APPENDIX C

HERITAGE DESIGNATION INCENTIVES RESOURCE GUIDE

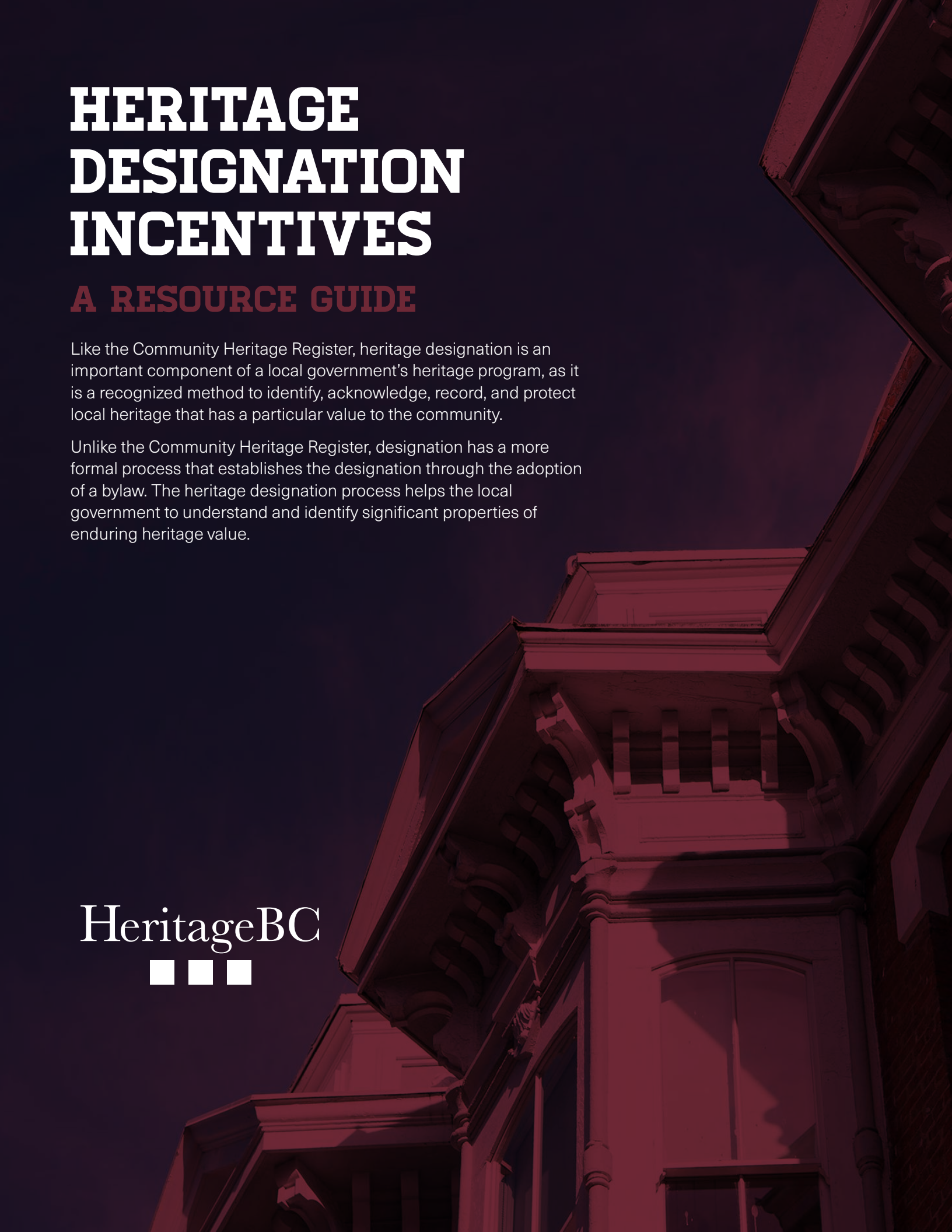
HERITAGE DESIGNATION INCENTIVES

A RESOURCE GUIDE

Like the Community Heritage Register, heritage designation is an important component of a local government's heritage program, as it is a recognized method to identify, acknowledge, record, and protect local heritage that has a particular value to the community.

