

Heritage Property Tax Reductions & Grants



CHO - PCO
Community Heritage Ontario
Patrimoine communautaire de l'Ontario

Panel Session

Panelists

- Peterborough –
 - Jennifer Guerin – Heritage Programs Co-Ordinator, Peterborough Arts, Culture & Heritage Division
- Collingwood –
 - Justin Teakle – Community Planner, Collingwood Planning Services Department
- Tay Township –
 - Terry Fegarty – Member, Tay Heritage Committee

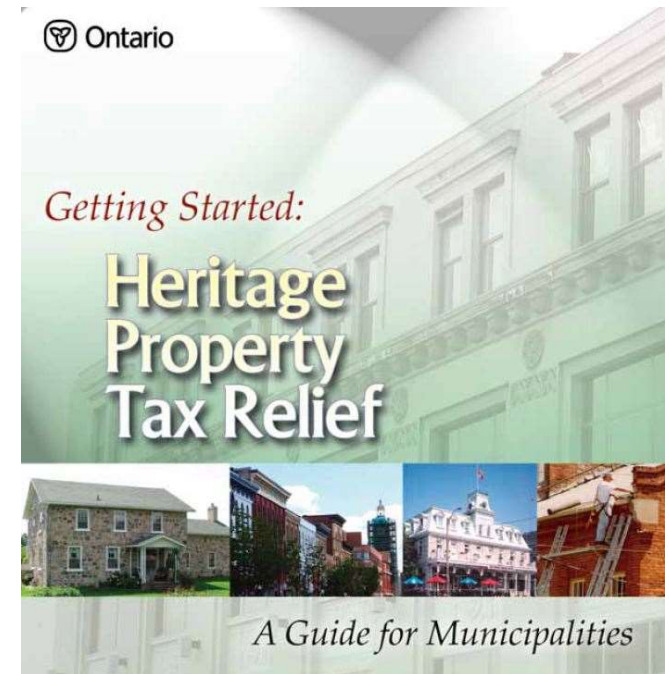
Heritage Property Tax Reductions

- **Legislation**

- Municipal Act:

- Property tax reductions

- Council may reduce property taxes by 10% – 40% on heritage properties
 - Council may specify eligibility criteria
 - Province shares the cost of the education tax



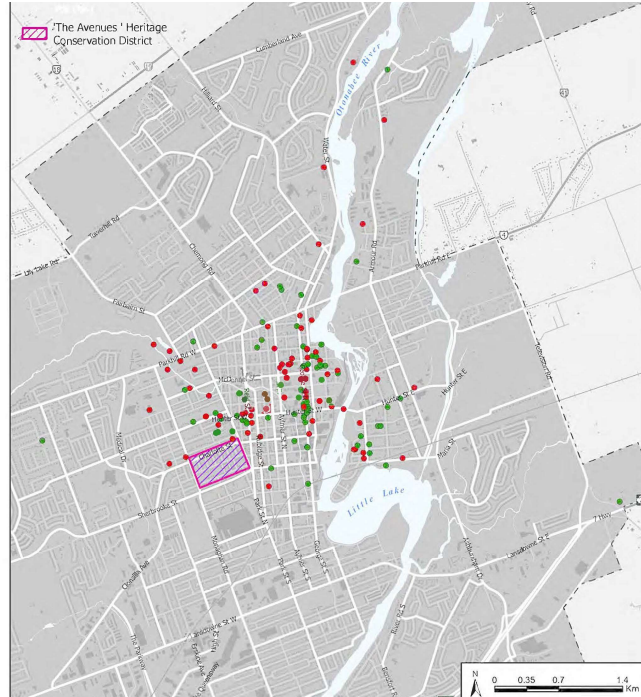
Heritage Property Tax Reductions

Peterborough:

- Peterborough established a Heritage Preservation Office in 2003 under the Community Services Department with two full time staff
- Cultural Resources Program Manager
- Heritage Programs Co-Ordinator



