

THE CITY OF WINNIPEG

CENTREVENTURE HERITAGE TAX CREDIT BY-LAW
NO. 7632/2000

**A By-law of THE CITY OF WINNIPEG to
establish a program of property tax credits to
encourage and assist in the renovation and
improvement of designated structures in the
downtown area of The City of Winnipeg.**

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

WHEREAS Section 474(2) of The City of Winnipeg Act provides as follows:

"By-law re grants and tax credits

474(2) The council may by by-law establish a program of grants or tax credits to encourage and assist in the renovation of buildings listed in a by-law under subsection (1)."

WHEREAS Section 474(3) of The City of Winnipeg Act provides as follows:

"Contents of by-law

474(3) A by-law under subsection (2) may, without limiting the generality of that subsection,

- (a) specify the taxes against which there may be a tax credit;
- (b) determine the types of renovations and costs associated with renovations that are eligible for a grant or tax credit;
- (c) impose terms and conditions on the entitlement to a tax credit or grant;
- (d) provide for the amount, or means of determining the amount, of a grant or tax credit;
- (e) establish a maximum annual grant or tax credit for each building;
- (f) fix the period of time during which a tax credit may be applied to taxes or a grant may be paid;

- (g) make provisions for any other matter that council considers necessary or advisable."

AND WHEREAS Council desires to establish a program of property tax credits to encourage and assist in the renovation and improvement of designated structures in the downtown area of The City of Winnipeg.

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. This by-law may be cited as:

"CentreVenture Heritage Tax Credit By-law".

2. In this by-law,

"CENTREVENTURE" means CentreVenture Development Corporation; a corporation without share capital, incorporated July 9, 1999 under *The Corporation Act of Manitoba* for the purposes of promoting and fostering economic, residential, and cultural growth and development in the Downtown district of the City;

"CITY" means The City of Winnipeg;

"DESIGNATED BUILDINGS" means those buildings identified from time to time on the Buildings Conservation List, attached as Schedule "A" to By-law No. 1474/77;

"DESIGNATED COMMITTEE" means the Executive Policy Committee of Council as established under The City Organizational By-law;

"DESIGNATED OFFICER" means the person designated in writing by the Chief Administrative Officer to administer this by-law;

"DOWNTOWN" means the geographic area of the City identified as CentreVenture Mandated Area forming part of and contained in the attached Appendix "A" to this by-law;

"HERITAGE INVESTMENTS RESERVE" means the reserve established by Council on March 15, 2000;

"LONG-TERM TENANT" means a tenant in a designated building who has entered into a signed lease agreement effective for 10 years following the completion of the proposed conservation project;

"NET PRIVATE INVESTMENT" means the cost of labour, material and equipment for eligible work in Designated Buildings and approved architectural, engineering and interior design fees, or a portion thereof;

"OWNER" means a person who is the registered owner under *The Real Property Act* of land on which a building is located, or the grantee thereof in a valid conveyance registered under *The Registry Act*, or an agent of either such owner;

"STANDARDS FOR CONSERVATION" means the standards forming part of and contained in the attached Appendix "A" to this by-law, as adopted by the Historical Buildings Committee and approved by Council, to be applied to heritage rehabilitation projects.

- 3(1) Total tax credits are available under this by-law to a maximum of Two Million, Five Hundred Thousand (\$2,500,000.00) Dollars as funds are made available from the Heritage Investment Reserve.
- 3(2) Fifty (50%) percent of the net private investment in eligible work for each approved project is eligible for a tax credit, to a maximum credit of Two Hundred and Fifty Thousand (\$250,000.00) Dollars.
- 3(3) A minimum of Ten Thousand (\$10,000.00) Dollars in eligible renovations must be undertaken by the applicant in order to be eligible for a tax credit.
- 3(4) Designated Buildings used as single-family dwellings and undesignated buildings are ineligible for a tax credit under this by-law.
- 4(1) The tax credit may be used at the applicant's discretion for up to ten (10) years commencing in the 2001 tax year, to reduce City property and business taxes accruing to the designated building and land upon which the building is situated.
- 4(2) The tax credit may be used to reduce amusement taxes accruing to the building, provided that the building was not in use for amusement tax purposes prior to February 28, 1998.

