

January 6, 2021

Sent via E-Mail: [Kathryn.Lockyer@peelregion.ca](mailto:Kathryn.Lockyer@peelregion.ca)

Kathryn Lockyer, Regional Clerk and Interim Commissioner of Corporate Services  
Region of Peel  
10 Peel Center Drive  
Brampton, ON L6T 4B9

Dear Ms. Lockyer,

**RE: TOWN OF CALEDON HERITAGE PROPERTY TAX REBATE PROGRAM**

I am writing to advise that at the Town Council meeting held on November 24, 2020, Council adopted a resolution regarding the implementation of a Heritage Property Tax Rebate Program for commercial and industrial assessed designated heritage properties in the Town of Caledon. The Town is requesting that the Region of Peel support the Heritage Property Tax Rebate Program being implemented by the Town of Caledon to provide a long-term tax incentive to promote heritage conservation and stewardship.

The resolution reads as follows:

*That a by-law under Section 365.2 of the Municipal Act, 2001 to implement a Heritage Property Tax Rebate Program in the Town of Caledon be passed;*

*That an unavoidable budget increase in the amount of \$50,000 be included in the 2021 Budget as the Town's cost of the Heritage Property Tax Rebate Program;*

*That the 2021 User Fee By-law include a fee of \$200.00 plus HST for the recovery of the legal fees required to facilitate this program;*

*That delegated authority be granted to the Manager, Policy, Heritage and Design to approve and execute the Easement agreements;*

*That the Designated Heritage Property Grant by-law be updated to allow for property owners to apply for either the Property Grant or the Tax Rebate program; and*

*That notice be provided to the Region of Peel and Minister of Finance upon passing of the Heritage Property Tax Rebate Program By-law and that support for the program be requested from the Region of Peel.*

A copy of Staff Report 2020-0299 has been included for your reference.

For more information regarding this request, please contact Hillary Bryers, Manager of Revenue / Deputy Treasurer for the Town of Caledon by email to [hillary.bryers@caledon.ca](mailto:hillary.bryers@caledon.ca) or by phone at 905.584.2272 ext. 4026.

Thank you for your attention to this matter. We look forward to hearing from you.

Sincerely,



Laura Hall, Director, Corporate Services / Town Clerk

REFERRAL TO Finance  
RECOMMENDED \_\_\_\_\_  
DIRECTION REQUIRED \_\_\_\_\_  
RECEIPT RECOMMENDED \_\_\_\_\_

Cc: Hillary Bryers, Manager of Revenue / Deputy Treasurer, Town of Caledon, [hillary.bryers@caledon.ca](mailto:hillary.bryers@caledon.ca)

## Staff Report 2020-0299

---

Meeting Date: November 9, 2020

Subject: Heritage Property Tax Rebate Program

Submitted By: Hillary Bryers, Deputy Treasurer / Manager, Revenue, Finance  
Sally Drummond, Heritage Resource Officer, Policy, Heritage and Design Services

---

### RECOMMENDATION

That a by-law under Section 365.2 of the *Municipal Act, 2001* to implement a Heritage Property Tax Rebate Program in the Town of Caledon be passed;

That an unavoidable budget increase in the amount of \$50,000 be included in the 2021 Budget as the Town's cost of the Heritage Property Tax Rebate Program;

That the 2021 User Fee By-law include a fee of \$200.00 plus HST for the recovery of the legal fees required to facilitate this program;

That delegated authority be granted to the Manager, Policy, Heritage and Design to approve and execute the Easement agreements;

That the Designated Heritage Property Grant by-law be updated to allow for property owners to apply for either the Property Grant or the Tax Rebate program; and

That notice be provided to the Region of Peel and Minister of Finance upon passing of the Heritage Property Tax Rebate Program By-law and that support for the program be requested from the Region of Peel.

### REPORT HIGHLIGHTS

- Section 365.2 of the *Municipal Act, 2001* allows municipalities to create a relief program to provide support to property owners of properties designated under Part IV or Part V of the Ontario Heritage Act.
- A heritage tax rebate program is being proposed for owners of commercial and industrial assessed designated heritage properties in the Town of Caledon.
- The rebate amount will be 40% of the eligible Town and Education portions of the property tax bill. The Province will share in the cost of the program by supporting the rebate of the Education portion of the property tax bill.
- This rebate will be paid annually upon application to the Town from the property owner.
- The initial application will require a Heritage Easement Agreement to be entered into by the property owner and registered on the title to the eligible property. A fee will be payable by the owner to cover the cost of registering this agreement.
- There are currently 42 designated heritage properties in Caledon that may be eligible for support through this program. The estimated cost to the Town of this program is \$50,000, which could generate rebates of \$150,000 including Provincial support for the Education portion of the property tax bill.



- Property owners will have the choice of applying for either the Designated Heritage Property Grant program (currently offered) or the new Heritage Tax Rebate Program.

## **DISCUSSION**

### Background

Further to Staff Report DP-2015-104 “Village of Bolton Heritage Conservation District”, the Village of Bolton Heritage Conservation District, established by By-law 2016-006 (as amended by Ontario Municipal Board order, March 5, 2018), Council directed staff to report back regarding the viability of establishing a Heritage Tax Refund program to support owners of designated heritage properties with tax relief. Many of the contributing properties located within the Bolton Heritage Conservation District are used for commercial purposes and would be eligible to apply for the tax rebate program proposed in this report.

### Previous Heritage Rebate Program

In 2006, the Town piloted a heritage property tax refund program for designated heritage properties in the commercial and industrial tax classes. This pilot program allowed for up to ten properties to receive refunds for a two-year period of 40% of the Town and Education portion of the property tax bill. The program was ultimately not renewed by the Town as there was only one successful applicant to the program from two applications received. Subsequent to this, additional properties within the commercial and industrial tax classes in Caledon have received heritage designations, including those within the Bolton Heritage Conservation District, which has increased the pool of eligible applicants and the need for supporting the preservation of these properties in Caledon.