Heritage Property Tax Reductions



Heritage in Peterborough

- 142 Individually designated properties
- 85 HPTRP Participants
- 338 properties in the Avenues & Neighbourhood HCD
- Heritage Property Tax Relief Program (2003)
- HCD Grant Program (2017)

Heritage Property Tax Reductions

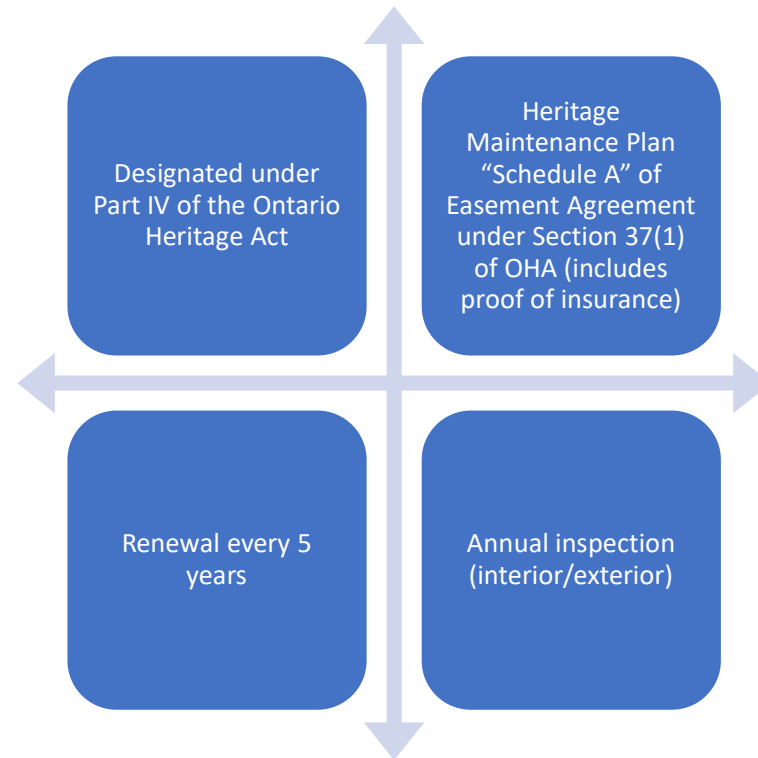


Peterborough's Heritage Property Tax Relief Program was established in 2003

- Currently 85 properties enrolled - \$220,000 annual budget
- 5 multi-residential conversion properties in the program
- The rebate amount is 40% reduction for residential (single family)
- The rebate for commercial and multi-unit residential is 20%
- Over 2 million in tax reductions over the last 20 years

Heritage Property Tax Reductions

Eligibility Criteria/administrative process



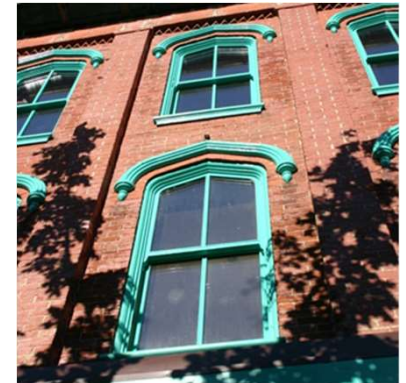
Heritage Property Tax Reductions

- The uptake is very high, we currently have a wait list of over a dozen properties
- Support for heritage preservation and conservation has been strong in Peterborough and has been a major factor in downtown revitalization efforts – largely due to the HPTRP which has helped to raise the awareness of heritage as an economic driver especially in the downtown.
- Recently, our office compared 10 designated heritage property values with comparable non-designated properties and found that the designated properties were always higher in assessed value than their non-designated counterparts



Heritage Property Tax Reductions

- Municipal incentive programs have been shown to increase property value and local tax assessments;
- Since the program's inception, 33 new commercial property designations have been passed by Council.
- As of 2011, the new assessment base from heritage rehabilitation projects exceeds 3.82 million.
- According to the 2009 Ryerson University study, cumulatively, it has taken about three years for the City of Peterborough to completely recuperate its investment in the program.
- By year 7, HPTRP properties produce more revenue to the City compared to non-designated properties.
- The HPTRP has achieved its goals as an incentive for the preservation of heritage buildings in the historic core and supported its revitalization.