5. When calculating the net private investment in eligible renovations, any other government grants or rebates, including any provincial sales tax or federal goods and services tax refunds or credits which applicants may be eligible for, regardless of having applied for or received those entitlements, shall be excluded.
6. Eligibility for a tax credit under this by-law shall be determined in accordance with a description of work, criteria and procedures forming part of and contained in the attached Appendix "A" to this by-law.
7. All applications must comply with the following:
 - (a) the proposed conservation project must conform with all applicable provisions of the City's zoning and building by-laws, and with any applicable design approval process; and
 - (b) construction of the proposed project must not be commenced prior to approval of the tax credit.
8. One application is sufficient to cover all phases of a multi-phase conservation project.
9. Applications will be received on a first-come, first-served basis.
10. Applicants of applications which do not meet the criteria of this by-law, or which are received after the program has been fully subscribed, shall be notified in writing by the Designated Officer.
11. When a multi-phase conservation project is approved, the tax credit available shall be proportioned and released to the applicant only as the completion of each phase is documented and inspection to the satisfaction of the Designated Officer.
- 12(1) If the net private investment is less than approved, or if the proposed project is not completed in accordance with the application, the amount of the approved tax credit shall be reduced accordingly.

- 12(2) If the net private investment is greater than approved due to structural or other conservation problems which could not have been anticipated prior to the commencement of the project, the applicant may submit information regarding the excess net private investment to the Designated Officer for consideration for further tax credit. The Designated Officer shall forward the information to the Designated Committee for a final determination.
- 13(1) Subject to subsection (2), if an applicant wishes to sell or transfer title or the long-term lease in the designated building, any approved tax credit or portion thereof which has not been released to the applicant is not transferable and will be cancelled.
- 13(2) If the Designated Committee so approves and if the new Owner or Long-term Tenant of the designated building agrees to assume all obligations of the applicant as hereinbefore set out, the approved tax credit or portion thereof may be transferred to the new Owner or Long-term Tenant.
- 14. The tax credit program created by this by-law shall expire on April 30, 2003.

DONE AND PASSED in Council assembled, this 24th day of May, 2000.

APPENDIX "A"

CentreVenture Heritage Tax Credit Program:
Criteria and Procedures

April, 2000

If you have any questions or require additional information about the *CentreVenture* Heritage Tax Credit Program, please contact:

***CentreVenture Development Corporation
303-35 King Street
Winnipeg, Manitoba
R3B 1H4***

INTRODUCTION

The *CentreVenture* Heritage Tax Credit Program is an innovative program to stimulate capital investment in the conservation and reuse of historical buildings in the heart of Winnipeg.

The program is open to owners and long-term tenants of buildings designated as historic by the City of Winnipeg and located within the boundaries of the downtown as defined in Map 1.

Only proposals that entail a minimum \$10,000 in eligible work are considered.

Tax credits are calculated on the basis of 50% of the net private investment made in eligible work. The maximum assistance available is \$250,000 per building.

Credits may be used at a recipient's discretion for up to 10 years to reduce the property, business and, in qualifying circumstances, the amusement taxes levied by the City on the building and its site.

Applications are being assessed on a first-come, first-served basis.

SCOPE OF THE PROGRAM

This tax credit program is intended to support work that:

- repairs and stabilizes City-designated heritage buildings in downtown Winnipeg, especially buildings that are vacant or underutilized;
- extends the life of such structures;
- conserves significant architectural or other heritage elements; and/or
- rehabilitates space to meet contemporary requirements, but in the process makes minimal changes to a building's historical integrity, including its defining design characteristics, site and environment.

Eligible Work

1. The costs of labour, materials and equipment for:

- Repairs essential to the stabilization and preservation of the physical integrity of a designated building, including repairs to the roof, drainage system, foundation, and exterior cladding.
- Repair or replacement of electrical, mechanical/heating and plumbing systems (including fire sprinkling, air conditioning and repair of heritage elevators) to ensure compliance with the Manitoba Building Code.
- Measures to restore, upgrade or convert a designated building to a functional state for contemporary occupancy and use. These measures may include:
 - new interior construction where the work is sympathetic to the original fabric of the building;
 - sympathetically designed improved accessibility for the disabled;
 - asbestos removal;
 - energy efficiency upgrading provided the exterior appearance of the building is not affected;
 - doors and screen doors that match the appearance of the original historic doors.

- Measures to protect significant original heritage elements, restore significant original elements that have deteriorated, or reconstruct those that are missing.

2. Approved architectural, engineering and interior design fees.

Not Eligible for Assistance

- Non-heritage awnings and signage.
- Exterior paint colours not based on historical analysis.
- Application of water-repellent coatings.
- Sandblasting or other cleaning methods that may damage building materials or finishes.
- New fences or new outbuildings.
- Landscaping or other work not done to the designated building unless the work is essential to the provision of physical access for persons with disabilities.
- Moving of buildings.
- Work on a designated replica or reconstructed building.
- Removing, preserving, storing, or reusing portions of a demolished designated building.
- Routine maintenance of a designated building and its site.
- Feasibility studies.

