Winnipeg

Legal Services Department • Services juridiques

INTER-OFFICE MEMORANDUM

TO:	**Marc Lemoine** City Clerk	**FROM:**	**Harold Dick** Legal Services
FILE:	P.8/2016(3)	**DATE:**	July 11, 2018

RE: Heritage Conservation Grant Program By-law
Pilot Program

Please find attached a draft Heritage Conservation Grant Program By-law for consideration by Council at its next meeting.

This By-law has been drafted on the basis of direction provided by Council at its meeting of July 13, 2016 (Minute No. 481, Recommendation #3 of Item No. 28 of the Report of the Standing Policy Committee on Property and Development, Heritage and Downtown Development - July 5, 2016), which provided:

> *That the Director of Legal Services and City Solicitor be directed to prepare and bring directly to Council for enactment a by-law establishing a Pilot Program, to be called the Heritage Conservation Grant Program, (the "Pilot Program") for incenting vacant or underutilized heritage properties as per the Program Parameters outlined in Appendix A. As with the proposed funding set out in Recommendation #1, the Pilot Program would establish base municipal taxes for eligible properties, and grant back to the successful applicant 80% of incremental municipal taxes annually for a twelve-year term. The Pilot Program will terminate upon approval of three applications (in addition to the two proposed in this Report), or five years, whichever occurs first.*

As per Council's direction and consistent with Schedule A of the Report approved by Council, the attached draft By-law provides for a maximum of three approved properties which will receive grants amounting to 80% of the incremental real property taxes on those properties for 12 years. Eligible properties must be:

- listed historical buildings;
- not located within existing tax increment financing (TIF) zones or recipients of other tax-based incentive program such as the Live Downtown – Rental Development Grant Program By-law or the Heritage Conservation Tax Credit; and
- vacant or underutilized.

Eligible developments must:

- be estimated to cost at least $10,000 or 20% of the building's value; and
- comply with national heritage standards.

In order to flesh out these requirements, the attached draft by-law defines “underutilized” as falling into one of four categories:

- Buildings which are mostly vacant;
- Buildings that are mostly given over to uses other than residential, public/institutional, cultural/entertainment, office or commercial sales/service;
- Buildings that are not zoned for their current uses and to make them Code-compliant for those uses would be cost prohibitive; and
- Buildings that are zoned for their current uses but to make the Code-compliant for those uses would be cost prohibitive.

In addition, the attached draft By-law provides that the proposed development must reasonably be anticipated to result in occupancy and full utilization of the building and must result in significant incremental taxes being generated. It cannot be a single family dwelling. Grants are payable annually, on October 31 of the first year following the issuance of a final occupancy permit. If taxes on the property are unpaid, the grant will go first towards paying them. Approvals can be withdrawn if the property owner fails to take out permits for the renovations, fails to begin construction within 18 months, fails to complete construction within 36 months, fails to comply with heritage standards or accepts funds from any other City tax-based incentive program.

If you have any questions concerning this draft by-law, please contact me.

_____

HAROLD DICK
Solicitor

HD/yp

Enclosure