### Heritage Property Tax Relief Program

Heritage property tax relief programs are financial tools for municipalities to help owners of designated heritage properties maintain and restore their properties for the benefit of the entire community. Such programs are legislated under Section 365.2 of the *Municipal Act, 2001*, which, along with the Province’s Handbook for heritage tax relief programs, provide the requirements for a municipality to make available a Heritage Tax Rebate Program.

The program is administered by the lower tier municipality, which has the option of providing tax relief of between 10 and 40 per cent to owners of eligible heritage properties. Municipalities must pass a by-law to adopt the program.



Goal of the Program

The goal of the program is to provide for a long-term tax incentive to promote heritage conservation and stewardship. This program will be subject to annual budget approval by Council. Well-maintained heritage properties enrich our communities by giving them unique character and a sense of place. A tax rebate program can assist eligible property owners with making regular investments in the ongoing conservation of their heritage properties and encourages owners to be stewards of their heritage properties, so that our built heritage is protected for future generations. Such a financial incentive program can help revitalize historic village centres and attract residents, businesses and visitors to the community. This program may have greater demand in current times due to the ongoing COVID-19 pandemic and its impact on local small businesses.

Under the program, a portion of the tax rebate is funded by the Province for the education portion of the property taxes. The Province shares in the cost once the Town passes its by-law. Participation from the Region of Peel through granting a rebate of its portion of the property tax bill is optional and would require the Region to pass its own by-law to participate in the program. At this time, it is anticipated that the tax rebate program offered by the Town will be for the Town and Education portions of the property tax bill only and a request will be made to the Region of Peel for their support of the program.

How will the Program work in Caledon

The Town of Caledon is proposing to introduce a 40% tax rebate program for eligible commercial and industrial designated heritage properties. This rebate will be for the Town and Education portion of the tax bills and will be payable annually upon application by eligible property owners. There are currently 42 potentially eligible properties in Caledon that are either assessed as commercial or industrial and are designated heritage properties. Thirty of these properties are in the Bolton Heritage Conservation District, while the other 12 individually designated heritage properties are located throughout Caledon. The estimated cost to the Town of this program is \$50,000, which could generate rebates of \$150,000 including Provincial support for the Education portion of the property tax bill. Currently, there are 297 designated heritage properties in Caledon. At this time, the cost of administering a heritage tax rebate program for designated heritage properties in all tax classes is prohibitive; analysis of the tax rebate indicates the program would best benefit properties in the commercial and industrial tax classes properties only. The Town's Designated Heritage Property Grant program, established by by-law in 2006, continues to provide financial assistance to designated heritage properties in the residential tax class. Property owners in the commercial and industrial tax classes will have the option of participating in either program. They will be given the choice of which program best supports their needs but will only be eligible for either the grant or the rebate; they cannot receive funds in the same year under both programs offered by the Town.



Eligibility

To be eligible for a Heritage Tax Rebate program under Section 365.2 of the *Municipal Act, 2001* and the related Provincial requirements, a property must contain a building, structure or portion of a building or structure that is:

- Designated under Part IV of the *Ontario Heritage Act* or part of a heritage conservation district designated under Part V of the Act; and
- Subject to a heritage easement agreement for the property.

A heritage easement agreement is a voluntary legal agreement between the Town and an owner to protect the heritage features of a property and to encourage good stewardship of the property. As a voluntary agreement, it recognizes the intention of both the property owner and the Town to protect the heritage character of the property. To be eligible for a rebate through the Town of a portion of the Town and Education property taxes, a property owner will need to enter into such an agreement with the Town and have this agreement registered on title to the property. The fee for the Town to register this agreement on the title of the property is \$200.00 and will be deducted from the first rebate paid for a property. If the property owner and the Town agree to remove a registered easement from the title of a property, the owner shall pay a fee in accordance with the use fee by-law to cover the costs of removing this easement from title.

Heritage Easement Agreements, under the *Ontario Heritage Act*, are binding on future owners of the heritage property. These agreements ensure protection of the heritage property, as every new owner must conserve the property to the same extent.

A heritage easement agreement is required because, under the Ontario Heritage Act, municipal designation alone does not oblige owners to hold insurance and maintain their properties on an ongoing basis. As the purpose of the tax rebate program is to offer an incentive for heritage property conservation, the rebate will only be made available to those owners who are willing to make a long-term commitment to conserving their heritage properties.

Each easement agreement will specify the heritage attributes of the property that are to be maintained and include photographs of them. The agreement will require that property owners maintain the property in good condition and have adequate property insurance on their property. In addition, the agreement will give the Town the ability to inspect each property periodically to ensure compliance with the agreement and will lay out requirements should the owner be found in default.

To be eligible, property owners must not have any outstanding municipal fines, work orders or contraventions, or any other outstanding municipal obligations. If the account has outstanding property taxes, the rebate will be paid against the outstanding property tax amount first with any excess amount eligible for refund by cheque.



Applications to the program must be made annually and must be accompanied by updated photos of the heritage attributes. However, the easement agreement is a one-time process for the first year of enrollment in the program.

The Town's heritage tax rebate program will only apply to commercial and industrial properties, as assessed by the Municipal Property Assessment Corporation (MPAC). MPAC will determine the portion of a property's assessment that is attributable to the heritage portion of the property. Where a property is in mixed property tax classes, for example has both a residential and commercial assessment, the rebate will only be paid for the commercial part of the property's assessment. Where there is a commercially assessed portion of the property that is non-heritage, only the assessment for the heritage portion of the property will be used in calculating the rebate. If the assessment of a property subsequently changes due to an Assessment or Tax Appeal, the heritage tax rebate shall be recalculated and adjusted according to the new assessment of the property.

