

Heritage Tax Incentive Program Application – Non-Residential Uses (Information)

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Introduction to City Regulations

In 1997, the City of Victoria endorsed the Corporate Strategic Plan. This Plan identifies as one of its key goals for the Downtown core: *To develop a vibrant and healthy downtown core, which supports residential, business and leisure activities.* In 1998, Council approved a tax incentive program to assist in the conversion of heritage buildings for residential use. In 2003, the program was expanded to assist in the conversion of heritage buildings to non-residential uses. The intent is to assist the preservation, rehabilitation and seismic upgrade of designated heritage buildings. The two tax incentive programs available are:

Residential Conversion

This program is aimed at offsetting seismic upgrading costs for the purposes of residential conversion of existing upper storeys. For details on that program, please refer to the following information available online at: <https://www.victoria.ca/EN/main/residents/community-planning/heritage/program-description.html>

Non-Residential Uses

This program is aimed at offsetting the rehabilitation costs of heritage buildings for uses other than residential. As outlined below, this program covers a wider range of work other than the residential conversion.

Council may limit the number of projects approved under this program.

What is the Tax Incentive available?

The Tax Incentive is a total exemption from property taxes for up to a ten-year period. The property owner is still liable for Local Improvement charges appearing on the property tax notice.

What are the qualification requirements?

- The subject building must be protected by a Heritage Designation Bylaw.
- The proposed work on the building must result in substantial rehabilitation or new use for a vacant or an underutilized space, or a new economic use of the building.
- The building must be privately owned. Government owned properties are not eligible.

What work is eligible?

The following work is eligible:

- seismic upgrading
- façade improvements/heritage restoration
- building code improvements, e.g., fire exits, sprinklers
- new mechanical and electrical systems
- all construction costs related to the envelope and interior rehabilitation of the building.



Work that involves cosmetic improvements, painting, repairs, tenant improvements and new additions are not eligible. In cases where the applicant also applies for Building Incentive Program Grant from the Victoria Civic Heritage Trust, staff will coordinate applications to ensure no duplication of incentives is provided for the same work.

Note that the tax exemption will not be given retroactively and work must not commence before approval is given.

What information do I need?

The attached Application describes the information requirements. The applicant must provide sufficient evidence that the tax incentive requested from the City is necessary for the project to succeed. As such, along with the building details, financial details of the project will be required for assessment of the project. To provide appropriate building details, a Heritage Alteration Permit Application for exterior work will be required in conjunction with the Heritage Tax Incentive Program for Non-Residential Use Application.

Supplementary Information Sources

To view the City's Heritage Registry, go to:

<https://www.victoria.ca/EN/main/residents/community-planning/heritage.html>

Information on the City's Heritage program and rehabilitation guidelines:

- City of Victoria Heritage Program – Building Our Past – Relevant documents and information available on-line at:

<https://www.victoria.ca/EN/main/residents/community-planning/heritage.html>

- Standards and Guidelines for the Conservation of Historic Places in Canada – available on line at

<https://www.historicplaces.ca/media/18072/81468-parks-s+g-eng-web2.pdf>

What is the process for approval?

The planning process involved with the Heritage Tax Incentive Program is provided in the attached flowchart. It is essential that all steps be undertaken. Note that a Heritage Alteration Permit application is also required for the project. The timing of this Heritage Alteration Permit in relation to this application should be discussed with staff.

Who gets a say?

The Victoria Civic Heritage Trust will review the application at its monthly Architectural Conservation Committee and Board of Director's meetings. Their recommendations are provided to City Council. City Council is the final authority in granting eligibility to the program.

How long will the process take?

It is estimated that the approval process will take approximately three months. A complex application may require more time. Planning Staff will advise you of meeting dates. The Victoria Civic Heritage Trust generally meets the third Monday of the month.

How much will the application cost?

There is a processing fee of \$3,600.00. This application fee covers the costs of the independent evaluation of the financial pro forma that is submitted as part of the application.

The applicant will also be responsible for any costs of filing covenants if required.

What happens after the application is approved?