Unlike the Community Heritage Register, designation has a more formal process that establishes the designation through the adoption of a bylaw. The heritage designation process helps the local government to understand and identify significant properties of enduring heritage value.

HeritageBC



HERITAGE DESIGNATION

INCENTIVES 1

Incentives are bonuses that may be available to property owners after a property has received heritage designation or recognition, as per the requirements set by the local government. Some incentives may only be available to property owners through a Heritage Revitalization Agreement (link), such as zoning variances.

The following summary information provides an overview of the many types and variations of incentives that are available in BC and elsewhere. It is the responsibility of each local government to adopt its own incentive package.

The review of incentives includes:

- Tax incentives
- Grant programs
- Loan programs
- Other incentive programs

Tax Incentives

Local Government	Incentive Program	Comment
Brandon, MB	Tax credit	50% of construction work; minimum of $5,000. Credit can be used at any time over the next 10 years.
Charlottetown, PEI	Tax freeze	Heritage Tax Freeze Program allows for the temporary suspension of new municipal property taxes which result from an increase in the assessment following rehabilitation/construction work. Up to a period of five years following rehabilitation at the rate prior to renovation on a graduated basis of 100% the first year, 80% the second, 60% the third year etc.
Cornwall, ON	Tax Rebate	Owners may receive a 40% refund on taxes for municipal and school purposes. The program will provide on-going relief for up to 5 years, as long as the property owner complies with their obligations under the terms and conditions of the program.
Edmonton, AB	Tax Rebate	If a designated heritage building undergoes maintenance work or rehabilitative work, the city will refund property taxes to the owner (up to 50% of the rehabilitation, or 33% of the maintenance). Property tax payment can continue for up to 10 years.
Kingston, ON	Tax Rebate	40% tax refund pe designated heritage property (subject to a maximum of 5,000 dollars or the total cost of maintenance and eligible work).
Kitchener, ON	Tax Rebate	Homeowners receive a reduction of up to 40% of their property taxes.

Markham, ON	Tax Rebate	30% reduction for residential, commercial, industrial, farm etc.)
Nanaimo, BC	Tax Rebate	Tax exemptions are issued for up to 35% if the value of improvement work. There is a program designed to encourage residential conversion of heritage buildings in certain districts.
Newmarket, ON	Tax Rebate	Owners may receive a 40% refund on taxes. The refund is based on municipal and school taxes.
Oshawa, ON	Tax Rebate	Owners may receive a 40% refund on taxes. The refund is based on municipal and school taxes.
Owen Sound, ON	Tax Rebate	Owners may receive a 40% refund on taxes. The refund is based on municipal and school taxes.
Peterborough, ON	Tax credit	40% of taxes for municipal and school purposes levied on property assessed in the residential class; and 20% of the taxes for municipal and school purposes levied on property assessed in the commercial or multi-residential classes. The refund is based on municipal and school taxes.
Regina, SK	Tax credit	One-time property tax credit for money spent on conservation work to restore or preserve designated heritage properties. 50% of the cost of eligible work, or a lump sum of $150k (250k for downtown properties), or total property taxes over 5 years, whichever is the least.
Saskatoon, SK	Tax Rebate	Property tax abatement up to 50% of the costs where a proposed conservation project generates an increase in the existing property taxes. The program is tied to increased taxes due to improvements to the site as a result of conservation.
Sault Ste. Marie, ON	Tax Rebate	Owners may receive a 40% refund on taxes for municipal and school purposes. Property must be designated under Heritage Act and be subject to a conservation easement.
Surrey, BC	Tax Rebate	Surrey offers a 100% exemption of municipal taxes for protected heritage properties. (This exemption does not apply to taxes collected by Surrey for other jurisdictions.)
Victoria, BC	Tax Rebate	Tax exemptions are available when upper storeys are converted to residential use. The exemption amount varies. The program is designed for a particular outcome (densification; increased housing inventory).
Whitby, ON		Owners of heritage properties may receive up to 40% rebate on property tax.
Windsor, ON	Tax Rebate	A reduction of up to 30% of property taxes per year. If the cost of eligible work exceeds 30% of the property tax for that year, the amount over the 30% will be rebated for up to two additional years.