If the program is successful, the Town can review expanding it to other property tax classes in the future.

#### Proposed Rebate

The rebate being proposed is 40% of the Town and Education portion of the tax bill, which is the maximum rebate allowed under the Municipal Act for a Heritage Rebate program. For example, if a property currently pays \$1000 for the Town portion of the tax bill, \$1000 for the Region's portion of the tax bill and \$2000 for the Education portion of the tax bill, the property owner will receive a rebate of \$1200 (\$400 for 40% of the Town's portion of the bill and \$800 for 40% of the Education portion of the bill). The average rebate for the Town's program is estimated at \$3200 per eligible property.

The rebate will be made annually. Application forms for eligible properties will be made available in Spring each year for a return to the Town for processing over the summer and fall each year. Applications will be encouraged by September 15<sup>th</sup> each year so that rebates can be made expeditiously. The legislated deadline for rebates is the last day of February of the year following which the application is made (e.g. February 28, 2022 for 2021 applications). Rebates will be made prior to December 15<sup>th</sup> each year and will be made by cheque if there are no subsequent property tax installments owing at the time the rebate is processed. The first application for a property will require a heritage easement agreement and documentation of the heritage portions of the property.



Notice

Once the Town passes a by-law to adopt the heritage property tax relief program we must provide a copy of the By-law to the Region of Peel. It is up to the Region of Peel whether it decides to provide similar relief based on its portion of the tax revenues.

Within 30 days after the by-law is passed, Caledon must provide a copy of the by-law to the Minister of Finance. In addition, municipalities are encouraged to send a copy of their by-law to the Heritage and Libraries Branch of the Ministry of Heritage, Sports Tourism and Culture Industries. The Ministry documents the heritage tax rebate programs offered across the Province.

**FINANCIAL IMPLICATIONS**

If the Town implements a Heritage Tax Rebate Program, it is estimated that the program costs will be \$50,000 based on the current number of properties eligible for enrollment in the program. This will be included as an unavoidable budget increase for the 2021 budget under Community Services (account # 01-02-405-44070-365-62552 heritage tax rebate) to be supported by the Town's general tax levy. There are currently 42 properties that may be eligible for this program. Staff will review the budget annually to ensure its efficiency and will report back to Council through the annual budget process if additional funds or changes to the program are needed. Council can also choose to provide less than \$50,000 in budget to support this program. In this case, the by-law will allow for applications for rebates to be accepted in the order they are received, up to the budgeted amount provided by Council.

If passed, the Province will support the Education portion of the tax bill by matching a 40% rebate of the Education taxes.

To facilitate the registration of easement agreements required for this program, the 2021 User Fee By-law will include a fee of \$200.00 plus HST for the recovery of the legal fees required.

The actual amount of each rebate will be determined by the amount of taxes levied on the property, which are applicable to the building or structure that is the eligible heritage property and the lands used in connection with the eligible property (that being the portion of the total taxes that pertain to the heritage elements covered in the Heritage Easement Agreement). This calculation may require the service of the Municipal Property Assessment Corporation (MPAC) to determine the applicable assessment.

**COUNCIL WORK PLAN**

**Sustainable Growth** - Bolton downtown revitalization

**Connected Community** - Preserve heritage and natural areas



**ATTACHMENTS**

Schedule A: Proposed Easement Agreement

Schedule B: Proposed Heritage Tax Rebate Program By-law



**HERITAGE EASEMENT AGREEMENT**

**THIS AGREEMENT** dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_.

**B E T W E E N:**

[Full name of registered owner as shown on transfer/deed]

(the “**Owner**”)

OF THE FIRST PART,

- and -

**THE CORPORATION OF THE TOWN OF CALEDON**

(the “**Town**”)

OF THE SECOND PART.

**WHEREAS:**

1. The Owner is the registered owner of certain lands and premises situated in the Town of Caledon, in the Regional Municipality of Peel, municipally known as [Municipal address], and more particularly described in Schedule “A” attached hereto (the “**Property**”).
2. There is a heritage building (the "Heritage Resource[s]") on the Property that have been designated under Part IV [or Part V] of the *Ontario Heritage Act, R.S.O. 1990, a 0.18* (the "Act") as being of cultural heritage value and interest
3. By clause 37 (1) of the Ontario Heritage Act, R.S.O. 1990, c.O.18 as amended (herein the “**Act**”), the Town is entitled to enter into agreements, easements and covenants with owners of real property, or interests therein, for the conservation of property of cultural heritage value or interest.
4. By sections 37 (3) and (4) of the Act, any covenants and easements entered into by the Town, when registered in the proper land registry office against the real property affected by them, shall run with the real property and may, whether positive or negative in nature, be enforced by the Town against the owner or any subsequent owners of the real property, even where the Town owns no other land which would be accommodated or benefited by such covenants and easements.
5. The Owner and the Town recognize the heritage significance, character and attributes of the Property as set out in the bylaw designating the Property to be of cultural heritage value or interest (the “Heritage Attributes”) which Heritage Attributes are

described in Schedule “B” attached hereto.

6. The Owner and the Town have the common purpose of preserving the heritage character of the Property through the protection and conservation of its Heritage Attributes.

7. To this end, the Owner and the Town desire to enter into this easement agreement (the “**Agreement**”).

**THE PARTIES AGREE** that in consideration of the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by the Town to the Owner (the receipt of which is hereby acknowledged), and for other valuable consideration, and in further consideration of the granting of the easements herein and in further consideration of the mutual covenants and restrictions hereinafter set forth, the Owner and the Town agree to abide by the following covenants, easements and restrictions which shall run with the Property forever.