Heritage Property Tax Reductions

Case Study: 205 Charlotte Street

The former Post Office on Charlotte Street was called “the most modern post office in Canada” at the time of its construction in 1953.

The building is representative of contemporary innovation in both architecture and technology and is among the first example of international modernism in Peterborough and provincially.

The property had been vacant for several years after the federal government relocated the city’s sortation centre and main post office when AON Corporation purchased the property.

The company rehabilitated the property and converted it to 91 high-end, market rate rental units with some ground floor commercial space.



Heritage Property Tax Reductions

- **Collingwood:**

Heritage Property Tax Reductions

- **Collingwood** – Tax Relief Program:
- Program established in 2010
- Rebate Amount
 - Current rebate amount of 20%. Prior to 2022 was 10%
- Budget
 - Current program budget is \$50,000
 - Budget was \$25,000 with 10% rebate
- Partners
 - Simcoe County (upper-tier) provides equivalent rebate of County taxes



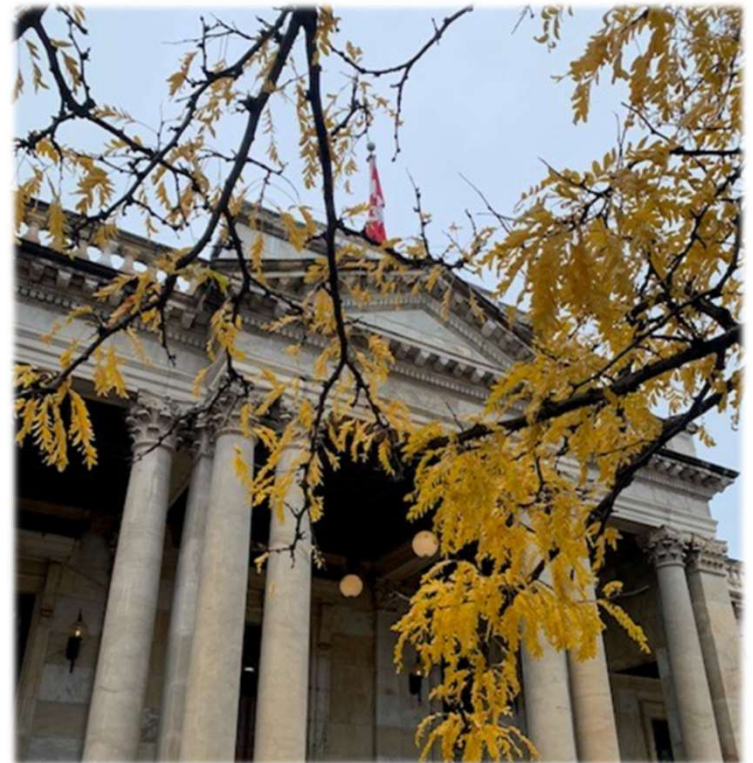
Heritage Property Tax Reductions

- **Collingwood** – Tax Relief Program:
- Eligibility requirements
 - Designated Part IV or a “significant” designated Part V
 - Heritage Conservation and Maintenance Agreement (HCMA) [easement under Section 37(1) of the *Ontario Heritage Act*]
 - Apply annually
 - Pass an annual exterior inspection



Heritage Property Tax Reductions

- **Collingwood - Tax Relief Program:**
- Uptake
 - Approximately 245 designated properties that could apply (provided they also entered into an HCMA)
 - 39 applications processed for 2022 (31 in 2021, 33 in 2020, 35 in 2020)



