

THE CITY OF EDMONTON
BYLAW 20091
HERITAGE DESIGNATION TAX EXEMPTION BYLAW

WHEREAS:

City Council, pursuant to Section 364.2 of the Act, wishes to pass a Heritage Designation Tax Exemption Bylaw to provide tax incentives to encourage the designation, revitalization and development of non-residential heritage properties within the City of Edmonton;

City Council recognizes that encouraging the designation of non-residential heritage properties will lead to the proper restoration and preservation of those properties in a way that revitalizes the property and therefore the surrounding area;

City Council recognizes that the money spent to rehabilitate a property at the time of designation may increase the market value of property leading to increased taxes;

City Council wishes to limit or freeze any tax increase associated with rehabilitation of a heritage property;

City Council recognizes that grants are already in place to rehabilitate and maintain heritage properties in the City of Edmonton and these exemptions will apply in addition to any available grants; and

Any exemptions shall only apply to the non-residential portion of municipal property tax.

THEREFORE, Edmonton City Council enacts:

PART I - PURPOSE, DEFINITIONS, AND INTERPRETATION

PURPOSE	1	The purpose of this bylaw is to establish tax exemptions in accordance with section 364.2 of the Act for taxpayers when there are capital expenditures spent on a property that is receiving a new Heritage Designation on a non-residential heritage property in the City of Edmonton.
DEFINITIONS	2	In this bylaw:

(a) “**Act**” means the *Municipal Government Act*, RSA 2000, c M-26;

(b) “**Eligible Capital Expenditure**” means the costs that a taxpayer intends to spend to rehabilitate a heritage property in conjunction with a Heritage Designation, including but not limited to the cost of:

- a) labour,
- b) materials,
- c) engineering, and
- d) architecture;

but which does not include any expenditures that are not related to preserving the heritage nature of a property including:

- a) improvements and maintenance work done on areas of the property or building that do not have heritage significance,
- b) tenant improvements,
- c) legal expenses,
- d) regular maintenance work and cleaning, and
- e) energy retrofits;

(c) “**City**” means The City of Edmonton;

(d) “**City Council**” means the municipal council of the City of Edmonton;

(e) “**City Manager**” means the City’s chief administrative officer and includes any authorized delegate;

(f) “**Community Revitalization Municipal Equivalent**” is that portion of the community revitalization levy which is the equivalent to the taxes charged under Division 2, Part 10 of the Act;

(g) “**Decision**” means the decision to exempt, to refuse an exemption, or to remove an exemption under Section 364.2;

- (h) “**Heritage Tax Baseline**” means the total Municipal Property Tax that the Property paid in the year that the Property received a Heritage Designation on any portion of the Property that was classified as non-residential under Section 297 of the Act;
- (i) “**Heritage Designation**” means the passing of a bylaw by the City of Edmonton designating a property as a municipal historic resource under the *Historical Resources Act*, RSA 2000 Chap C H-9;
- (j) “**Heritage Exemption**” is an exemption from Municipal Property Tax in accordance with this Bylaw;
- (k) “**Municipal Property Tax**” means the municipal portion of property taxes as calculated under Division 2 of Part 10 of the Act and the Community Revitalization Zone Municipal Equivalent, and does not include provincial education levies or requisitions, local improvement taxes, or any other form of taxation;
- (l) “**Property**” means the property or properties on which a Taxpayer is applying to qualify for a Heritage Exemption;
- (m) “**Taxpayer**” means the individual or entity that is liable to pay a tax on a Property pursuant to section 331 of the Act.

RULES FOR INTERPRETATION

3

The marginal notes and headings in this bylaw are for ease of reference only.

PART II - AUTHORITY AND CRITERIA FOR EXEMPTION

AUTHORITY TO GRANT EXEMPTION

4

The City Manager shall have the authority to determine whether a Heritage Exemption shall be granted on annual assessments or supplemental assessments in accordance with the terms and conditions of this bylaw.

**CRITERIA FOR
HERITAGE
EXEMPTION**

- 5 (1) In order to qualify for a Heritage Exemption property classified as non-residential property must:
- (a) be located within the City of Edmonton;
 - (b) receive a Heritage Designation; and
 - (c) demonstrate that Eligible Capital Expenditures of at least \$100,000 will be spent in the revitalization of the property as part of the Heritage Designation process.
- (2) A Property shall not qualify for a Heritage Exemption when a Heritage Designation was placed on the property prior to this Bylaw coming into force.
- (3) A Property shall not qualify for a Heritage Exemption when the Heritage Designation was received more than 1 year prior to the application for the Heritage Exemption.
- (4) A Property shall not qualify for a Heritage Exemption unless the application is made prior to the expenditure of significant Capital Expenditures on the Property.

**INELIGIBLE
TAXPAYERS**

- 6 (1) A Property shall not qualify for any Heritage Exemption when:
- (a) the Taxpayer who owns the Property is in tax arrears on the Property;
 - (b) the Taxpayer who owns the Property is in bankruptcy or receivership;
 - (c) the Property is going through foreclosure;
 - (d) there are development compliance issues or safety code issues associated with the Property;
 - (e) there is a dispute about whether the Taxpayer is abiding by the terms of a grant or other form of financial assistance that has been received from the City; or
 - (f) the Taxpayer of the Property does not otherwise meet a requirement under this Bylaw, or the Act.