## **SECTION 1.0 - PURPOSE**

1.1 It is the purpose of this Agreement (herein the “**Purpose**”) to ensure that the heritage character of the Property will be preserved in perpetuity as part of the heritage of Ontario. To achieve this purpose, the Owner and the Town agree that the Heritage Attributes will be retained, maintained and conserved by the Owner through the application of recognized heritage conservation principles and practices and that no change shall be made to the Heritage Attributes that will adversely affect the heritage character of the Property as set out in the Heritage Character Statement.

1.2 Any reference in this Agreement to the Property includes the Building.

## **SECTION 2.0 - HERITAGE CHARACTER**

### **2.1 Statement of Cultural Heritage Value**

The Owner and the Town agree that the Statement of Cultural Heritage Value, as outlined in By-law xxxx-xx, explains the heritage significance and character of the Property and that the description of Heritage Attributes comprise the features of the Property that are to be conserved under this Agreement in order to preserve and protect the heritage significance and character of the Property.

### **2.2 Baseline Documentation Report**

The Owner and the Town agree that the photographs, plans, sketches and text comprising the Baseline Documentation Report (or By-law xxxx-xx ) the originals or facsimiles of which are on file and may be examined at the head office of the Town and at the Archives of Ontario, accurately depict and describe the appearance, condition and

construction of the Building and its surrounding grounds (including the Heritage Attributes) as of the date of this Agreement. The Baseline Documentation Report (or By-law xxxx-xx) shall be referred to where applicable in determining the respective responsibilities and duties of the Owner and the Town under this Agreement.

[or]

The Town may complete a report depicting and describing the appearance, condition and construction of the Building and its surrounding grounds (including the Heritage Attributes) through photographs, plans, sketches and/or text (the “**Baseline Documentation Report**”). When the Baseline Documentation Report has been completed the Owner agrees to execute an acknowledgment in the Baseline Documentation Report to confirm that it constitutes an accurate depiction and description of the then current appearance, condition and construction of the Building and its surrounding grounds (including the Heritage Attributes). When signed by both the Owner and the Town a completed and signed copy of the Baseline Documentation Report shall be given by the Town to the Owner, an original signed copy will be filed at and may be examined at the head office of the Ontario Heritage Town and an original signed copy will be filed with the Archives of Ontario. When completed and signed by the parties, the Baseline Documentation Report shall be referred to where applicable in determining the respective responsibilities and duties of the Owner and the Town under this Agreement.

## **SECTION 3.0 - DUTIES OF OWNER**

### **3.1 Maintenance**

The Owner shall at all times and, subject to compliance with the requirements of section 3.2 of the Agreement maintain the Building in as good and sound a state of repair as a prudent owner would normally do, so that no deterioration in the present condition and appearance of the Heritage Attributes shall take place except for reasonable wear and tear. The Owner’s obligation to maintain the Building shall require that the Owner undertake such preventative maintenance, repair, stabilization and replacement whenever necessary to preserve the Building in substantially the same physical condition and state of repair as that existing on the date of this Agreement and to take all reasonable measures to secure and protect the Building from vandalism, fire and damage from inclement weather.

### **3.2 Alterations**

The Owner shall not, without the issuance of a Heritage Permit from the Town, undertake or permit any Building demolition, construction, reconstruction, renovation, restoration,

alteration, remodeling, or any other thing or act which would materially affect the condition, appearance or construction of the Heritage Attributes. The Owner may, without the prior written approval of the Town, undertake or permit the repair or refinishing of the Building where damage has resulted from casualty, loss, deterioration or wear and tear, provided that such repair or refinishing is not performed in a manner which would materially affect the condition, appearance or construction of the Heritage Attributes and the Heritage Conservation Principles and Practices are applied where applicable.

### **3.3            Emergencies**

Notwithstanding the provisions of section 3.2, the Owner may undertake such temporary measures in respect of the Building as are reasonably necessary to deal with an emergency situation which puts the security or integrity of the Building at risk of damage or occupants of the Building at risk of harm provided that such measures are:

- (a) in keeping with the purpose of this Agreement;
- (b) consistent with the conservation of the Heritage Attributes;
- (c) in compliance with the requirements of the Building Code Act 1992, S.O. 1992, c.23 as amended or re-enacted from time to time; and
- (d) where time permits, the Town is consulted before any such measures are undertaken.

In any case, the Owner shall advise the Town forthwith when it undertakes temporary measures in respect of the Building in an emergency situation.

### **3.4            Prohibited Activities**

The Owner shall not in respect of the Property, except with the prior written approval of the Town:

- (a) allow the planting of trees, shrubs or other vegetation which would have the effect of
  - (i) reducing the aesthetics of the Building or the Property, or
  - (ii) causing any damage.

## **SECTION 4.0 - OWNER'S RESERVED RIGHTS**

**4.1**            The Owner expressly reserves for itself the right to use the Property and carry out such activities as are not inconsistent with the Purpose of this Agreement and which do not materially adversely affect, directly or indirectly, the Heritage Attributes.

## **SECTION 5.0 - APPROVALS**

### **5.1 Information To Be Provided**

In requesting any approval under this Agreement the Owner shall at its expense provide to the Town such information in such detail as the Town may reasonably require in order to consider and assess the Owner's request (the "**Information**") including without limitation the following:

- (a) plans, specifications and designs for any proposed work;
- (b) materials samples.

### **5.2 Matters To Be Considered**

Where any request for approval required under this Agreement is submitted to the Town, the determination of the Town may be based upon choice of materials, architectural design, historical authenticity, or any other grounds, not limited to purely aesthetic or historical grounds, but the Town's approval shall not be unreasonably withheld, unless otherwise specifically provided for in this Agreement. In considering any request for approval the Town shall be guided by and apply the Heritage Conservation Principles and Practices. In giving its approval, the Town may specify such conditions of approval as the Town considers necessary or appropriate in the circumstances to ensure the conservation of the Heritage Attributes.