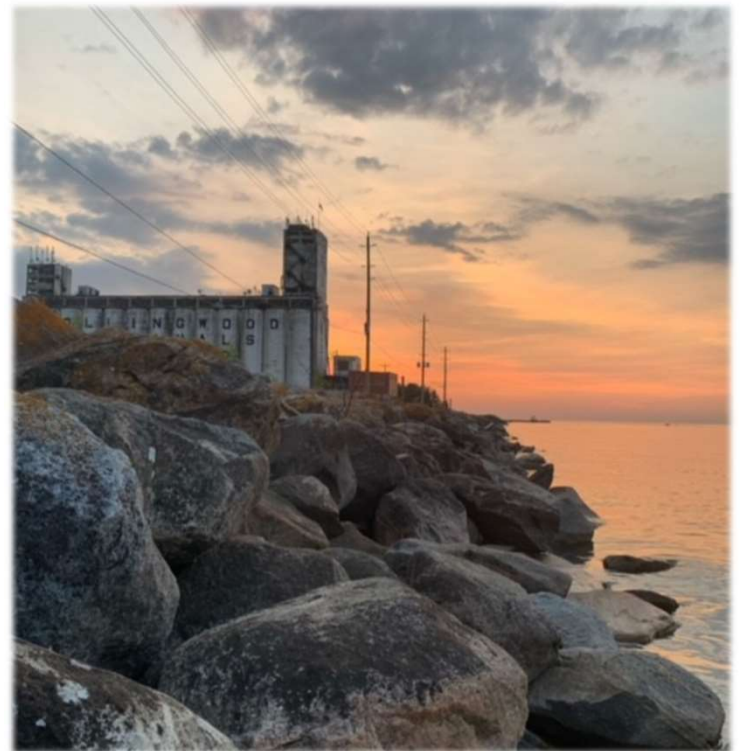
Heritage Property Tax Reductions

- **Collingwood – Tax Relief Program:**
- Program successes
 - Gets owners interested in designation
 - Helps with the “boring” maintenance items that are integral to long term conservation
- Areas for improvement
 - Encouraging uptake
 - Resource intensive to administer



Heritage Property Tax Reductions

- **Collingwood** – Major Redevelopment and Restoration Tax Incentive Grant:
- Established in 2010
- Provides a grant equal to the difference in the municipal portion of the real property taxes between the pre-and-post redevelopment MPAC assessment for a maximum of 10 years



Heritage Property Tax Reductions

- **Collingwood** – Major Redevelopment and Restoration Tax Incentive Grant:
- Eligibility:
 - Designated property
 - Redevelopment (i.e. addition) or restoration with a construction value of \$200,000+
 - Enter into an HCMA agreement
 - Each application subject to Council approval



Heritage Property Tax Reductions

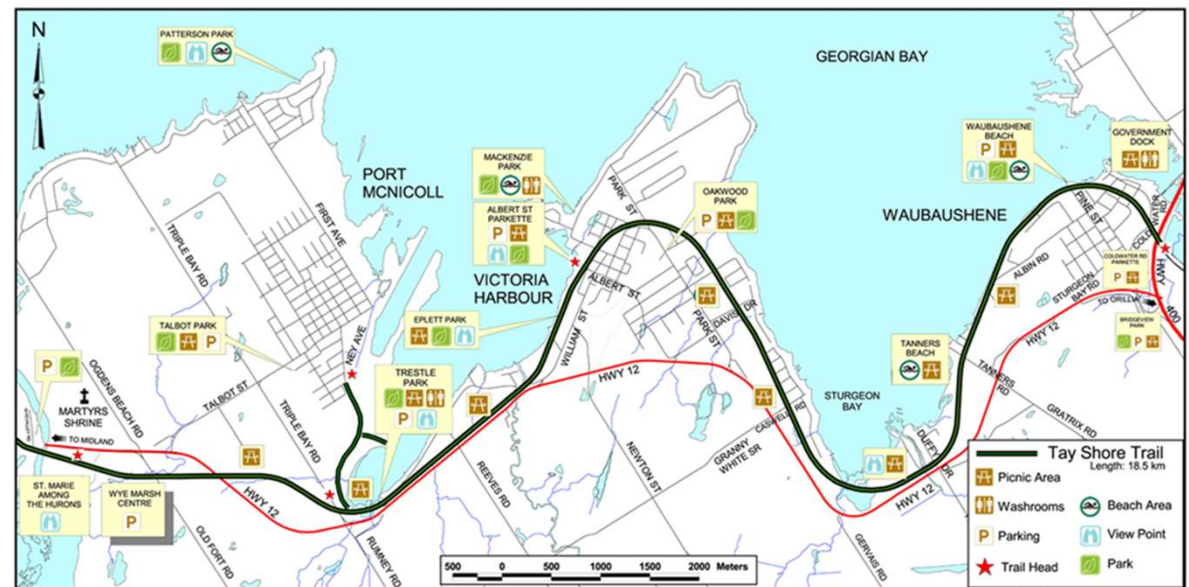
- **Collingwood** – Major Redevelopment and Restoration Tax Incentive Grant:
- Uptake
 - Relatively low. Approximately two properties using the program currently
- Program Successes
 - Supports major investments
- Areas for Improvement
 - No dedicated budget (shared with general tax relief)
 - Program criteria could be more specific and eligible investment threshold potentially higher to target large investments



