August 25, 2014

To: His Worship the Mayor
and Members of City Council

Re: City of Regina Heritage Building Rehabilitation Program

RECOMMENDATION OF THE FINANCE AND ADMINISTRATION COMMITTEE - AUGUST 5, 2014

1. RECEIVE and FILE the consultant's report entitled "Incentives for Heritage Building Upgrades in Regina" (Appendix A).
2. APPROVE the Heritage Incentive Policy in the form set out in Appendix C to replace the Municipal Incentive Policy for the Preservation of Heritage Properties and direct the Administration to report back on a Bonus Density policy by Q4 of 2015.
3. REMOVE items CR01-254 and FA03-31 from the Finance and Administration Committee's list of outstanding items.
4. That the City of Regina Heritage Building Rehabilitation Program be reviewed prior to 2020, or unless required at an earlier date.

FINANCE AND ADMINISTRATION COMMITTEE – AUGUST 5, 2014

The following addressed the Committee:

- Ray Plosker, representing himself;
- Roger Mitchell, representing Viterra;
- Joe Ralko, representing himself;
- Ross Keith, representing Nicor Developments Inc.; and
- Bill Brennan, representing Heritage Regina

The Committee adopted a resolution to concur in the recommendations contained in the report after adding a recommendation #4 as follows:

4. That the City of Regina Heritage Building Rehabilitation Program be reviewed prior to 2020, or unless required at an earlier date.

Councillors: Bryon Burnett, Shawn Fraser, Bob Hawkins and Wade Murray were present during consideration of this report by the Finance and Administration Committee.

The Finance and Administration Committee, at its meeting held on August 5, 2014, considered the following report from the Administration:

RECOMMENDATION

1. RECEIVE and FILE the consultant's report entitled "Incentives for Heritage Building Upgrades in Regina" (Appendix A).
2. APPROVE the Heritage Incentive Policy in the form set out in Appendix C to replace the Municipal Incentive Policy for the Preservation of Heritage Properties and direct the Administration to report back on a Bonus Density policy by Q4 of 2015.
3. REMOVE items CR01-254 and FA03-31 from the Finance and Administration Committee's list of outstanding items.

CONCLUSION

The City of Regina has established a broad program of regulatory tools and financial incentives to promote the rehabilitation of its significant collection of heritage buildings in the city. Nonetheless, there were an increasing number of reports from the development industry that escalating land and construction costs were rendering rehabilitation projects uneconomic, despite the provision of incentives.

In 2011, the City commissioned Coriolis Consulting Limited to undertake an investigation of the current development costs for heritage building rehabilitation in Regina, and to analyze the effectiveness of the City's existing financial incentive program.

The study concludes that incentives provided under the current heritage incentive policy are not in alignment with current market conditions. Increasing construction costs and escalating land values in the current market are making it challenging to achieve a competitive rate of return without an incentive, which threatens buildings that are considered to have heritage value.

Therefore, the Administration is recommending an amendment to the Municipal Incentive Policy for the Preservation of Heritage Properties (Appendix C) including most notably a ten-year property tax exemption. It is also recommended that a Bonus Density policy be brought before Council as tax exemption is not always enough of an incentive to counteract the pressure of property assembly in the Downtown. Protection of our built heritage is in alignment with policy direction to build complete communities in *Design Regina: The Official Community Plan Bylaw No. 2013-48.*

This report is provided in response to the original motion and the referral. As such, CR01-254 and FA03-31 may be removed from the list of outstanding items.

BACKGROUND

The Municipal Incentive Policy for the Preservation of Heritage Properties was established by City Council in 1991 and last amended in 2001. In 2001, Council passed a motion to amend the policy but only as it applies to property tax exemption for downtown properties. Council also passed referral motion (CR01-254) requesting the Administration prepare a report to Finance and Administration and Municipal Heritage Advisory Committees on another policy amendment to address increasing construction costs for properties outside of the downtown area.