### **5.3 Deemed Approval**

Provided that the Owner has first complied with the requirements of section 5.1 to the satisfaction of the Town, any approval required to be obtained from the Town under this Agreement shall be deemed to have been given upon the failure of the Town to respond in writing to a written request for it within sixty (60) days of receiving such request and all of the Information requested by the Town at its address as set out in section 10.1 of this Agreement

### **5.4 Conditions of Approval**

If the approval of the Town is given or deemed to have been given under this Agreement the Owner, in undertaking or permitting the construction, alteration, remodeling, or other thing or act so approved of or deemed to be approved of, shall comply with all of the conditions of approval specified by the Town in its approval including the use of materials and methods specified by the Town in its approval.

## **5.5 Where Owner is in Default**

In the event that the Owner is in default of any of its obligations under this Agreement and, pursuant to section 9.1, the Town has notified the Owner of such default, then the Town may refuse to consider any request for approval submitted by the Owner whether requested before or after such notice of default has been given to the Owner and the deemed approval provisions of section 6.3 shall not apply so long as the Owner is in default.

## **SECTION 6.0 - INDEMNITY AND INSURANCE**

### **6.1 Indemnity**

The Owner shall hold the Town and its employees, officers, agents, contractors and representatives harmless against and from any and all liabilities, suits, actions, proceedings, claims, causes, damages, judgments or costs whatsoever (including all costs of defending such claims) arising out of, incidental to, or in connection with any injury or damage to person or property of every nature and kind (including death resulting therefrom), occasioned by any act or omission of the Owner related to this Agreement, save and except for any such liabilities and claims for or in respect of any act, deed, matter or thing made or done by the Town and its employees, officers, agents, contractors and representatives pursuant to sections 7.4, 8.1 and 9.2 of this Agreement.

### **6.2 Insurance**

**6.2.1** The Owner shall deliver to the Town upon the execution of this Agreement a certificate or certificates of the Insurance in a form and with limits satisfactory to the Town, and thereafter evidence satisfactory to the Town of the renewal of the Insurance shall be delivered to the Town at least fifteen (15) clear days before the termination thereof.

**6.2.2** If the Owner fails to obtain the Insurance or if the Insurance is cancelled, the Town may effect such Insurance and the premium and any other amount paid in so doing shall forthwith be paid by the Owner to the Town, or if not, shall be a debt owing to the Town and recoverable from the Owner by action in a court of law.

**6.2.3** All proceeds receivable by the Owner under the Property Insurance shall, on the written demand and in accordance with the requirements of the Town, be applied to replacement, rebuilding, restoration or repair of the Building to the fullest extent possible having regard to the particular nature of the Building and the cost of such work. The Owner's financial liability to replace, rebuild, restore or repair the Building if it has

been damaged or destroyed shall not exceed the proceeds receivable by the Owner under the Property Insurance. In the event that the Property Insurance proceeds receivable by the Owner are insufficient to effect a partial or complete restoration of the Building, the Town shall have the privilege, but not the obligation, of contributing additional monies towards the replacement, rebuilding, restoration, or repair costs in order to effect a partial or complete restoration of the Heritage Attributes provided that the Town shall notify the Owner of the Town's intention to do so within thirty (30) days after receiving from the Owner:

- (a) the written request for permission to demolish referred to in Section 7.0; or
- (b) the Heritage Permit and all plans and specification for the replacement, rebuilding, restoration or repair of the Heritage Elements;

as the case may be.

## **7.0 BUILDING DEMOLITION OR REBUILDING**

### **7.1 Notice of Damage Or Destruction**

In the event of any significant damage to or destruction of the Building the Owner shall notify the Town in writing of such damage or destruction to the Building within ten (10) clear days of such damage or destruction occurring.

### **7.2 Approval to Demolish**

If in the opinion of the Owner the replacement, rebuilding, restoration or repair of the Building which has been damaged or destroyed is impractical because of the financial costs involved or because of the particular nature of the Building, the Owner shall, in writing within forty (40) days of the giving of the notice under section 7.1, request the Town's approval to demolish the Building. In the event that the Town approves or is deemed to approve the demolition of the Building, the Owner shall be entitled to retain any insurance proceeds payable to it as a result of the damage to or destruction of the Building and to demolish the Building.

### **7.3 Rebuilding By Owner**

In the event that either the Owner does not request or the Town does not, acting reasonably, give the approval referred to in section 7.2, the Owner shall replace, rebuild, restore or repair the Building to the limit of any proceeds receivable under the Insurance on the Building and of any additional monies contributed by the Town towards the replacement, rebuilding, restoration or repair of the Building to effect a partial or complete restoration of the Heritage Attributes (in this section 7.0, the "**Work**"). Before the

commencement of the Work, the Owner shall submit all plans, designs and specifications for the Work for its written approval within one hundred and thirty-five (135) days of the damage or destruction occurring to the Building. The Owner shall not commence or cause the Work to be commenced before receiving the written approval of the Town of the plans, designs and specifications for the Work and the Work shall be performed in accordance with the approved plans, designs and specifications and upon such terms and conditions as the Town may stipulate. The Owner shall cause the Work to be commenced within thirty (30) days of its approval by the Town and to be completed within nine (9) months of commencement, or as soon as possible thereafter if factors beyond its control or the scope of the Work prevent completion within nine (9) months.

#### **7.4            Reconstruction By Town**

**7.4.1**            In the event that the Owner does not submit a request to demolish the Building or the request to demolish is refused by the Town and the Owner subsequently fails to submit plans, drawings and specifications for the Work within the period stipulated in section 7.3 which are acceptable to the Town then the Town may at its option prepare its own plans, drawings and specifications for the Work (herein the **“Town’s Plans”**) and shall deliver a set of the Town’s Plans to the Owner. The Owner shall have thirty (30) days from receiving the Town’s Plans to notify the Town in writing that it intends to undertake the Work in accordance with the Town’s Plans. If the Owner does not so notify the Town within the said thirty (30) days, the Town may (but shall not be obligated to) undertake the Work up to the value of any insurance proceeds receivable by the Owner in respect of the Building and of any additional amount that the Town is prepared to contribute to effect a partial or complete restoration of the Heritage Attributes. The Owner shall reimburse the Town for any expenses incurred by the Town in undertaking the Work, including any professional or consulting costs reasonably incurred in connection with the Work to an amount not to exceed any insurance proceeds receivable by the Owner in respect of the damage to or destruction of the Building.

