 1st and may be submitted by mail to:

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

or by hand delivery to:

Heritage Property Program
HRM Planning & Development Services
West End Mall, 6960 Mumford Road
Telephone: (902) 490-4419

- Email or faxed applications will not be accepted.
- Late or incomplete applications will not be reviewed.

Applications must include:

- A completed application form.
- Recent photographs of all sides of the building, with close-ups of the areas of work for which the grant is applied for.
- A Building Conservation Plan (for all applications over \$5,000). A Building Conservation plan is a document prepared by an architect or other qualified restoration consultant which describes existing conditions and all needed restoration/repair work, with associated architectural drawings, specifications, and estimated costs.
- Two contractor estimates for the proposed work.

Eligibility of Property

- Property must be a privately-owned, registered municipal heritage property located in HRM.
- Property must be in residential or commercial use.
- Property owner must be in good standing with HRM and shall not have unpaid taxes or any other legal claim outstanding.

Eligible Work & Materials

Projects which restore exterior architectural elements significant to the heritage character of the registered heritage property, including any of the following:

- **Preservation** of existing exterior architectural elements. This includes, for example, repair of deteriorated windows and doors, cladding, roofing, foundation, cornices, mouldings, architectural trim, and other significant features.
- **Replacement** of architectural features which still exist but which are beyond preservation or repair. This includes replacement in kind of deteriorated doors and windows, cladding, roofing, cornices, mouldings, architectural trim, and other significant features, using accurate reconstruction and materials, sizes, and configurations that match the original.
- **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.
- **Painting** in colours appropriate to the period of the heritage property. Generally, colours from the heritage palette of the major paint manufacturers are preferred.
- **Preservation/restoration of historic outbuildings or landscape features**, such as fences, walls or gates which form part of the original, documented heritage character of the property.
- Projects must use traditional materials (wood, stone, brick, etc.) and traditional designs.

Ineligible Work & Materials

- Modern materials such as vinyl or aluminum clad windows, steel doors, vinyl siding, or EFIS cladding.
- Short-term, routine maintenance. This includes, for example, minor repairs to non-original siding or roofing material.
- Poor or defective work.
- Work carried out prior to submission of the application.
- Owner Labour.

Project Evaluation

Projects will be evaluated using the HRM *Heritage Building Conservation Standards* and the *Parks Canada Standards and Guidelines for the Conservation of Historic Places in Canada*.

Priority Criteria

- Preference given to first-time applications.
- Higher priority given to preservation and restoration of historic structural and weatherproofing elements than to cosmetic improvements, e.g., restoration of cladding, windows, doors, or roof has greater priority than painting.
- Preference given to restoration of publicly visible features, e.g., an application for restoration of a front porch would have higher priority than a back porch restoration.

-
- Balance sought between applications from different parts of HRM, e.g., Halifax South End, Halifax North End, Dartmouth, Bedford, South-Western shore, Eastern Shore, etc.

Application Review Process

- Applications will be screened for basic eligibility as they are received. Applicants will be notified promptly if their application is ineligible.
- Eligible applications will be reviewed and evaluated by Heritage staff in consultation with the Heritage Advisory Committee in March.
- Notification of approval or rejection will be mailed to applicants in April.
- Approval of grants will be conditional on approval of program budget and available funds.
- Due to limited funds, not all eligible applications may receive approval.

Maximum & Minimum Grants & Multiple Applications

- Grants are awarded on a 50% cost-sharing, matching grant basis.
- The maximum annual grant is \$10,000.
- The minimum annual grant is \$500.
- The number of grants per property is limited to one per year and two in any four year period.

Conditions of Approval & Payment of Grant

- Projects must be completed within the fiscal year for which they are approved.
- Grant payment is conditional on satisfactory completion of approved work, photographic documentation of completed work, and submission of receipts and paid invoices.
- Deadline for submission of receipts and paid invoices is March 15th. This is necessary to enable grant payments to be processed by end of fiscal year.
- Grant funding for projects not completed by the end of the fiscal year will be forfeited except in exceptional circumstances.
- Grants are tied to specific approved work. Additional work beyond what is budgeted for and approved will not be funded.
- The applicant shall notify HRM of any changes to the approved work prior to it being undertaken and shall not proceed with the work without supplementary approval by staff. 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 heritage property.
- For projects which result in a cumulative grant of \$10,000? or more, no funds shall be paid until after the applicant has signed an *Agreement to Waive Section 18 of the Heritage Property Act* and filed the agreement at the Registry of Deeds. (See Draft Agreement in Attachment E)

Appeals

- Refusal of a grant application or withholding of an approved grant payment may be appealed by the applicant within fourteen days of written notification of the decision.
- Appeals shall be in writing, addressed to the chair of the Heritage Advisory Committee c/o the Heritage Property Program and shall give reasons for the appeal.

ATTACHMENT E

**HERITAGE INCENTIVES PROGRAM
DRAFT AGREEMENT
WAIVER OF SECTION 18 OF THE HERITAGE PROPERTY ACT**

THIS AGREEMENT made this _____ day of _____, 2007
BETWEEN:

ENTER NAME OF PROPERTY OWNER
(hereinafter called the "Owner").