In 2003, the Administration reported on the increase in construction costs. While it was not recommended that increases in property tax exemption outside the downtown area be tied to increases in construction costs, the recommended policy amendment to increase the property tax exemption was further delayed through motion (FA03-31) calling for the completion of an update to the *Heritage Holding Bylaw*[1]. The motion was passed due to a concern that an update to the Bylaw would result in listing several hundred properties with designation potential. If designated, a significant number of properties would then be eligible for property tax exemption with unknown economic and budgetary impacts to the City.

In 2007, Council amended the *Heritage Holding Bylaw* to add fifteen properties to those listed under this bylaw (CR07-95). However, this did not resolve the original motions (CR01-254 and FA03-31). The report to Finance and Administration remained a lower priority item as resources were dedicated to other initiatives including the Regina Downtown Neighbourhood Plan and *Design Regina: The Official Community Plan Bylaw No. 2013-48*. This report responds to these two motions and concerns about the financial viability of heritage building rehabilitation and the City's own financial sustainability.

As market conditions had changed since 2001, the City engaged Coriolis Consulting in 2011 to investigate current development costs for rehabilitation and the effectiveness of the existing Heritage Building Rehabilitation Program. Coriolis is a Vancouver consulting firm specializing in real estate analysis, urban planning and policy, development approvals and processes and financial modelling. The comprehensive review of the Program was initiated in view of the factors affecting heritage building rehabilitation projects. Reports from the development industry had shown that changing market conditions in Regina were making these projects less financially attractive, which poses a threat to the city's stock of buildings with heritage value. Increasing construction costs and escalating land values were increasing the challenges.

The report entitled "Incentives for Heritage Building Upgrades in Regina" (Appendix A) is the culmination of a year-long project to evaluate issues facing rehabilitation and to research and develop recommendations to address these issues. A cross-section of the Administration and a stakeholder group, including developers, a commercial real estate advisor, architects and property owners were involved in preparing the report. The report outlines the planning context for rehabilitation, a financial analysis of heritage building upgrades, and several recommendations to positively impact the viability of rehabilitation. The following report is meant to address outstanding items (CR01-254) and (FA03-31) and provide the Committee and Council with recommendations on financial policies for heritage building rehabilitation.

DISCUSSION

The Administration analyzed the consultant's report (Appendix A) and provided a summary of the analysis in Appendix B. The summary in Appendix B outlines the consultant's recommendations and the Administration's response along with an action plan and timing indicating when implementation or further analysis will occur. The Administration's analysis led to the amended Heritage Incentive Policy that is provided in Appendix C. The recommended amendments to the policy are described below.

[1] "A Bylaw of the City of Regina To Deny a permit for the Alteration or Demolition of Properties that the Council of the City of Regina may wish to Designate as Municipal Heritage Properties" – Bylaw No. 8912

RECOMMENDATION #1 – Increase the length of property tax exemption to ten years

The current Heritage Building Rehabilitation Program provides property tax exemption to designated properties up to a maximum of fifty per cent of the eligible project costs, or for a certain number of years (eight years downtown and five years elsewhere), or to a cap ($250,000 downtown and $150,000 elsewhere); whichever is least.

Eligible project costs have included the rehabilitation of architecturally significant exteriors, structural stabilization, improvements required to meet the National Building Code or City of Regina bylaws including the repair and upgrade of mechanical and electrical systems, improvements to energy efficiency, rehabilitation of architecturally significant interiors (non-cosmetic), and professional architectural or engineering services. All work is evaluated on the basis of its importance to the rehabilitation of key character-defining elements and its ability to meet national standards for heritage conservation practice.

As shown in the table below, the recommended amendment to the Municipal Incentive Policy for the Preservation of Heritage Properties would increase the length of the exemption to ten years and remove the limitation on its monetary value. While *The Cities Act, 2002* only allows exemptions for five years, *The Heritage Property Act* enables a City to exceed the exemption limits under *The Cities Act, 2002* for designated heritage properties only.