Winnipeg, MB	Tax credit	Owners of designated heritage properties can obtain tax credit for money spent on conservation work. 50% of the work. Credit can be used at any time over the next 10 years. Proposals must involve a minimum of $10,000 of work.

Grant Programs

Local Government	**Incentive Program**
Adelaide, AUS	Advice and documentation: Up to 75% of the total costs up to a maximum grant of $10,000. Conservation works: Minor projects: Funding of 50% of the total costs up to a maximum grant of $20,000.Major projects (over $40k in total): Funding of 50% of the total costs up to a maximum of $100k, and 25% of the remaining costs up to a maximum of $150k (total funding cannot exceed $250k).
Brisbane, AUS	Up to $3000 for small projects ($1,000 to $15,000 in conservation costs). Up to $10,000 for large projects (more than $15,000 in conservation costs). Up to $15,000 for not-for-profit organizations. Eligible projects include replacing roofs, structural work, cleaning masonry, repainting a building or restoring it to its original condition etc.
Burlington, ON	$15,000 maximum. Property must be designated under the Ontario Heritage Act.
Calgary, AB	Applicants are eligible every 15 years for up to 50% of approved costs up to a maximum of 15% of a property's assessed value (assessed at the time of application).
Charlottetown, PEI	Grants for exterior alterations are offered at 30% of total eligible costs to a maximum of $5,000 for major renovation projects. General maintenance may be funded to a maximum of $1,000. Grants for signing up to 50% of total costs to a maximum of $1,000. Window replacements are funded at 50% up to a $5,000 maximum.
Christchurch, NZ	Grants approved up to 50% of eligible work and can include the fees of registered architects. Grants paid retrospectively. The fund is currently $763,000.
Delta, BC	Up to 50% of the capital costs of restoration works. $15,000 maximum. Property must be placed on Delta's Heritage Register.
Hamilton, ON	Up to 50% of the costs of restoration. $20,000 maximum.
Kelowna, BC	Buildings with a heritage designation are eligible for grants to a maximum of $12,500 per 3-year period. Buildings listed on the Kelowna Heritage Register are eligible for grants to a maximum of $7,500 per 3-year period. Grants for exterior conservation work will not exceed 50% of the cost of the work to be done, to a maximum of $7.500 (heritage register) or $12,500 (designated) per 3-year period. Grants for foundation work will not exceed 50% of the cost of work to be done, to a maximum of $7,500 (heritage register) and $12,500 (designated) per 3-year period.

Manitoba (Province Wide)	Provincially Designated Heritage Sites and Municipally Designated Heritage Sites are eligible for grants up to $35,000.00 on a 50% provincial, 50% applicant basis. Typically, maximum grant amounts are only approved for special projects. The average approved grant amount is about $8,000.00. The average approved grant amount for a single- family house is about $3,000.00.
Markham, ON	Up to $15,000. Property must be in one of Markham's heritage districts: Buttonville, Markham Village, Thornhill, and Unionville.
Mississauga, ON	General conservation (excluding structural elements): $5,000 maximum Repair or restoration of structural elements: $10,000 maximum.
Niagara on the Lake, ON	Maximum grant amount for industrial/commercial/institutional properties is $15,000 per property or 50% of the costs of eligible works, whichever is less. Maximum allowable portion for a Heritage Design Study is $2,000 or 50% of the cost, whichever is less.
Oak Bay, BC	The amount of grants will normally be up to 10% of the total cost of the project for buildings listed on the official Oak Bay Community Heritage Register, and up to 25% of the total cost of the project for designated buildings. The Foundation will determine the percentage granted. A single grant will normally not exceed $1,000 for a building listed on the official Oak Bay Community Heritage Register and $10,000 for a designated building. The building must be designated under the bylaws of, or otherwise protected by, the Municipality, and/or the building must be listed in the Oak Bay Community Heritage Register.
Perth, AUS	10% of general rates for the property to a maximum of $20,000 per year.
Richmond Hill, ON	50% of project costs up to a maximum of $5,000.
Saskatoon, SK	Up to 50% of the costs where a proposed conservation project does not generate an increase in existing property taxes or in the case of tax-exempt properties. (Up to a maximum of $150,000 for taxable properties and $75,000 for tax exempt properties).
Vernon, BC	Up to 50% of the cost of the works, with a $5,000 maximum.
Victoria, BC	Funding varies.
Whitby, ON	A one-time grant of up to 50% of the cost, up to a maximum of $5,000. Buildings in the Community Improvement Areas of Downtown Whitby and Downtown Brooklin.
Whitehorse, YT	Up to $20,000 to cover up to 50% of project costs.