**7.4.2**            The Owner grants to the Town the right and licence to enter and occupy the Property and the Building or such part or parts thereof that the Town acting reasonably considers necessary or convenient for the Town and its forces to undertake and complete the Work (herein the **“Licence”**). The Licence shall be exercisable by the Town on the commencement of any Work undertaken by the Town and shall terminate



when such Work has been completed.

**7.4.3** In the event that the Town does not submit to the Owner the Town's Plans or does not proceed with the Work within sixty (60) days after it becomes so entitled, except where it prevented from so doing by any act or omission of the Owner or any tenant or agent of the Owner, or by any other factors beyond its control, the Town's right to undertake the Work shall automatically terminate and the Owner shall be entitled to retain any insurance proceeds in respect of the damage to or destruction of the Building.

## **SECTION 8.0 - INSPECTION AND PUBLIC VIEWING**

### **8.1 Inspection**

The Town or its representatives shall be permitted at all reasonable times during normal business hours to enter upon and inspect the Property and the Building upon giving at least twenty-four (24) hours prior written notice to the Owner.

## **SECTION 9.0 - REMEDIES OF TOWN**

### **9.1 Notice of Default**

If the Town, in its sole discretion, is of the opinion that the Owner has neglected or refused to perform any of its duties or obligations set out in this Agreement, the Town may, in addition to any of its other legal or equitable remedies, give the Owner written notice setting out particulars of the Owner's default and the actions required to remedy the default. The Owner shall have thirty (30) days from receipt of such notice to remedy the default in the manner specified by the Town or to make other arrangements satisfactory to the Town for remedying the default within such period of time as the Town may specify.

### **9.2 Town May Rectify Default**

If the Owner has not remedied the default or made other arrangements satisfactory to the Town for remedying the default within the time specified in section 9.1, or if the Owner does not carry out the arrangements to remedy the default within the period of time specified by the Town, the Town may enter upon the Property and may carry out the Owner's obligations and the Owner shall reimburse the Town for any expenses incurred thereby. Such expenses incurred by the Town shall, until paid to it by the Owner, be a debt owed by the Owner to the Town and recoverable by the Town by action in a court of law. The provisions of subsection 7.4.2 shall apply with all necessary changes required by the context to any entry by the Town onto the Property to remedy the default.

**SECTION 10.0 - NOTICE**

**10.1** Any notices to be given or required under this Agreement shall be in writing and sent by personal delivery, facsimile transmission (“**Fax**”), or by ordinary prepaid mail to the following addresses:

<b>THE OWNER</b>	<b>THE TOWN</b>
[Name]	The Corporation of the Town of Caledon
[Postal Address]	6311 Old Church Road
	Caledon ON L7C 1J6
[Contact Name (if corporate owner)]	Attention:
[Fax Number (if available)]	<i>Fax:</i>

The parties may designate in writing to each other a change of address at any time. Notice by mail shall be deemed to have been received on the fourth (4<sup>th</sup>) business day after the date of mailing, and notice by personal delivery or Fax shall be deemed to have been received at the time of the delivery or transmission. In the event of an interruption in postal service, notice shall be given by personal delivery or Fax.

**SECTION 11.0 - PLAQUE AND PUBLICITY**

**11.1** The Owner agrees to allow the Town, at its expense, to erect a plaque on the Building or the Property, in a tasteful manner and in such location as the Town may determine, acting reasonably, indicating that the Town holds a heritage conservation agreement on the Property. The Owner also agrees to allow the Town to publicize the existence of the Agreement and the Heritage Attributes in its publications, educational materials and research databases.

**SECTION 12.0 - GENERAL**

**12.1      Waiver**

The failure of the Town at any time to require performance by the Owner of any obligation under this Agreement shall in no way affect its right thereafter to enforce such obligation, nor shall the waiver by the Town of the performance of any obligation hereunder be taken or be held to be a waiver of the performance of the same or any other obligation hereunder at any later time. Any waiver must be in writing and signed by the Town.

**12.2      Extension of Time**

Time shall be of the essence of this Agreement. Any time limits specified in this Agreement may be extended with the consent in writing of the Town, but no such

extension of time shall operate or be deemed to operate as an extension of any other time limit, and time shall be deemed to remain of the essence of this Agreement notwithstanding any extension of any time limit. Any extension must be in writing and signed by the Town.

#### **12.3      Severability of Covenants**

All covenants, easements and restrictions contained in this Agreement shall be severable, and should any covenant, easement or restriction in this Agreement be declared invalid or unenforceable, the validity and enforceability of the remaining covenants, easements and restrictions shall not be affected.

#### **12.4      Costs**

In the event that a dispute arises between the parties hereto because of this Agreement, each party shall be responsible for its own legal fees, court costs and all other similar expenses that may result from any such dispute except where costs are awarded by a court or a tribunal.

#### **12.5      Entirety**

This Agreement embodies the entire agreement of the parties with regard to the matters dealt with herein, and no understandings or agreements, verbal, collateral or otherwise, exist between the parties except as herein expressly set out.

#### **12.6      Subsequent Instruments**

Notice of this Agreement shall be inserted by the Owner in any subsequent deed, lease or other legal instrument by which it transfers either the fee simple title to or its possessory interest in the whole or any part of the Property or the Building provided that such notice shall not be required where the Owner in leasing and licensing premises in the Building retains responsibility for the alteration of any Heritage Attributes forming part of the licensed or leased premises and the tenant or licensee has no authority to alter such Heritage Attributes.