Heritage Property Tax Reductions

• Tay Township

- 4 communities
- 139 sq km
- 43 kms of Georgian Bay shoreline
- (HWY 400 – W to Midland, HWY 400 –S to Coldwater, Vasey Rd - W to Waverley, CR 93 – N to Midland)
- 11, 695 people
- 45 farms
- 84/sq km (54/sq m)



Heritage Property Tax Reductions

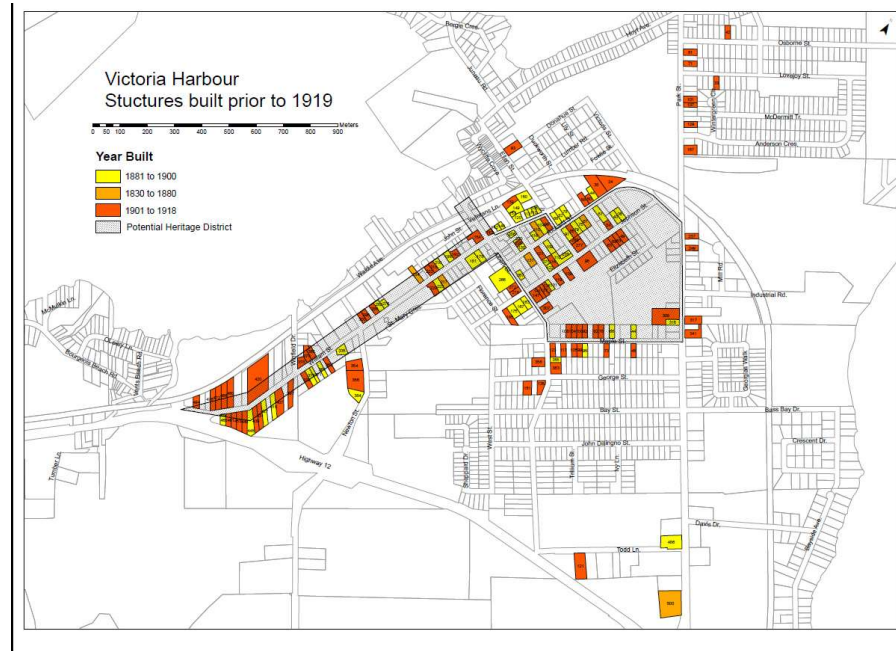
- **Tay Township**

Community	Century Sites (Built Before 1918)
Victoria Harbour	155
Port McNicoll	84
Waubauskene	70
Waverley	23
Total	332
Rural Tay	50+

Heritage Property Tax Reductions

- **Tay Township**

Example -
Historic District:
Victoria
Harbour



Heritage Property Tax Reductions

- **Tay Township**

Current Heritage Register

- 7 Designated properties
- 73 other Listed properties
- 35 Properties in Heritage Inventory