OF THE FIRST PART

-and-

HALIFAX REGIONAL MUNICIPALITY.
a municipal body corporate,
(hereinafter called the "Municipality")

OF THE SECOND PART

WHEREAS the Owner owns certain lands in the Halifax Regional Municipality known as Civic Number _____ (hereinafter called the _____ Building"), more fully and particularly described in Schedule "A" hereto annexed;

AND WHEREAS the land and _____ Building have been registered in the Halifax Regional Municipality Registry of Heritage Property pursuant to the Nova Scotia Heritage Property Act, R.S., c. 199, s. 1. and Halifax Regional Municipality Bylaw H-200 (the Heritage Property Bylaw);

AND WHEREAS Section 17 of the Heritage Property Act states that municipal heritage property shall not be substantially altered in exterior appearance or demolished without the approval of the Municipality;

AND WHEREAS Section 18 of the Heritage Property Act states that Notwithstanding Section 17, where the owner of municipal heritage property has made an application for permission to alter the exterior appearance of or demolish the property and the application is not approved, the owner may make the alteration or carry out the demolition at any time after one year from the date of the application, provided that the alteration or demolition shall not be undertaken more than two years after the date of the application;

AND WHEREAS Section 20 of the Heritage Property Act authorizes a Municipal Council to enter into agreements with the owners of the Municipal Heritage Properties respecting their use, preservation and protection;

AND WHEREAS Section 22 of the Heritage Property Act authorizes a Municipal Council to grant financial assistance to owners of registered heritage properties on whatever terms and conditions they see fit;

AND WHEREAS the Municipality operates a Heritage Incentives Program which grants assistance to owners of municipal heritage property to encourage the conservation of said property;

AND WHEREAS the Owner has applied for a grant under the Heritage Incentives Program for _____ (description of work to be carried out under grant);

AND WHEREAS the Municipality has approved said grant under Application # ____ subject to the satisfactory completion of said work and subject to execution of this Agreement;

AND WHEREAS the Owner has completed said work to the satisfaction of the Municipality.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the sum of One Dollar (\$1.00) of lawful money of Canada now paid by the Municipality to the owner (the receipt of which is hereby acknowledged), and for other valuable consideration, the Owner and the Halifax Regional Municipality agree to the following terms and conditions:

1. The Owner covenants and agrees that it shall not demolish the _____ Building or alter its exterior appearance in any manner without the written consent of the Halifax Regional Municipality and the owner expressly waives its rights under Section 18 of the said Heritage Property Act to make any alteration or carry out demolition as provided therein, said waiver to be in effect for ten (10) years from the date of this Agreement;
2. The parties herein agree that this Agreement shall be recorded in the Registry of Deeds in and for the Municipality for the County of Halifax, and shall remain in full force and effect until the termination date.
3. The Owner shall immediately notify the Halifax Regional Municipality in the event that it divests itself of any interest in the _____ Building.
4. It is expressly understood that this agreement runs with the property and the rights and obligations of the owner as set out herein shall pass with the property to subsequent owners. As each owner divests himself of the property, he is relieved of all liability under this agreement.
5. The Municipality agrees to pay the sum of \$ _____ to the Owner as full payment of Heritage Incentives Grant # ____ .

6. Any notices to be given under this Agreement shall be delivered to the parties at their respective addresses, and their current addresses are:

The Owner: _____

The Municipality: Halifax Regional Municipality
Box 1749
Halifax, N.S.
B3J 3A5
Attention: Municipal Clerk

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

)
) Owner
)
) Per _____
)
)
) Per _____
)
) Per _____
)

SEALED, DELIVERED AND ATTESTED
to by the proper signing officers
of Halifax Regional Municipality
duly authorized in that behalf in
the presence of

) HALIFAX REGIONAL MUNICIPALITY
)
) Per _____
) Mayor
)
)
) Per _____
Municipal Clerk

Heritage Incentives Program Review - August 2006

	Current Requirement	Proposed Requirement
<p>1. Deadlines & Project Carry Over</p>	<p>No firm deadlines, and project carry over permitted.</p>	<p>1. Projects be approved, completed, & paid for within the same fiscal year, 2. 'carry over' into the next fiscal year only permitted in exceptional circumstances.</p>
<p>2. Maximum & Cumulative Grants</p>	<p>Maximum of two grants per year Residential = \$5,000 & Commercial = \$10,000 * Two grants per property per year</p>	<p>One application per fiscal year A maximum annual grant for residential & commercial properties of \$10,000.</p>
	<p>Funds distributed on first-come first-serve basis.</p>	<p>25% of annual incentives budget be allocated to commercial applications.</p>
<p>3. 8-Unit Residential Eligibility Limit</p>	<p>Multi-unit residential properties with more than eight units not eligible</p>	<p>Maximum of two grants (per property) in any four year period The 8-unit limit for eligibility of residential properties should be removed.</p>
<p>4. Owner Labour</p>	<p>Owner labour (sweat equity) is eligible for grant assistance.</p>	<p>Grants should only be paid for labour costs invoiced by a third party.</p>
<p>5. Building Conservation Plans</p>	<p>Commercial applications <u>only</u> require a Building Conservation plan.</p>	<p>All residential & commercial applications with cumulative grant value over \$5,000.</p>

<p>6. Evaluate & Prioritize Applications</p>	<p>First-come-first-serve, and once budget is met applications are often bumped to next year's budget.</p>	<ul style="list-style-type: none"> * No retroactive applications * Preference to first-time applications * Higher priority to preservation vs cosmetic improvements * Preference to restoration of visible features * Balance between Halifax, Dartmouth, Bedford and County properties
<p>7. Waving One Year Demolition Delay</p>	<p>No requirement to waive right to demolish</p>	<p>Grant applications exceeding \$10,000 (including cumulative applications) agree to waive demolition rights for ten years</p>
<p>8. Revise Terms of Reference</p>	<p>No existing Terms of Reference formalized</p>	<p>Adopt the Terms of Reference</p>