	Current*	Proposed *
Outside of the Downtown		
# of years	5 years or	10 years
maximum value	$150,000	n/a
Inside the Downtown		
# of years	8 years or	10 years
maximum value	$250,000	n/a

* The property tax exemption is limited to 50% of eligible project costs

The consultant conducted a pro forma analysis of three case studies and concluded that rehabilitation projects are attractive with an exemption, but it is necessary to increase the length of the exemption to ten years to ensure the projects remain viable. Rehabilitation is economically viable but only if improvements allow the building to achieve a higher return on investment assisted by an exemption. Without an increased incentive, increasing construction costs and land values are making it challenging for these projects to achieve a competitive rate of return. Rehabilitation projects are different than new construction in that they need to meet the requirements of the National Building Code and City of Regina bylaws as well as the national *Standards and Guidelines for the Conservation of Historic Places in Canada.*

Heritage Properties located outside of the downtown:

The current 5-year period of exemption for properties has not changed since the Program started in 1991 despite inflation and escalating construction costs. Based on the consultant's pro forma analysis of projects involving a warehouse and an apartment, ten years of exemption is recommended in order to encourage projects that will materially improve the quality, lifetime, marketability, and value of a building. It will ensure a larger project results in the same rate of return as a smaller project. The current $150,000 cap can also be removed as most 10-year

exemptions would be less than or close to $150,000 and most of the 5-year exemptions under the current policy were already significantly less than $150,000. The exemption would remain limited to 50 per cent of total project costs and these costs are further limited to building size.

Heritage Properties located within the downtown:

The current eight year exemption has not changed since 2001. The consultant conducted a pro forma analysis using a commercial building as a typical representation of the sixteen downtown heritage buildings that remain to be upgraded. Similarly, a 10 year exemption is recommended to encourage larger rehabilitation projects and ensure a similar rate of return. The current cap of $250,000 can also be removed as the 10 year exemption would be approximately $250,000 for most of the sixteen aforementioned buildings. The 10 year exemption would remain limited to 50 per cent of total project costs and these costs are further limited to building size.

Two of the sixteen buildings would generate larger exemptions due to their size, which is larger than the average size of 32,000 square feet. The Administration expects to receive an application from the owner of one of these buildings, the former Saskatchewan Wheat Pool building, in 2014. Viterra Inc. is currently occupying the building and they are anxious to proceed. Based on the 2014 property taxes and assuming a five per cent increase year over year for ten years the total taxes would be approximately $1,200,000 of which the City's share is $680,000.

Financial Analysis:

The financial analysis indicates that the City can achieve a net fiscal gain over the long term by forgoing short term tax revenue as a means of incentivizing retention and rehabilitation. In the last five years, the City's portion of the total taxes exempted under the Heritage Building Rehabilitation Program has been approximately $77,000 each year. The policy amendment is anticipated to result in twice as many exemptions to a cost of approximately $150,000 each year.

The Administration expects the City will award twice as many exemptions to a total up to four exemptions each year (i.e. $150,000 each year). This is twice the number of annual exemptions that have been awarded by the City since 1991 but less than the annual national average of six. In five years, the Administration expects the exemptions to return the annual average of two.

Correspondingly, the City has designated two heritage buildings each year on average since 1991. As mentioned earlier, a building must be designated as heritage in order to become eligible for an exemption. In recent years, each designation has been directly due to the availability of an exemption under this Program. Therefore, with each exemption more buildings will be retained and designated, which positions the City to facilitate demolition alternatives.

The total estimated cost implication for the first ten years would be approximately $1,100,000-$1,500,000. However, the revenue is only foregone temporarily.

Rehabilitation with an exemption leads to higher rents than rents without the exemption. The projects result in higher property values and therefore higher property tax revenues (after the period of exemption) that will exceed the initial cost of the exemption. The Assessment, Taxation and Real Estate Department conducted an analysis which estimates that 10 years of exemption would be paid back to the City in less than 20 years.

RECOMMENDATION #2 – Increase Cash Grants to $50,000

The current Program also grants up to $25,000 for rehabilitation projects. Cash grants differ from tax exemption in that they are only awarded to non tax-paying organizations (e.g. churches). Similar to the tax exemption, the property must be designated as heritage. The recommendation is to increase the cash value of the grant to a maximum of $50,000 per year as the value has not changed since 1991 despite inflation and escalating construction costs. As the increase only benefits non tax-paying organizations, only 10-15 heritage buildings would be eligible.