Loan Programs

Local Government	Incentive Program
Burlington, ON	Up to 50% of the total eligible project costs up to a maximum of $15,000. No interest on amounts of less than $5,000, interest on projects over $5,000 is half of prime. This loan is designed for owners of registered heritage properties looking to undertake conservation or rehabilitative work.
Hamilton, ON	Max loan amount is calculated on the basis of 100% of total eligible restoration or conservation costs not to exceed $50,000 per property. This loan is designed to stimulate the rejuvenation of designated heritage properties. 0% interest. The loan is registered as a second mortgage upon the first advance of funds. Maximum loan term is 10 years.

Other Incentive Programs

Local Government	Incentive Program
Calgary, AB	Density Transfer Program: Property owners of historic resources who are not planning on redeveloping their property can transfer unused potential density for their site to other sides. This program is intended to offset the cost of retention and upkeep for heritage buildings.
Edmonton, AB	Heritage Project Grant. Project grants are designed to provide assistance for non-profit organizations to undertake projects that preserve, research, document, interpret, celebrate, and raise awareness of the history and heritage of Edmonton. Projects may include a range of activities—including the commemoration of significant anniversaries—and are intended to result in diverse and innovative ways of presenting Edmonton's stories for the benefit of all Edmontonians. Up to 75 percent of an applicant's eligible expenses, to a maximum of $25,000.
Medicine Hat, AB	Special Cultural Events Assistance Grants: provides funding to organizations in Medicine Hat who concentrate on local heritage and cultural activities such as festivals, exhibitions, or performances. Maximum of $1,000 for events, $500 for competitions. Between $10,000 and $100,000. Not necessarily matching, but property owners are also expected to contribute.
New South Wales, AUS	Heritage Green Energy Grants. Designed to support the implementation of energy efficiency projects for heritage items on a local council's heritage register. Eligible projects include heating, ventilation, hot water, lighting, etc. Projects must render the property more environmentally friendly.
Saskatoon, SK	Permit Refund Program. The City of Saskatoon will refund a portion of any building and development permit fees relating to conservation or heritage preservation. Up to 50% of permit costs.

Seattle, WA	Zoning Code Relief: For specific designated landmarks, the City may authorize a use of the property not otherwise permitted in a certain zone. This is designed to provide the flexibility of use to encourage the preservation and use of historic buildings. Standards may be waived or modified for open space, setbacks, width and depth limits, and landscaping regulations. Parking exceptions for landmark structures are also available on an application basis.
Spokane, WA	Special Valuation. Special valuation is the revision of the assessed value of a historic property which subtracts, for up to 10 years, rehabilitation costs approved by the Spokane City Landmarks Commission. Rehabilitation costs must total 25% or more of the assessed value of the structure prior to rehabilitation.
Strathcona County, AB	The Arts Development/ Program Project Grant enables and encourages community not-for-profit arts, culture and heritage organizations to enhance their services and provide innovative community-based arts, cultural and heritage programs, projects and activities to the residents of Strathcona County. Potential projects include workshops, heritage seminars, etc. protection, restoration, display and interpretation of heritage archives and materials, artifacts, archeological and heritage sites. Applicants may apply for arts development, program or project funds to a maximum of $5,000. For a collaborative program/ project, only one application can be submitted. Funds must be spent in the year they are awarded.
Surrey, BC	Cultural Grants Program. Designed to support a variety of arts and cultural activities in Surrey, including activities that promote local heritage. Supports initiatives such as training, workshops, conferences, events etc. Registered not-for-profit organizations are eligible for up to $3,000. Non-registered not-for-profit organizations are eligible for up to $2,500.
Yellowknife, NWT	Project funding to assist local groups with public projects that celebrate the history and culture of Yellowknife e.g. heritage photo displays, heritage-related public art displays etc.



