

# Heritage Tax Incentive Program Non-Residential Uses – Application Information

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## Introduction to City Regulations

In 1997, the City of Victoria endorsed the Corporate Strategic Plan - 1997. This Plan identified 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 in the preservation, rehabilitation and seismic upgrade of designated heritage buildings.

## 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 adaptive 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.
- *British Columbia 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.



Please 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**

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

- City of Victoria Heritage Program – Building Our Past  
<https://www.victoria.ca/EN/main/residents/community-planning/heritage.html>
- *Standards and Guidelines for the Conservation of Historic Places in Canada*  
<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?***

City Staff will review the application for completeness and then forward to 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.

**Applicants are advised to meet with the Senior Heritage Planner for a preliminary discussion prior to submitting the application and all required plans.**

### **Eligibility Criteria**

The following eligibility criteria for the Tax Incentive Program (TIP), is generally consistent with the intent of the program, Provincial legislation and City policy:

- a. The building must be Heritage-Designated.
- b. Eligible alterations are limited to seismic upgrading work, associated with retaining and conserving existing heritage fabric.
- c. Construction must not commence until the TIP Application has been advanced to Council for consideration (some strip-out work may be permitted in specific cases). Retroactive applications will not be accepted.
- d. Proposals must retain internal structure and exterior façades of the heritage building to the highest level possible unless proven in a seismic assessment to be the only viable option for seismic upgrading and/or adaptive reuse and be verified as being necessary by an independent peer review.
- e. Rooftop additions must be sensitively located and smaller in scale than the existing building and are limited to:

- One-storey on top of heritage buildings that are two to three storeys and must include step-backs of at least four metres from street elevations.
  - Two storeys on top of heritage buildings that are four-storeys or greater and must include step-backs that are at least three metres from street elevations.
- f. Excavation below the original building foundations is not permitted unless verified as required as part of a structural assessment.
  - g. For Non-Residential Use TIP Applications, the building must contain entirely commercial, industrial or institutional uses. Eligible costs can include seismic upgrade work as well as exterior conservation as well as code, mechanical and electrical upgrades.
  - h. All applications must include a seismic assessment of the heritage building with cost estimates for the seismic upgrade strategy and clearly separate out eligible heritage costs from any new construction and/or new development costs.
  - i. Applications not meeting the above criteria will be considered ineligible and will not be accepted. Where an application has been accepted and its status changes to make it ineligible, application processing will be stopped.
  - j. Incomplete applications will not be accepted and if necessary, will be returned to applicants to await a complete, accurate submission.

### ***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.

The Planning Process involved in dealing with a Heritage Tax Incentive Program Application is provided in this handout. It is essential that all steps be undertaken.

### ***How much will the application cost?***

The processing fee will be calculated and provided by staff. A separate fee for the financial proforma will be provided and paid for by the applicant.

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

### ***What happens after the application is approved?***

You can submit a building permit application 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 2<sup>nd</sup> 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>
<b>First Steps</b>	Applicant	Review the scope of work and seismic strategy with staff prior to applying. Refinements to the conservation and seismic strategy may be required for eligibility.
	Consultant	Proforma prepared by an independent third part consultant agreed upon by the developer and the City of Victoria.
<b>Make the Application</b>	Applicant	Submit the application digitally with all the supporting materials and fee is paid. Note that a Heritage Alteration Permit may also be required.
<b>Evaluation</b>	BC Assessment Authority	Review by Assessment Authority for an estimate of an increase of property values.
	Victoria Civic Heritage Trust	Review by City Staff and by Victoria Civic Heritage Trust.
	Applicant	Attend Victoria Civic Heritage Trust virtual/in-person meeting to answer questions.
<b>Committee Review</b>	Staff	Staff recommendations are presented to the Committee of the Whole.
	Committee of the Whole	Committee of the Whole reviews application and may recommend changes, approval, rejection, referral or tabling.
	Applicant	Be present at the Committee of the Whole meeting to answer any questions.
<b>Further Refinements</b>	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.
<b>Development Agreements</b>	Staff/Applicant/ City Solicitor	Preparation of any covenants, as required.
<b>Bylaw Preparation</b>	Staff/City solicitor	If the Committee of the Whole recommendation is to approve, then a draft bylaw will be prepared by the City Solicitor and proceed to Council for first and second readings and will be ratified at a Public Hearing
<b>Council Decision</b>	Council	Final voting on the Tax Exemption Bylaw requires a 2/3 majority vote by Council for final approval.



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# Heritage Tax Incentive Program Non-Residential Uses – Application

**APPLICANT TO CONFIRM THAT THEY HAVE READ THE APPLICATION INFORMATION PAGES PRIOR TO SUBMITTING APPLICATION**

## CONTACT INFORMATION

Name of Owner: \_\_\_\_\_  
 Address of Owner: \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Agent (if different from owner): \_\_\_\_\_  
 Address of Agent: \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Architect: \_\_\_\_\_  
 Address of Architect: \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Engineer \_\_\_\_\_  
 Address of Engineer: \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Contractor \_\_\_\_\_  
 Address of Contractor: \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Land Surveyor \_\_\_\_\_  
 Address \_\_\_\_\_  
 City: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

**HERITAGE TAX INCENTIVE PROGRAM –  
NON-RESIDENTIAL USE APPLICATION**

Address \_\_\_\_\_



**PROJECT INFORMATION**

Existing occupancy/use of building: \_\_\_\_\_

Proposed occupancy/use of building: \_\_\_\_\_

Heritage Designation Number of property \_\_\_\_\_ Zoning: \_\_\_\_\_

List of eligible improvements:

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\_\_\_\_\_

Total Value of all eligible work \_\_\_\_\_ Total Project cost \_\_\_\_\_

**To support my Application, I have attached the following:**

**Required 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, such as a Conservation Plan and/or Heritage Impact Assessment.
- Survey Plan (showing above/below grade encroachments).
- Certificate Title.
- 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 cost 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.
- I have read and understand the conditions, eligibility criteria and parameters of the program.

\_\_\_\_\_  
Signature of Registered Owner/  
Authorized Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date