The City has only awarded three grants to a total of $43,000 since 1991. By comparison, the national annual average of a heritage grant program is approximately $56,000. In the last four years, two applications submitted by churches were not brought forward to the Finance and Administration Committee because a budget had not been allocated. While the Finance and Administration Committee receives a budget earmarked for Other Economic & Promotional Initiatives, it is not intended to be used for the heritage grants. A budget for these grants had not been established under the Community Investments Grant Program. Ongoing funding for the grants will be requested through the budget process. If the funding is not allocated, then the Administration will bring forward an amendment to remove reference to grants in the policy.

RECOMMENDATION #3 – Establish a Bonus Density Policy

A bonus density policy will be developed as part of the comprehensive Zoning Bylaw update in order to address the increasing challenges with rehabilitation in the downtown area. Challenges occur when a heritage property becomes more valuable for redevelopment than for rehabilitation, especially if the property can be included in an assembly. Many of the larger heritage buildings have been rehabilitated leaving a number of smaller heritage buildings with assembly potential as part of a larger redevelopment site. In order to address this issue the City has two options:

1. <u>On-Site Bonus Density:</u>
   If the heritage building is designated[2] and its property assembled with an adjacent vacant property, then the heritage building's unused density (under existing zoning) would be incorporated into the new part of the development, allowing the retention of the building without loss of development potential. This is akin to transferring "air rights" from one part of an assembled site to another and would be at the developer's discretion. The property might retain its value if (a) it is assembled, (b) the unused density can be physically accommodated within the overall project or (c) the financial performance of the overall project is attractive. However, it is possible that the value of the property is reduced if assembly and redevelopment including retention of the building is not as attractive to the developer as redevelopment without the building. Note also that this approach to retaining property value (inclusion in an assembly and redevelopment) will not apply to properties for which assembly is not possible.

2. <u>Transferable Bonus Density:</u>
   If the heritage property is not assembled with an adjacent property, the City could grant transferable bonus density. The transferable density would be transferred to a development site in the downtown in exchange for an amenity contribution. The developer of new

[2] The City has the legal power to designate a property as Municipal Heritage Property without compensation for any loss in value. The owner might object to such designation, but it is allowed under the legislation.

construction buys unused density from the owner of the heritage building, as long the owner of the heritage building enters an agreement with the City of Regina to upgrade the building. In this option the heritage property would be too small to allow both new development and retention of the heritage building. The bonus would only be useful if it is transferrable from the heritage property to another property. Unfortunately, as described in the consultant's report, this option isn't as viable as on-site bonus density as it would be challenging to sell transferrable density to sites elsewhere in downtown.

RECOMMENDATION #4 – Program improvements

Several improvements to the Heritage Building Rehabilitation Program will be introduced including an application fee, requirement of a Conservation Plan and financial evidence indicating the need for the incentive, and a minimum $20,000 project value. The Program changes will be announced by contacting the owners of all heritage properties.

RECOMMENDATION IMPLICATIONS

Financial Implications

The City's share of foregone revenue from heritage property exemptions currently equates to approximately $77,000 per year. If the policy is amended and ten years of property tax exemption is provided, then the Administration anticipates an increase in property tax exemption applications from two to four per year. The City's share of foregone revenue from heritage property exemptions would then equate to approximately $150,000 per year. In five years, it is expected that the number of applications may return back to the average of two per year.

The revenue is only foregone temporarily. Upon completion of the 10 year exemption, the City would regain its lost revenue in less than 20 years. Upgrading heritage buildings with an exemption leads to higher rents than rents without the exemption. This results in higher property values and therefore higher property tax revenues that exceed the initial cost of the exemption.

The City Planning and Development Division plans to request an ongoing budget allocation to establish a source of funding for the cash grants provided under the Heritage Building Rehabilitation Program.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The updated Program will ensure the implementation of policy in *Design Regina: The Official Community Plan No. 2013-48* as it pertains to the development of complete neighbourhoods and the rehabilitation of heritage buildings.