HERITAGE DESIGNATION

INCENTIVES 2

In 2003, the Heritage Branch issued the report: *Incentives for Heritage Conservation: A Survey of British Columbia's Local Governments*. The document contains five categories of incentives:

- Public Stewardship
- Administrative
- Financial
- Developmental
- Co-operative

The following brief summary is offered, as the report states, "to complement and encourage the use of heritage conservation incentives by local governments."

> **"Local governments must take a more active role in promoting heritage conservation in their communities. The information received from the survey illustrates that many communities feel that they do not have the means or sufficient community interest to provide incentives for heritage conservation. [The following] shows that not all incentives require a large budget, or excessive planning. The purpose of providing incentives for heritage conservation is to increase the knowledge of and activity in heritage conservation in any given community."**

Public Stewardship Incentives

Information and Advice	Examples: Issues and philosophy of conservation and rehabilitation • Municipal regulatory processes affecting heritage properties and building rehabilitation • The availability of support program by the municipality or from other sources • Technical 'how-to' advice • A directory of local heritage tradespeople, contractors, and suppliers • How to conduct research about the history of buildings in the community
Training	A local government can establish a training network in order to provide heritage property owners with the expertise needed to undertake basic conservation projects. Experts within the community could be utilized to share their knowledge in hands-on training sessions.

Community Organizations	A local government could/should: • Support independent heritage conservation advocacy organizations, and neighbourhood or merchant organizations representing heritage areas. • Provide financial assistance, the use of public facilities, or through logistical or support services. • Assist heritage area and advocacy groups to develop achievable policy positions and to articulate their positions effectively to the council. • Listen attentively and to consider with respect the viewpoints expressed by such citizens. • Promote and encourage the initial formation of such groups where they do not already exist.
Endorsements	Local governments can: • Endorse heritage property owners who seek assistance from other agencies or from the general public.
Recognition and Appreciation	Local governments can: • Give public recognition to properties or projects of heritage value to the community. • Install plaques and interpretation signs. • Pass resolutions, issue certificates of recognition. Or otherwise, express the community's appreciation for outstanding conservation efforts. • Examples include: • Declaration of Heritage Week • Bronze plaques on designated heritage properties • Commemorative and interpretative street signs (rural and urban roadway) • Annual awards program • Grant program • Web site support • Certificates • Storyboards for selected heritage sites

Administrative Incentives

Administrative Adjustments	Local governments can offer: • An efficient, integrated approval process for the building permits or other approvals required for alterations which do not change the exterior appearance of a heritage building. • Immediate handling by staff and priority status on meeting agenda ("green door policy"). • Pre-approval to items covered in a site management plan, or for changes covered under pre-established alteration standards. • Relaxed regulation of applicable bylaws and cut the so-called red tape associated with the potential alteration or rehabilitation of a heritage property.

Preferential Leasing	Local governments can adopt leasing policies that give preference to heritage buildings.
Conservation Standards and Guidelines	Local governments can establish, by bylaw, minimum standards for the maintenance of properties that are designated or within a heritage conservation area.
Community Heritage Register	Local governments can establish CHRs that provide property owners with opportunities for conservation, such as access to variances in the BC Building Code.

Financial Incentives

Grants	Entitlement Grants • Given according to a pre-set formula; could be given in the form of a cash payment or as a credit against property taxes. Performance Grants • Subsidize the costs of conserving properties that meet pre-established criteria and heritage standards; Grants may be made in the form of a cash payment or tax credit. Discretionary Grants • Subsidize either the heritage property itself or conservation work, based on flexible criteria
Tax Incentives	Property Tax Exemption • Reduce the amount of property tax by waiving or reducing the owner's tax liability by adjusting mill rates, property assessment or taxed payable. Tax relieve could be for one year, for a specified time period, or open-ended. Property Tax Freeze • To remove the disincentive to rehabilitation or area revitalization, property owners are offered temporary exemptions from any increase in property taxes due to increases in the property assessment. Property Tax Deferment • A type of tax exemption that allows the property owner to defer payment of taxes to a future time, but still remains liable for the full amount of property taxes. Property Assessment • Taxation of a property can be varied if the property is designated according to the Heritage Conservation Act, the Local Government Act, or the Vancouver Charter, or if it is part of an Official Community Plan. (Refer to BC Assessment Act)