APPLICATION AND GRANT CRITERIA

1. This program is limited to designated historical buildings within the boundaries of the downtown as defined in the *CentreVenture* Mandated Area (refer to Map).
2. All buildings must be designated under the terms of the City's Historical Buildings By-law 1474/77 (as amended).
3. Undesignated structures must be evaluated by the City of Winnipeg Historical Buildings Committee, and their grade and inclusion on the Buildings Conservation List must be approved by the Standing Policy Committee on Property and Development or City Council, as applicable. This provision includes National Historic Sites recognized by the Historic Sites and Monuments Board of Canada and properties designated under the terms of Manitoba's Heritage Resources Act.
4. The program is open to projects involving designated buildings of all types.
5. Applications may be submitted by registered building owners or long-term tenants who are responsible for the City property, business and/or amusement taxes applicable to the land and building.
6. Tenant-applicants must have the owner's written authorization for the proposed project and a signed lease effective for 10 years following completion of the work.
7. Owners or long-term tenants whose City tax, utility or other payments are in arrears may submit applications. However, any approval of assistance will be subject to the condition that the outstanding amounts are paid by a mutually determined deadline. If that condition is not met, a formal agreement to proceed with the tax credit will not be executed.

8. All applications must be in the form of a written conservation report that includes (also refer to Attachment 1):
 - the building's legal address, registered ownership, legal property description, certificate of title number, property assessment roll number, and grade of heritage designation (if established);
 - a brief description of the condition of the building and its site;
 - a brief description of the building's recent occupancy history and vacancy rate;
 - an outline of the proposed project and schedule for undertaking the work;
 - the estimated costs of all labour and materials, supported by two independent quotations;
 - a list of all proposed sources of project financing;
 - detailed drawings and/or specifications for the proposed work;
 - photographs of the affected areas of the building; and
 - a brief description of the steps that will be taken to ensure future upkeep and repair of the structure and its heritage elements.
9. Proposed projects must entail new repairs and capital improvements. Tax credits will not be granted retroactively for work done before an application has been made or appropriate City approvals have been given.
10. Projects must entail a minimum \$10,000 in eligible work. The maximum value of net private investment in eligible work for which a tax credit may be allocated is \$500,000.
11. Tax credits will be 50% of the net private investment made in approved costs (i.e., the amount of investment exclusive of any other government grants or rebates, including any provincial sales tax or federal goods and services tax refunds or credits recipients may be eligible for, regardless of whether they have applied for or received those entitlements).
12. The maximum tax credit available through this program is \$250,000 per building.
13. One application will be sufficient to cover all phases of a multiple-stage conservation project, subject to the \$500,000 cap on the amount of investment eligible for assistance. Any approved tax credit will be proportioned accordingly and released only as the completion of each phase of the work is satisfactorily documented and inspected.
14. A heritage agreement must be signed and put into effect before work on an approved project can begin.

15. All eligible design work and structural assessments shall be conducted by registered Manitoba architects, interior designers and/or engineers, as applicable.
16. Proposed use(s) and conservation work must conform with all relevant provisions of the City's Zoning and Building By-laws, and with the City's Standards for Conservation (Attachment 2).
17. The proposed work must be reviewed and pre-authorized through the issuance of:
 - a Certificate of Suitability from the Historical Buildings Committee; or
 - a Certificate of Appropriateness from the City's Historic Winnipeg Advisory Committee (required for projects in the Exchange District under the terms of the Downtown Winnipeg Zoning By-law 4800/88); and
 - a Heritage Permit, if applicable (required for buildings designated under the terms of the Heritage Resources Act).
18. Expenditures must be incurred in order to receive a full tax credit. If net private investment is lower than originally estimated, or if not all the eligible work is done or completed as first committed by a recipient, then the dollar amount of the credit will be reduced accordingly.
19. If net private investment is greater than the approved amount due to structural or other conservation problems that could not have been anticipated prior to the start of work, the applicant may formally request that the City consider additional tax credit assistance. Such requests will be forwarded through the *CentreVenture* Development Corporation to the Executive Policy Committee for a decision.
20. Credits may be applied at a recipient's discretion over a 10-year period against the City property and business taxes levied on the designated building (structure and land).

