

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

INTRODUCTION

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

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

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

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

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

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

1.0 GENERAL TERMS

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

1.2 Applications can be mailed to:

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

Or hand delivered to:

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

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

1.3 Applications must include:

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

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

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

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

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

2.0 GRANTS

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

Eligible Work & Materials

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

Ineligible Work & Materials

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

Project Evaluation

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

Application Review Process

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

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

Conditions of Approval & Payment of Grant

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

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

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

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

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

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

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

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

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

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

3.0 TAX CREDITS

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

Eligible Work & Materials

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

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

Ineligible Work & Materials

3.6 The following costs are ineligible for tax credits:

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

Project Evaluation

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

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

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

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

3.11 Preference will be given to:

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

Application Review Process

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

Conditions of Approval

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

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

4.0 PERMIT FEE WAIVERS

- 4.1 Fees for any building permit or sign permit application submitted within five years of the adoption of this Plan shall be waived for any property within the Barrington Street Heritage Conservation District.
- 4.2 This waiver shall not apply to other construction related fees such as plumbing fees, encroachment fees, sidewalk café rental fees, SANS deposits, future settlement fees, and sewer redevelopment charges, and shall not apply to application fees for demolition or de-registration of a building in the Historic District.

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

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