#### **12.7      Notification of Transfer of Title or Possession**

The Owner shall immediately notify the Town in the event that it transfers either the fee simple title to or its possessory interest in the whole or any part of the Property or the Building, provided that such notice shall not be required where the Owner, in leasing and licensing premises in the Building, retains responsibility for the alteration of any Heritage Attributes forming part of the licensed or leased premises, and the tenant or licensee has no authority to alter such Heritage Attributes.

**12.8        Agreement to Run With The Property**

This Agreement shall be registered on title to the Property by the Town, and the covenants, easements and restrictions set out herein shall run with the Property and enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, personal representatives, successors and assigns, as the case may be.

**12.9        Priority and Postponement**

The Owner shall, at its expense, obtain and register any postponement agreements or other agreements that the Town may require to ensure that this Agreement shall be a first encumbrance on title to the Property in priority to all mortgages, charges, leases and other encumbrances or agreements affecting the Property.

**12.10       Assignment**

The Town may assign all of its interest in this Agreement to any person in accordance with section 22(3) of the Act. The Town shall not be liable to the Owner for any breach or default in the obligations owed to the Owner under this Agreement committed after notice of the assignment of this Agreement has been given to the Owner.

**12.11       Owner Not Liable**

No person who is an Owner shall be liable to the Town for any breach of or default in the obligations of the Owner owed to the Town under this Agreement committed after the registration of a transfer by such person of that person's entire interest in the Property to another person, provided that the Owner has delivered to the Town notice of such transfer and an acknowledgement and assumption executed by the new registered owner, acknowledging the priority of this Agreement and the interest of the Town, and assuming the obligations of the Owner under this Agreement.

**12.12       Gender, Number And Joint And Several**

Words importing the masculine gender include the feminine or neutral gender and words in the singular include the plural, and vice versa. Whenever the Owner comprises more than one person, the Owner's obligations in this Agreement shall be joint and several.

**12.13       Headings**

The headings in the body of this Agreement form no part of the Agreement

but are inserted for convenience of reference.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement  
effective as of the date first written above.

**SIGNED, SEALED AND DELIVERED )**

)  
)  
)  
) **Per:** \_\_\_\_\_  
) **Name:** \_\_\_\_\_  
)  
)  
) **Per:** \_\_\_\_\_  
) **Name:** \_\_\_\_\_  
)  
)  
)  
) **THE CORPORATION OF THE TOWN OF CALEDON**  
)  
)  
) \_\_\_\_\_  
) **Mayor**  
)  
)  
) \_\_\_\_\_  
) **Town Clerk**  
) *We have the authority to bind the Town.*  
)  
)  
)  
) **[If Owner is a corporation]**  
) **[LEGAL CORPORATE NAME]**  
)  
)  
) **Per:** \_\_\_\_\_  
) **Name:** \_\_\_\_\_  
) **Title:** \_\_\_\_\_  
)  
) **Per:** \_\_\_\_\_  
) **Name:** \_\_\_\_\_  
) **Title:** \_\_\_\_\_  
)  
) **I / We have the authority to bind the Corporation.**

**SIGNED, SEALED AND DELIVERED**     *(If Owner is an individual/s)*  
in the presence of:

Witness: (Please sign on line and print name here)  
\_\_\_\_\_

Witness: (Please sign on line and print name here)  
\_\_\_\_\_

Spousal Consent

[pursuant to the *Family Law Act (Ontario)*]

I, \_\_\_\_\_, the spouse of the Owner, hereby consent to this Agreement and the easements and covenants provided for herein.  
**SIGNED, SEALED AND DELIVERED** in the presence of:

Witness: I, \_\_\_\_\_, the spouse of the Owner

DRAFT

**SCHEDULE “A”**

**DESCRIPTION OF THE PROPERTY**

Complete legal description (including PIN if available)

DRAFT

**SCHEDULE “B”**

**HERITAGE CHARACTER STATEMENT AND HERITAGE  
ATTRIBUTES**

**1. Heritage Character Statement**

To be completed

**2. Heritage character defining features (Heritage Attributes)**

To be completed

DRAFT



## Schedule B to Staff Report 2020-0299

WHEREAS the Council of the Corporation of the Town of Caledon can, under Section 365.2 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, pass a by-law establishing a program to provide heritage tax rebates in respect of eligible heritage properties;

AND WHEREAS the Council of the Corporation of the Town of Caledon deems it advisable and in the public interest to provide financial assistance on the terms set out in this By-law as an incentive to encourage property owners to conserve, protect and restore eligible heritage properties in the Town of Caledon;

NOW THEREFORE the Council of the Corporation of the Town of Caledon enacts as follows:

1. In this By-law:

“Contravention” means an offence under a municipal by-law, Act or regulation for which enforcement proceedings have been commenced that relates specifically to the building or land for which a Heritage Tax Rebate is sought or given;

“Council” shall mean the Council of the Corporation of the Town of Caledon;

“Eligible Heritage Property” means lands or buildings or a portion thereof that is,

- (i) Located in the Town of Caledon
- (ii) Designated under Part IV of the *Ontario Heritage Act* or is part of a heritage conservation district under Part V of the *Ontario Heritage Act*; and
- (iii) Subject to a heritage easement agreement with the Town under section 22 or 37 of the *Ontario Heritage Act*
- (iv) In a commercial property tax class or industrial property tax class under the *Assessment Act*

and that complies with the additional eligibility criteria set out in this By-law;

“Heritage Property Tax Rebate Program” means a financial assistance program adopted by the municipality to help owners of heritage properties maintain and restore their properties for the benefit of the entire community by providing tax relief to owners of eligible heritage properties;

“Heritage Tax Rebate” means the amount of property tax rebate in respect of an Eligible Heritage Property;

“Lower Tier Municipality” has the same meaning as Section 1 of the *Municipal Act, 2001*;

“MPAC” means the Municipal Property Assessment Corporation;

“Owner(s)” includes a corporation and partnership and the heirs, executors, administrators and other legal representatives of a person to whom the context can apply according to law’;

“Person(s)” includes a corporation or partnership and the heirs, executors, administrators and other legal representatives of a person to whom the context can apply according to law; and,

“Town” means the Corporation of the Town of Caledon.