Development Incentives

Zoning	Heritage Zoning • Enact restrictions on other properties in order to protect the context of a heritage building. Re-zoning • Re-zone heritage property to enable a more profitable use of the building or site. Bonus Zoning • Zoning regulations can be designed to offer additional "bonus" density as an incentive for owners to provide certain amenities. Performance Zoning • A type of bonus zoning that is based on discretionary awards of extra density within flexible guidelines governing the types of performance to be rewarded, rather than based on a fixed schedule of entitlements. Zoning Concessions • Relax or vary any of the provisions of local government land-use regulations (restrictions apply). Transfer of Development Rights • An owner is allowed to move unused development rights from a protected heritage site to another property in the community, adding this density to that which is already allowed for the second site under its zoning.
Development Regulations	Heritage Alteration Permit • Provides the flexibility to respond to the requests and needs of owners of protected properties over time. • Read further Adjusting Building Regulations • Equivalencies, compliance alternatives, relaxations or exemptions offer flexibility that can promote building rehabilitation.

Co-operative Incentives

Heritage Revitalization Agreements	• A formal voluntary written agreement negotiated by a local government and an owner of heritage property. A heritage revitalization agreement outlines the duties, obligations, and benefits negotiated by both parties to the agreement. • See Heritage Revitalization Agreements: A Resource Guide.
Heritage Conservation Covenant	• A contractual agreement between a property owner and a local government or heritage organizations. Conservation covenants are registered on the title of the property. The covenant outlines the responsibilities of the covenant parties with respect to the conservation of a heritage property. Conservation covenants can apply to natural or manmade heritage resources. • Read further about covenants
Complementary Public Works	• A municipality may encourage the owner of a heritage property, or all of the owners in a heritage area, to undertake rehabilitation by agreeing to complement their efforts with public improvements in the vicinity. These improvements can include trees and landscaping, special paving materials for sidewalks and/or roadways, street furniture, heritage street lighting, etc. Alternatively, particular properties might benefit from the removal of adjacent public facilities which create nuisances.



HERITAGE DESIGNATION INCENTIVES

This resource guide is part of a series describing the heritage conservation tools that are available through BC's *Local Government Act*. The other guides are:

Community Heritage Commissions
Community Heritage Registers
Heritage Designation
Heritage Conservation Areas
Heritage Revitalization Agreements
Heritage Impact Assessment
Heritage Covenant
Temporary Heritage Protections

All guides are available at heritagebc.ca.

A NOTE TO READER

Please contact Heritage BC if this guide did not provide answers to your questions. Let us know how we can help, and we will find the information you need.

It is intended this guide will develop through community input. If you have best practices and case studies that would benefit this guide, please contact Heritage BC.

The resource guides provide overviews through research and commentary. Application of the heritage conservation tools are not prescriptive, as they can be adapted to each situation. Local governments and regional districts wanting to implement the heritage conservation tools should seek legal counsel as required.

ABOUT HERITAGE BC

Heritage BC supports all people of British Columbia who champion the preservation and conservation of all forms of cultural heritage, developing awareness, appreciation and respect for B.C.'s built and intangible traditions.

Heritage BC is a charitable not-for-profit supporting heritage conservation across British Columbia through education, training and skills development, capacity building in heritage planning and funding through the Heritage Legacy Fund.

As an organization of provincial scope, Heritage BC recognizes that its members, and the local history and heritage they seek to preserve, occupy the lands and territories of B.C.'s Indigenous peoples. Heritage BC asks its members to reflect on the places where they reside and work, and to respect the diversity of cultures and experiences that form the richness of our provincial heritage.

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