TAY
HERITAGE

Heritage Property Tax Reductions

- **Tay Township – 7 Designated properties:**

Address	Location	Known As	Built	Designated
154 William St	Victoria Harbour	Victoria Harbour Hardware	1902	1982
152 William St	Victoria Harbour	Old Victoria Harbour Library / Municipal Office	1914-16	1982
1831 Rumney Rd	Rural Tay	Rumney House	1890	2003
17039 CR 27	Waverley	Waverley United Church	1867-68	2001
6462 Hwy 93	Waverley	Old Waverley School	1926	2018
95 Jephson St	Victoria Harbour	St Paul's Presbyterian Church	1906	
200 Cherry St	Waubashene	Woodland Rest	1915	2016

Heritage Property Tax Reductions

- **Tay Township** – 200 Cherry Street, Waubaushene:



Heritage Property Tax Reductions

- **Tay Township – 200 Cherry Street, Waubaushene:**

- Former meeting hall/RC chapel
- Sole remaining structure from the Jesuit mission of 1906
- Purchased from Society of Jesus in 1928
- Reuse as a private residence
- 3RD generation
- Original eastern portion (1,600 sf) of the building preserved
- Original front porch
- Original foundation and interior wood flooring
- Original ceiling heights
- Original trim elements



Heritage Property Tax Reductions

- **Tay Township –**

- Eligibility

- Property Designated under Ontario Heritage Act
- Heritage Easement Agreement registered on title
- Apply in February of following year
- No mention of budget constraints
- No specific conditions for use of funds
- Term of 10 years for commercial properties (only)



Heritage Property Tax Reductions

- **Tay Township – Example:**

	Heritage Assessment (excl non-heritage portion)	Tax at Mill Rate (.019096994)	Rebate %	Rebate
Land	64,286	705.19	10%	70.52
Building	214,286	<u>2,350.64</u>	40%	<u>940.25</u>
Total		3,055.83		1,010.77

Heritage Property Tax Reductions

- **Tay Township – Heritage Easement Agreement:**
 - The **Heritage Easement Agreement** is between the Municipality and the owners (*current and subsequent*) and is registered on title. (OHA Sec 37)
 - It includes two principal components:
 - **Preservation and Repair**
 - **Insurance**

Heritage Property Tax Reductions

- **Tay Township – Heritage Easement Agreement:**

- **Preservation and Repair**

1. The owner:

1. agrees to preserve and maintain the exterior of the building
2. agrees to maintain the building in a good state of repair, so that there is no deterioration in the condition and appearance of the exterior
3. requires Council's permission to construct, demolish, or do anything to the building inconsistent with the agreement or the building's heritage aspects or attributes

Heritage Property Tax Reductions

- **Tay Township – Heritage Easement Agreement:**

- **Insurance**

1. The owner agrees to provide and maintain All-Risk property insurance for replacement or restitution (*but not replication*) of heritage aspects and heritage attributes, as defined by the Statement of Reasons for Designation.
2. The municipality may request the owner to obtain a “Certified Building Appraisal” to confirm the replacement cost of the building
3. The owner agrees that all insurance proceeds will be applied to the rebuilding, restoration, etc. of the building in line with the heritage aspects and attributes, unless Council approves otherwise.
4. The municipality is not a named party
5. Currently, the 2,600 sq ft (net) building is assessed for insurance at \$800k. The premium is \$2k (approx.) including coverage for personal property and liability.

Heritage Property Tax Reductions

- **Tay Township – Heritage Easement Agreement:**

Notes

1. This easement agreement does not refer to heritage property tax rebates or grants, but eligibility for such programs requires the heritage easement agreement on title in this municipality.
2. Registry of the agreement on title may restrict the owner's freedom to develop or redevelop the property.
3. The agreement does not address monitoring the property or right of access to the property to ensure that heritage features are well conserved.
4. OHA 35.3 (1) and 36.1- permit a municipality to pass a by-law prescribing minimum standards of the maintenance of the heritage attributes and requires the repair and maintenance of any property that does not comply