The Program has already resulted in increased property tax revenues from upgraded heritage buildings, increased revenue for owners, the conversion of vacant and underutilized buildings and the non-fiscal benefits of heritage rehabilitation. The updated Program is expected to result

in twice the number of heritage designations and heritage building rehabilitation projects on an annual basis and these projects will follow national standards for rehabilitation without placing an onerous commitment on the owners.

The updated Program will also be aligned with the Cultural Heritage Management Strategy, which is currently in its final draft.

Policy 10.5 of *Design Regina: The Official Community Plan No. 2013-48* provides direction to "encourage owners to protect historic places through good stewardship and by voluntarily designating their property as a Municipal Heritage Property." A historic place is defined in *Design Regina* as a building that has been recognized by City Council for its heritage value. Policy direction is also provided in section D8 Culture, policy 10.4 of *Design Regina* to protect, conserve and maintain historic places and to leverage and expand funding, financial incentives and other means of support to advance the conservation of historic places.

The Program addresses two Community Priorities of the Corporate Strategic Plan 2014-2017 by developing complete neighbourhoods and embracing built heritage. In keeping with the Strategic Directions of effectively managing growth and improving financial viability, the City can achieve a net fiscal gain over the long term by forgoing short term tax revenue as a means of incentivizing the retention and upgrade of heritage buildings.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

As directed by the motion of referral from FA03-31, this report will be forwarded to the Municipal Heritage Advisory Committee for consideration. A copy of this report with Administration's recommendations will be provided to stakeholders as part of the City's typical process of distributing a Finance and Administration report. If Council concurs with the recommendations of this report, a communications plan will be developed to encourage owners of heritage properties to apply under the new program.

DELEGATED AUTHORITY

This report is provided in response to the Finance and Administration Committee's motion of referral from FA03-31 and Council's original motion from CR01-254. In 2001, Council passed a motion (CR01-254) requesting a report on changes to the Municipal Incentive Policy for the Preservation of Heritage Properties in order to address the challenges facing heritage buildings outside of the downtown.

If Council concurs with the recommendations of this report, then CR01-254 and FA03-31 may be removed from the list of outstanding items.

The disposition of this report requires City Council approval.

Respectfully submitted,

FINANCE AND ADMINISTRATION COMMITTEE



Ashley Thompson, Secretary

REGINA Infinite Horizons | City of Regina

Appendix C

HERITAGE INCENTIVE POLICY (Approved August 25, 2014)

Formerly known as the *Municipal Heritage Incentives for the Preservation of Heritage Properties*.

Authority: Property tax exemption is permitted under Section 28 (a) of The Heritage Property Act.

An application fee will be required for projects that seek an exemption worth $200,000 or more.

1.0 Purpose

The objectives of the incentives provided under this policy are:

- To encourage the full upgrading of designated heritage properties to ensure their long-term conservation, extend their effective life and/or to ensure their structural integrity.
- To stimulate the economic development of the Downtown through the rehabilitation of commercial facades in the Victoria Park Heritage Conservation District.
- To encourage the development of an attractive city that contributes to a better quality of life.

2.0 Scope

Stakeholders involved with the conservation of designated property including property owners, non-profit organizations, and developers.

3.0 Definitions

Conservation: All actions or processes that are aimed at safeguarding the character-defining elements of a historic place so as to retain its heritage value and extend its physical life. This may involve "Rehabilitation," "Preservation," "Restoration" or as a combination of these actions or processes in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada*.

Character-Defining Elements: The materials, forms, location, spatial configurations, uses and cultural associations or meanings that contribute to the heritage value of an historic place, which must be retained in order to conserve its heritage value.

Conservation Plan: A plan describing the proposed methods used to conserve the heritage values and character-defining elements. A Conservation Plan should also indicate the overall condition of the historic place and longer term plan to maintain it in a sound and attractive state.

Eligible Work Costs: The expenses incurred to conserve the character-defining elements of a building, structure or landscape.