Credits also may be used to reduce amusement taxes accruing to the City provided the subject building was not in use for amusement tax purposes prior to February 28, 1998.
21. The tax credits are non-refundable. Any unexpended credits will expire at the end of the 10-year term.
22. Credits cannot be sold or transferred except in the following circumstances: where an owner-recipient wishes to sell or transfer title to their designated building, or a tenant-recipient wishes to transfer their long-term lease, the tax credit, or outstanding portion thereof, may continue to be available provided:

- a) the new owner or tenant formally agrees to assume all obligations associated with participation in the program; and
- b) the Executive Policy Committee approves the arrangement.

Otherwise, any outstanding credit will be cancelled.

- 23. To enable this program to be administered in a cost-effective manner, the onus will be on applicants and tax credit recipients to provide all required information (reports, photographs, paid invoices, etc.) in a complete and timely fashion. The onus also will be on applicants and recipients to inform the City in a timely fashion of delays or changes in project plans.
- 24. Only projects that are consistent with the scope of eligible work and the City's Standards for Conservation will be considered.
- 25. This program will expire on April 30, 2003.

ADMINISTRATIVE PROCEDURES

1. The Centre*Venture* Heritage Tax Credit Program is being administered on a first-come, first-served basis.
2. Applications are deemed to be submitted only on the receipt of a satisfactorily completed written conservation report. Inquiries or notices of intent do not guarantee a place in the queue.
3. Applications are to be submitted to the Centre*Venture* Development Corporation.
4. Where proposed projects involve buildings that are not on the City's Buildings Conservation list, applications for historical designation must be submitted to the City's Planning, Property and Development Department.
5. The Designated Officer, in consultation with Centre*Venture* Development Corporation, is authorized to assess applications and approve those that comply with program criteria and conditions, including the scope of eligible work, the City's Standards for Conservation.
6. Applicants whose submissions are approved will be required to enter into a heritage agreement with the City.
7. All appropriate permits, certificates or other authorizations must be obtained before work can proceed.
8. Prior to the release of any tax credit or portion thereof, the completed project must pass all relevant inspections and the recipient must:
 - pay all outstanding taxes, utility charges or rates of any nature that are due to the City;
 - complete the project as set out in the application and pay all expenses related thereto; and
 - provide all paid invoices and any other information that may be required by the City.
9. In all cases, no approved credits may be used before the 2000 tax year.

10. Applicants whose submissions do not meet program criteria, and those whose applications are received after the program has been fully subscribed, shall be notified in writing by the Designated Officer through the offices of Centre*Venture* Development Corporation.
11. When a proposed project has been approved, the applicant shall be required to:
 - (a) enter into a written heritage agreement with the City;
 - (b) submit all costs and work plans;
 - (c) pay all outstanding taxes, utility charges or rates of any nature whatsoever which have become due to the City;
 - (d) complete the projects as set out in the application and pay all invoices, bills and costs related thereto; and
 - (e) provide any other information as may be required by the designated officer,prior to the tax credit or any portion thereof being released to the applicant.

ATTACHMENT 1
Conservation Report (Application) Checklist

- ☐ **Basic Information** about the property
 - legal address
 - registered owner (name, address, telephone and fax numbers)
 - legal property description
 - certificate of title number
 - property assessment roll number
 - heritage designation by the City of Winnipeg - Grade I, II or III, plus listed interior elements, if applicable
- ☐ Brief description of the **condition of the structure** and its site, and the **need for the proposed conservation work**. (If applicable, describe any outstanding regulatory orders attached to the property.)
- ☐ A brief description of the building's recent **occupancy history and vacancy rate** over the past six months.
- ☐ A list and brief **description of all proposed work**.
- ☐ **Project schedule**.
- ☐ **Financial plan** (minimum project cost = \$10,000):
 - estimated costs (net of GST and PST) for all materials and labour by item or component of work, plus professional fees, if applicable
 - two independent quotations for all material and labour costs
 - proposed means of financing the work, including a list of all grants, tax credits and other forms of public assistance applied for or awarded, and
 - other forms of investment (e.g., loan capital; cash equity).
- ☐ Detailed **drawings and/or specifications** for the proposed work.
- ☐ **Photographs** of the structure and the areas affected by the proposed work.
- ☐ **For projects that involve reconstruction**, a brief description of the **evidence to be used to determine the original design** of missing architectural elements.
- ☐ A brief description of the steps to be taken to ensure **future upkeep and repair** of the structure.

ATTACHMENT 2

Standards for Conservation

On August 9, 1995, City Council approved a Consolidated Policy for Funding the Conservation of Heritage Buildings. This policy includes a series of standards which are to be applied to specific heritage projects in a reasonable manner, taking into consideration economic and technical feasibility.

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- (3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- (4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- (6) Deteriorated history features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old design, colour, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- (7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- (8) Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

- (9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- (10) New additions and adjacent new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.