Heritage Property Tax Reductions

- **Questions & Comments from participants:**

Heritage Property Grants

- **Legislation**

- Ontario Heritage Act, Sections 39 and 45:
 - Municipality may make grant to a designated (Parts IV & V) property owner for the whole or part of cost of alteration of property
 - Municipality may prescribe terms and conditions

Heritage Property Grants



- **Peterborough:**
- Currently, only properties designated under Part V of the Ontario heritage Act are eligible
- The HCD Grant program was established in 2017 once the HCD was passed by Council
- Must follow Standards & Guidelines conservation best practices and be considered a restoration project
- A matching grant up to \$5,000 for eligible project costs
- An owner is eligible to apply for the grant once every five years.
- Grants are awarded on a first come, first served basis
- Grant based on the owner's actual expenditures - Donated labour and materials are not considered matching contributions
- Funding for a project over \$10,000 can come from any other source.
- Owners enter into an agreement with the City to secure performance in accordance with the HCD guidelines

Heritage Property Grants

Peterborough:

Eligibility

- Must be directed toward conservation and restoration of elements identified in the HCD Plan, for example:
 - restoration of an original porch or verandah
 - the conservation of period windows
 - restoration of decorative trim
 - the removal of inappropriate contemporary windows may be eligible.

Eligible Costs

- Grant can include professional fees to a maximum of 10% of the eligible restoration costs:
 - Drawings for reconstructing or restoring heritage features
 - Solution of structural problems
 - Specifications for preservation work such as masonry repair, paint analysis, etc.

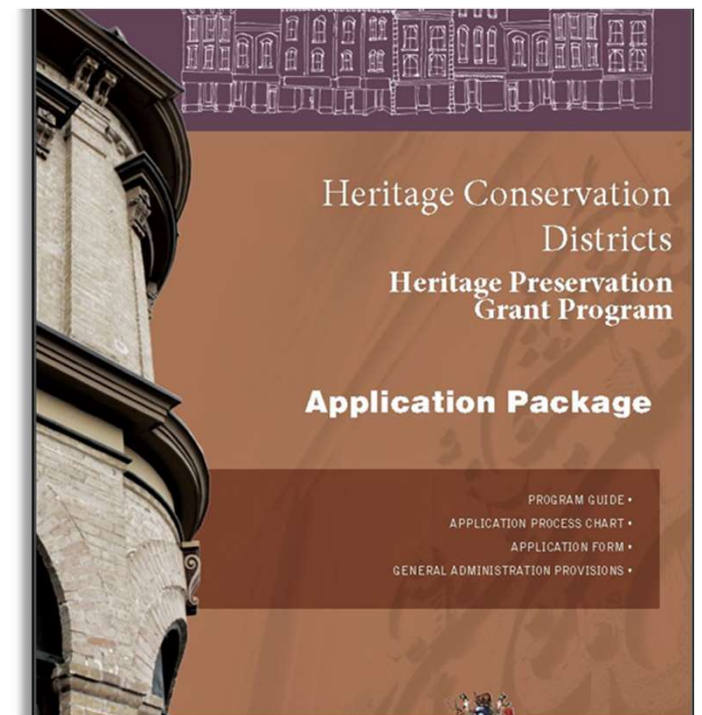


Heritage Property Grants

Peterborough:

Application Process

- Owner discusses proposed work with HPO staff
- Owner applies for heritage permits as required
- Owner consults with City Planning and Building Division
- Owner submits application with details of proposal
- City reviews application
- Heritage committee reviews application



Heritage Property Grants

Peterborough:

Administration

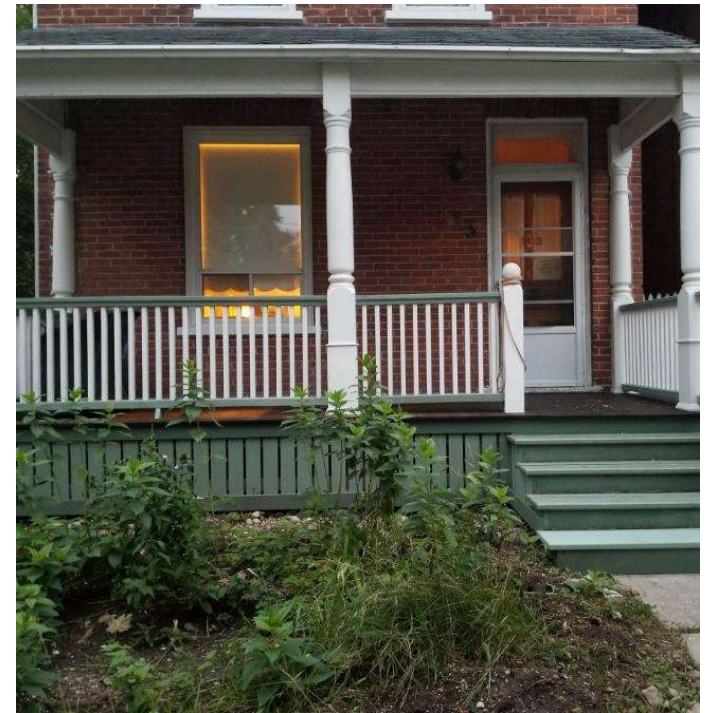
- Program is administered by Heritage Preservation Office
 - review and approve applications
 - inspect completed work
- Project must be conservation or restoration of heritage attributes identified in a Heritage Conservation District Plan. Typically:
 - conserving existing architectural elements
 - reconstructs architectural features which are beyond repair
 - repairing or restoring documented historic elements which have been lost
- If approved, the owner enters into an agreement with the City
 - Changes to approved project must be approved by City
- City Staff inspect work at completion or at interim periods if required
- Payment after satisfactory inspection and submission of eligible invoices.
- Owners required to use contractors with a demonstrated capacity for conservation work.



Heritage Property Grants

Peterborough:

- Since its inception we have spent just over \$80,000 on 20 restoration grants in the HCD
- 5 projects were completed between 2020-2021
- Some difficulty in securing tradespeople
- Grant programs offset the extra cost of doing the work properly and according to Standards & Guidelines – they are not intended to cover the cost of doing all the work.



Heritage Property Grants

Peterborough: 299 Maitland Avenue



- Restoration project completed in 2020
- Included masonry repairs, restoration and repair of wooden elements (stairs, railings, etc.)
- Porch restoration
- Window and door restoration & repainting
- Restoration of upper balcony
- Total cost: \$21,650

Heritage Property Grants

- **Collingwood** - Heritage Grant Program
 - Established in 2006
 - Grant Amount
 - 50% of the project costs to a maximum of \$3,000 per year per property (final grant based on paid invoices)
 - Budget
 - \$40,000



Heritage Property Grants

- **Collingwood** - Heritage Grant Program
 - Eligibility Requirements
 - Designated Part IV or V property
 - Project must conserve or enhance heritage attributes of the property and be in accordance with the District Plan for Part V
 - Project must follow heritage conservation best practices
 - Applications reviewed by Heritage Committee and approved by Council via minutes



Heritage Property Grants

- **Collingwood** - Heritage Grant Program
 - Uptake
 - 2023 to date: 12 approved grants, 2 applications pending (nearly full budget allocation)
 - 2022: 7 grants paid out- total of \$15,625
 - 2021: 14 grants paid out – total of \$35,306.80
 - 2020: 15 grants paid out –total of \$35,772.45



Heritage Property Grants

- **Collingwood** - Heritage Grant Program
 - Program Successes
 - Great uptake
 - Helps get people to do the “right thing”
 - Helps to encourages new designations
 - Assists bigger restoration items
 - Easy to administer
 - Areas for Improvement
 - \$3,000 doesn't go very far today
 - Greater flexibility for project timing (limited contractors)



Heritage Property Grants

- **Collingwood**

Heritage Property Grants

- **Tay Township**
- Not available

Heritage Property Grants

- **Questions & Comments from participants:**