Designated Property: Any Municipal Heritage Property, any pre-1965 property within the Victoria Park Heritage Conservation District, or any Provincial Heritage Property.

Executive Director: Executive Director, City Planning and Development.

Heritage Alteration Permit: A permit authorizing the alteration of a designated property.

Current Planning
City Planning and Development
Queen Elizabeth II Court | 2476 Victoria Avenue
PO Box 1790 | REGINA SK S4P 3C8
P: 306-777-7551 | F: 306777-6823
Regina.ca

Heritage Value: The aesthetic, historic, scientific, cultural, social or spiritual importance or significance for past, present and future generations. The heritage value of a historic place is embodied in its character-defining elements.

Historic Place: A structure, building, or landscape that has been formally recognized for its heritage value by City Council.

Statement of Significance: A statement that identifies the description, heritage value and character-defining elements of a historic place. A Statement of Significance is required in order for an historic place to be considered for designation by the Council of the City of Regina.

Maintenance: Routine, cyclical, non-destructive actions necessary to slow the deterioration of an historic place. It entails periodic inspection; routine, cyclical, non-destructive cleaning; minor repair and refinishing operations; replacement of damaged or deteriorated materials that are impractical to save.

4.0 Transition Provisions

Owners of properties with Exemption Agreements established under the former Municipal Incentive Policy for the Preservation of Heritage Properties (last amended October 22, 2001) that provide for an exemption in 2015 will be required to reapply under this new Policy no later than October 31, 2015. Otherwise, the existing Exemption Agreement will not be amended.

5.0 Incentives Policy

A property tax exemption may be provided for properties that meet the policy criteria as outlined below.

5.1 General Eligibility Requirements

The application of this policy is limited to buildings, structures or landscapes that have been formally recognized by City Council as designated property pursuant to Section 11(1) of *The Heritage Property Act*.

Only those designated properties in the Victoria Park Heritage Conservation District that were built before 1965, according to the dates provided in the Assessment and Taxation records.

In general, eligible work costs must be based on the assessment of a qualified architect or professional engineer.

Properties that have property taxes or other charges past due to the City of Regina are not eligible.

5.2 Calculation of Exemption

Property tax exemption may be provided to the owner(s) of taxable property for a period of up to 10 years to a maximum value equivalent to 50 percent of eligible conservation work costs; whichever is less.

Subject to the availability of funds, a cash grant of up to $50,000 may be provided for tax exempt properties but limited to a maximum of 50 percent of eligible conservation work costs.

The amount of the property tax exemption, including calculation of any percentage or portion and the determination of any use or cost, shall be conclusively determined by the City Assessor. The amount shall only apply to the portion of the property containing the building, structure or landscape with heritage value pursuant to Section 11(1) of *The Heritage Property Act*.

The tax exemption does not apply to local improvement fees, business improvement fees, and the non-exempt portion of taxes (i.e. laneway improvements) and other charges to tax accounts; these must be paid during the term of the agreement in the year in which they are due. No abatement of outstanding or current taxes will be negotiated.

5.3 Exemption Agreement

The property tax exemption will be subject to an agreement between the City of Regina and the property owner(s). The term of the agreement will be dictated by the number of years it will take to complete the work in addition to the term of the exemption.

The expiry date for the exemption agreement may be extended by one year at the sole discretion of the Executive Director to accommodate unanticipated construction delays.

The applicant is required to notify the Current Planning Branch of the City of Regina when the project work is complete. A representative of the Branch will inspect the project to verify its completion.

The total cumulative tax exemption will be equal to either (a) 50% of the eligible conservation work costs, or (b) ten years of tax exemptions, whichever is less.

The agreement may be assigned to a new owner at the sole discretion of the Executive Director. An assignment agreement will be required.

Where a development is also eligible for tax exemption under the Housing Incentives Policy, the full benefit under both policies may be provided. The Heritage Incentives Policy will be provided first unless otherwise approved by the Executive Director.

Incentives provided under this policy may be stacked with incentives provided through programs offered by the Municipal, Provincial and Federal Governments.