- (2) The City Manager may exercise discretion to refuse to have the City grant a Heritage Exemption when:
- (a) an entity related to the Taxpayer who owns the Property is in bankruptcy, or receivership;
 - (b) the Taxpayer owns any interest in another property that is going through foreclosure;
 - (c) an entity related to the Taxpayer who owns the Property owns any interest in another property going through foreclosure;
 - (d) the Property is the subject of some form of litigation;
 - (e) the Taxpayer who owns the Property is involved in litigation with the City; or
 - (f) in the sole discretion of the City Manager, there is any other reason to believe that the Heritage Exemption is not in the public interest.

10 year Term

7

A Property may qualify for a Heritage Exemption for up to 10 years, but in no case shall qualify for more than 10 years.

Change of Ownership

8

A change in ownership of the Property shall not affect a Heritage Exemption unless the new owner is an ineligible taxpayer under Section 6.

PART III - APPLICATION AND DECISION PROCESS

APPLICATION FOR HERITAGE EXEMPTION

9

- (1) A Taxpayer that meets the requirements of this Bylaw can apply for a Heritage Exemption by submitting any forms required by the City Manager.

- (2) Before processing the application the City may require the Taxpayer to provide any additional information required to make a determination under this Bylaw.
- (3) A Taxpayer that fails to apply for the Heritage Exemption by February 28, shall not qualify for the Heritage Exemption for that taxation year.

**DECISION ON
HERITAGE
EXEMPTION**

- 10 (1) After considering whether an application meets the terms of this Bylaw, the City Manager will issue a Decision to the Taxpayer outlining the following information:
 - (a) whether a Property qualifies for the Heritage Exemption and for how many years that this Decision will apply;
 - (b) any reason why the Property fails to qualify for the Heritage Exemption;
 - (c) the extent of any exemptions granted on the Property pursuant to the terms of this Bylaw; and
 - (d) any conditions, the breach of which will result in the loss of the exemption.
- (2) In issuing a Decision under subsection (1) the City Manager may set any condition required to ensure that the City is able to monitor whether the Property continues to meet the terms of this Bylaw throughout the taxation year, or to ensure that the calculation of the Heritage Exemption is accurate.
- (3) It shall be a deemed condition of all Decisions that Section 6(1) and 6(2) of this Bylaw be complied with on an ongoing basis.
- (4) It shall be a further deemed condition of all Decisions that a minimum of \$90,000.00 of the Eligible Capital Expenditures be spent on the Property within 3 years of receiving the Heritage Designation and a failure to meet this condition will end any exemption under this Bylaw.
- (5) When a condition is breached, a property no longer qualifies for an exemption under this Bylaw, or information becomes available that shows that the Property should not qualify for a Heritage Exemption under this Bylaw, the City Manager shall issue a Decision removing the exemption and provide an explanation why the exemption has been removed.

PART IV - CALCULATION AND APPLICATION OF THE EXEMPTION

**CALCULATION
OF THE
HERITAGE
EXEMPTION**

- 11 (1) The amount of taxes that shall be exempted each year throughout the term of the Heritage Exemption shall be the annual difference between the Heritage Tax Baseline and the total Municipal Taxes on any portion of the Property that is classified as non-residential under Section 297 of the Act, for each current taxation year, to a maximum of \$50,000 per year.
- (2) In no taxation year will more than \$50,000 in Municipal Taxes be exempted under this bylaw on a Property.
- 12 (1) Any Heritage Exemption calculated in accordance with section 11 shall only be applied to offset any Municipal Taxes on the Property.
- (2) No exemption shall be applied to exempt any education requisition, or any other requisition including the designated industrial property requisition.
- (3) For greater clarity, the Heritage Exemption shall only apply to a non-residential portion of the property and shall not impact any taxes on any residential portion of the Property.

**APPLICATION OF
THE HERITAGE
EXEMPTION**

- 13 (1) The exemption shall be applied to wholly or partially offset any Municipal Taxes on the Property in a taxation year.
- (2) An exemption shall no longer be applied once 10 years has expired from the date the exemption is approved.
- (3) An exemption may offset either an annual tax levy or a supplementary tax levy.

PART V - APPEAL TO CITY COUNCIL

**REQUEST TO
RECONSIDER**

- 14 (1) If a Taxpayer disagrees with any part of a Decision made by the City Manager, the Taxpayer may request that City Council reconsider that decision.

- (2) A request for reconsideration shall be made by submitting to the City Manager the following information:
 - (a) A copy of the Decision; and
 - (b) An explanation as to why the Taxpayer feels the Decision is in error.

- (3) A request by a Taxpayer under this Section must be made within 30 days of the date that a Decision is sent to the Taxpayer, and any request that is made late shall not be heard by City Council.

- 15 (1) In deciding whether a Property qualifies for a Heritage Exemption, City Council may consider any information provided to the City Manager, as well as any new information that has become available since the Decision of the City Manager.

- 16 (1) In accordance with Section 460(7) of the Act, complaints about a Decision may not be made to the assessment review board.

PART VI - COMING INTO FORCE

**COMING INTO
FORCE**

17

This Bylaw shall come into force on the day it is passed and signed.

Read a first time

Read a second time

Read a third time

SIGNED AND PASSED

THE CITY OF EDMONTON

MAYOR

CITY CLERK