2. The amount of a Heritage Tax Rebate shall be 40% of the taxes for Town and school board purposes levied on the property that are attributable to:
  - (i) The building(s) or structure(s) or portion of the building(s) or structure(s) that is Eligible Heritage Property; and
  - (ii) The land used in connection with the Eligible Heritage Property, as determined by the Town.
3. Subject to the conditions set out in this By-law, one Heritage Tax Rebate may be paid annually for each Eligible Heritage Property in the property tax classes of Commercial and Industrial as defined by the *Assessment Act*, R.S.O 1990, c. A. 31 and Ontario Regulation 282/98 thereunder, as amended.
4. The rebate may be applied to the property tax account if the account is in arrears, with an excess of funds over the balance owing being eligible for refund to the property owner.
5. MPAC, at the request of the Town, shall determine the portion of a property's total assessment that is attributable to the Eligible Heritage Property. The rebate is only payable for the heritage portions of the property, and the land used in connection with it, that are assessed within the broad Commercial and Industrial tax classes.

#### Eligibility Criteria

6. In order to be eligible to apply for a Heritage Tax Rebate, owners of the subject properties must provide proof, satisfactory to the Treasurer of the Town, of the following:
  - i) The Eligible Heritage Property has been designated as a property of cultural heritage value or interest under Part IV of the *Ontario Heritage Act* or it must be part of a heritage conservation district under Part V of the *Ontario Heritage Act*; and
  - ii) The Eligible Heritage Property is subject to a heritage easement agreement under section 22 or 37 of the *Ontario Heritage Act*; and
  - iii) The heritage easement agreement referred to in subsection (ii) above shall be executed by the owner of the property and returned to the Town within 60 days of being provided by the Town to the property owner;
  - iv) The Eligible Heritage Property is not the subject of any contraventions, work orders or outstanding municipal requirements;
  - v) There are no outstanding municipal fines, fees or penalties (excluding property taxes) assessed against the applicant; and
  - vi) The Eligible Heritage Property is in a good and sound state of repair and occupiable condition, to the satisfaction of the General Manager, Community Services;
  - vii) A current Baseline Documentation Report (or By-law) exists for the Eligible Heritage Property detailing its Statement of Cultural Heritage Value or Interest and description of Heritage Attributes and including current photographs of all elevations

7. The application shall be made annually, as long as the property remains an Eligible Heritage Property. The initial application fee shall be deducted from the first Heritage Tax Rebate once calculated.

#### Limitations and Restrictions

8. The Heritage Tax Rebate program set out in this By-law is subject at all times to the availability of funding for the program. Nothing in this By-law requires the Town to provide funding for the program and the Heritage Tax Rebate program contemplated by this By-law may be eliminated by Council through repeal of the By-law at any time with no notice whatsoever to affected persons.
9. If available funding through the Town's annual budget is less than the amount of eligible rebates to be paid in any given year, rebates to be provided shall be determined on the basis of the chronological order in which applications are received by the Town for such tax rebates.
10. The Heritage Tax Rebate program is subject to any regulations that the Minister of Finance may make governing by-laws on tax refunds and reductions for heritage properties.
11. Where multiple easement and/or preservation and maintenance agreements are registered on one parcel of land, multiple refunds will not be provided in respect of the same heritage attributes.
12. Upon application, the owner must consent to the Town conducting an inspection of the interior and exterior of the Eligible Heritage Property annually, or at any reasonable time, if required, to ensure the relevant heritage easement agreement is being complied with and to ensure that the eligibility criteria can be met.
13. No Heritage Tax Rebate will be given under this By-law where the Town determines that the relevant heritage easement agreement is not complied with to the satisfaction of the Town.
14. Heritage Tax Rebates shall be calculated using the assessed value of the property, as returned for the taxation year for which the application is made.
15. If the assessment of a property for a year changes as a result of proceedings under the *Assessment Act* or *Municipal Act* or a judicial decision, the Heritage Tax Rebate shall be recalculated using the new assessment and the tax roll for the year shall be amended to reflect the determination. The Town may set off any amount in favour of the Town against any refund to be paid to the owner as a result of the appeal, or it may apply it against the taxes owed for the succeeding taxation year.
16. The Heritage Tax Rebate shall be repaid in full by the owner for every year where there is an outstanding contravention or where there are outstanding municipal fines, arrears of taxes, fees or penalties assessed against the owner.

## Penalties

17. If the owner of an Eligible Heritage Property demolishes the Eligible Heritage property without a Demolition Permit or breaches the terms of the relevant heritage easement agreement, the Town may require the owner to repay part of all of any Heritage Tax Rebate(s) provided to the owner for one or more years under this By-law.
18. The Town may require the owner to pay interest on the amount of any repayment required under section 17, at a rate not exceeding the lowest prime rate reported to the Bank of Canada by any of the banks listed in Schedule I of the *Bank Act* (Canada), calculated from the date or dates the Heritage Tax Rebate(s) were provided. Any amount repaid under this section will be shared by the Town, School Boards and the Region of Peel (if applicable) in the same proportion as their respective shares of the Heritage Tax Rebate(s) on the property.
19. This By-law shall be known as the “Heritage Tax Rebate By-law”.
20. The effective date of this By-law is January 1, 2021.