You can submit building plans prior to final approval by Council. However, no work can be undertaken without a building permit in place.

Upon completion of the project, representatives from the Victoria Heritage Civic Trust will confirm that the work has been carried out as proposed before qualifying for the tax exemption. In addition, a certification of costs and compliance by the project engineer must be provided.

The term of the tax exemption will commence in the year following the year in which the final occupancy permit is issued for the project.

Who can I talk to?

General Applicant services are provided by the City of Victoria Sustainable Planning and Community Development staff located on the 2nd floor of City Hall. The Heritage Planner and the Heritage Secretary will advise you on how to keep your permit application moving smoothly. The business hours of Sustainable Planning and Community Development are 8:00 am to 4:30 pm, Monday to Friday, except statutory holidays.

**HERITAGE TAX INCENTIVE PROGRAM
NON-RESIDENTIAL USE
PROCESS**

<u>STAGES</u>	<u>WHO</u>	<u>WHAT</u>
First Steps	Applicant Applicant & Financial Consultant	Confirm with City Staff that the project qualifies for the program. Secure a Development Pro-forma.
Make the Application	Applicant	Submit 3 copies of the application with all the supporting materials and fee. Note that a Heritage Alteration Permit may also be required.
Evaluation	City & Outside Consultant BC Assessment Authority Victoria Civic Heritage Trust Applicant	Independent evaluation of development pro-forma. Review by Assessment Authority for an estimate of an increase of property values. Review by Victoria Civic Heritage Trust. Attend Victoria Civic Heritage Trust meeting to answer questions.
Committee Review	Staff Committee of the Whole Applicant	Staff recommendations are presented to the Planning and Land Use Standing Committee. Planning and Land Use Standing Committee reviews application and may recommend changes, approval, rejection, referral or tabling. Be Present at the Planning and Land Use Standing Committee meeting to answer any questions.
Refinements	Applicant/Staff	As a result of the Planning and Land Use Standing Committee review, refinements resulting from referrals or requests for clarification may be required.
Development Agreements	Staff/Applicant	Preparation of any covenants, as required.
Bylaw Preparation	Staff/City solicitor	If the Committee recommendation is to approve, then a draft bylaw will be prepared by the City Solicitor and proceeds to Council for 1st and 2nd reading.
Council Decision	Council	Final voting on the tax exemption bylaw requires a 2/3 majority vote by Council for final approval.

Contact information

Name of Owner: _____

Address of Owner: _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Name of Agent (if different from owner): _____

Address of Agent: _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Name of Architect: _____

Address of Architect: _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Name of Engineer _____

Address of Engineer: _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Name of Contractor _____

Address of Contractor: _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Name of Land Surveyor _____

Address _____

City: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Project information

Existing occupancy/use of building: _____

Proposed occupancy/use of building: _____

Heritage Designation Number of property _____ Zoning: _____

List of eligible improvements _____

Total Value of all eligible work _____ Total Project cost _____

To support my Application, I have attached three copies of the following:

Building and Financial Information

The Heritage Alteration Permit Application describes the building project information requirements. The Heritage Alteration Permit Application should be submitted in conjunction with this application. In addition, an architect's report is to be provided which describes the following:

- a detailed description of the proposed development highlighting new repairs and capital improvements
- the heritage conservation rationale describing the approach to preserve the heritage elements of the structure
- a construction schedule
- when applicable, an engineer's report on the structural improvements and costs.

A development pro forma is required that provides detailed costs for the project, overall budget breakdown and cash flow, including the following:

- a project summary/overview
- financing details
- two estimates of the work to be done, for each trade and portion of seismic work
- leasing specification
- project soft costs
- project hard costs
- operating statement
- how the tax incentive will effect the project.

Declaration

- I hereby submit this Application with the Heritage Alteration Permit as required.
- I hereby submit the application fee of \$3,600.00
- I hereby declare that all the above statements and the information contained in the supporting documents are to the best of my belief true and correct in all respects.
- Upon completion, I will provide a certification of costs and compliance with approved plans by the project engineer.

Signature of Registered Owner/
Authorized Signatory

Date

Signature of Agent

Date