5.4 Eligible Work

Eligible conservation work must be specifically aimed at extending the life and increasing the value of designated property. The conservation work must also be in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada.* The following work is eligible:

- Qualified architectural or professional engineering services not related to the preparation of the application.
- Conservation of exterior character-defining elements or significant landscape elements.
- Façade-only conservation in the Victoria Park Heritage Conservation District.
- Structural stabilization.
- Improvements required to meet National Building Code (NBC) or City of Regina bylaw requirements, including the repair or upgrading of mechanical and electrical systems.
- Improvements to energy efficiency (e.g. insulation, windows, furnace). Such work will be evaluated on the basis of its importance to the conservation of the character-defining elements of the building.
- Conservation of significant or rare character-defining interiors or interior elements.

The conservation of exterior character-defining elements may include the cleaning of surfaces, removal of unsympathetic materials, and painting associated with the replacement of these elements.

Cosmetic improvements, painting, repairs, regular maintenance, tenant improvements and new additions are NOT eligible.

5.5 Application Requirements

Applications must include:

(a) a completed application form
(b) current colour photographs
(c) archival photographs and historical documentation

in cases where the value of the exemption is greater than $200,000:

- the application must include a Heritage Alteration Permit application with an architect's drawings in addition to the architect's report that provides the following: a description of the proposed development highlighting new repairs and conservation work, the Conservation Plan, a construction schedule and, where applicable, an engineer's report on the structural improvements and costs.

- the application must include some financial evidence indicating why the tax exemption is needed in the form of a development pro forma that provides detailed costs, overall budget breakdown and cash flow. The pro forma should include financing details, two estimates for all materials and labour, leasing specifications, project soft costs (e.g. labour), project hard costs (e.g. materials), operating statement, and an explanation of how the tax incentives will affect the economic viability of the project.

OR in cases where the value is less than $200,000:

- the application must include a Heritage Alteration Permit application with an architect's drawings in addition to the architect's report that provides the following: a description of the proposed development highlighting new repairs and conservation work, the Conservation Plan, a construction schedule and, where applicable, an engineer's report on the structural improvements and costs.

- the application must also include two estimates for all work to be done or project costs based on the assessment of a qualified architect or professional engineer or qualified quantity surveyor. The total project costs must be a minimum of $20,000.

In addition to these requirements, the City may require additional historic research, engineering, or other studies in support of the application. All Conservation Plans and architectural drawings are to be carried out by an architect, engineer or equivalent professional, each having substantive experience and expertise in heritage conservation.

The costs of preparing and submitting an application, including any consultant fees, are the sole responsibility of the applicant. The application may apply to recover such costs as part of the incentives; however the City will only approve such recovery for successful applications.

5.6 Application Process

A complete application under the Heritage Incentives Policy, including details and costs of conservation work to be undertaken, must be submitted to the City of Regina in writing, before commencement of any work or development that is intended to qualify for an incentive.

A Heritage Alteration Permit application will also be required for the project. The timing of this Heritage Alteration Permit in relation to this application should be discussed with staff. The Heritage Alteration Permit application may require Council approval unless the authority has been delegated to the Administration.

Applications for an incentive must be made before issuance of a heritage alteration, building or development permit. Exception of this requirement is at the discretion of the Executive Director where Council has delegated authority to the Administration to approve the alteration of a designated property. The approval must be provided in writing by the Executive Director before any project work begins.

If the property is not designated, an application for designation and an application for an incentive may be submitted at the same time, but the application for an incentive may not be formally considered until after the property has been designated by City Council.

Upon completion of the Administration's review, the application for an incentive will be considered by the City's Finance and Administration Committee which, in turn, will make a recommendation to City Council.

If approved by City Council, the incentive will be provided in accordance with a formal agreement between the City and the subject property owner(s), which will be authorized by City Council's passage of an enabling bylaw.

For further information or assistance, please contact:

Current Planning Branch
City Planning and Development
9th Floor, City Hall
P.O. Box 1790
Regina SK S4P 3C8

Phone: 306-777-7551
Fax: 306-777-6823