**REFERENCE: FILE NO. P.7.9/2001**

# THE CITY OF WINNIPEG

## BY-LAW NO. 8058/2002

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:

"The CentreVenture 2002 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 One Million ($1,000,000.00) Dollars as funds are made available from the Heritage Investment Reserve.

3(2) For each approved project:

(a) Fifty (50%) percent of the net private investment in eligible work is eligible for a tax credit, for

(i) repairs deemed 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;

(ii) measures that protect significant original heritage elements, restore significant original elements, or reconstruct those that are missing;

(iii) 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.

(b) Fifteen (15%) percent of the net private investment in eligible work is eligible for a tax credit, for

(i) new interior construction where the work is sympathetic to the original fabric of the building;

(ii) measures to restore, upgrade or convert a designated building to a functional state for contemporary occupancy such as sympathetically designed, improved accessibility for the disabled;

(iii) asbestos removal;

(iv) energy efficient upgrading provided the exterior appearance of the building is not affected.

(c) Ten (10%) percent of the net private investment in eligible work is eligible for a tax credit, for

(i) approved architectural, engineering and interior design fees.

(d) The maximum available tax credit is Two Hundred and Fifty Thousand ($250,000.00) Dollars.

3(3) A minimum of Fifty Thousand ($50,000.00) Dollars in eligible work must be undertaken by the applicant in order to be eligible for a tax credit. The maximum value of net private investment in eligible work for which a tax credit may be allocated is Five Hundred Thousand ($500,000.00) Dollars.

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 2003 tax year, to reduce City property and business taxes levied with respect to the designated building and land upon which the building is situated.

4(2) The tax credit may be used to reduce amusement taxes imposed with respect 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 inspected 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.

13(3) Notwithstanding the foregoing, in the event that

(a) the applicant is the owner of a designated building which is or becomes governed by The Condominium Act of Manitoba during the period within which

the applicant is entitled to use the approved tax credit or any portion thereof; and

(b) the applicant has assigned the approved tax credit or any portion thereof to CentreVenture for the purpose of obtaining gap financing for the project;

the tax credit or any portion thereof to which the applicant is entitled shall not be cancelled upon the sale or transfer of any or all of the condominium units to a new owner or owners.

14(1) Notwithstanding the foregoing, at the option of the applicant, a tax credit or any portion thereof may be assigned as security for gap financing provided by CentreVenture, in which case the tax credit or any portion thereof to which the applicant would otherwise be entitled shall be paid in the form of a grant to CentreVenture in accordance with the terms of the agreement entered into between the City and CentreVenture for that purpose.

14(2) The amount of the grant payable pursuant to subsection (1) shall not exceed the amount of the tax credit otherwise payable.

15(1) Notwithstanding the foregoing, at the option of the applicant, a tax credit or any portion thereof may be assigned as security for gap financing provided by CentreVenture, in which case the tax credit or any portion thereof to which the applicant would otherwise be entitled shall be paid in the form of a grant to CentreVenture in accordance with the terms of the agreement entered into between the City and CentreVenture for that purpose.

15(2) The amount of the grant payable pursuant to subsection (1) shall not exceed the amount of the tax credit otherwise available.

16. CentreVenture shall administer all grants received by it from the City pursuant to this by-law in accordance with the terms of the agreement entered into between the City and CentreVenture for that purpose.

17. The tax credit program created by this by-law shall expire on April 30, 2004.

**DONE AND PASSED**, in Council assembled, this day of , 2002.

Mayor

City Clerk

Certified as to content:

Director, Planning, Property and Development Department

Certified as to form:

for City Solicitor/Manager of Legal Services