

Overview

This attachment provides alternate implementations of the policy tools and financial incentives described in this report, should Council seek to direct additional resources or faster delivery than what is recommended by Administration.

Administration’s recommendations to Council are proposed as a practical means to deliver the tools and incentives deemed currently-feasible. The recommendations respond to the needs of heritage assets, while supporting a continued and strong economic recovery.

As-recommended, implementation of the proposed policy tools would occur through in-progress Local Area Plans through to 2022. This offers widespread heritage conservation benefit without requiring adjustments to the *One Calgary 2019-2022 Service Plans and Budgets*. An additional benefit of this implementation is allowing for adjustments in response to lessons-learned following the initial phase. Funding is not currently available to resource and implement the proposed financial incentives without a significant mid-cycle budget adjustment, and Administration recommends returning to Council for funding through the 2023-2026 budget.

However, given the scope of this report, its recommendations and the identified risks and challenges facing Calgary’s heritage assets, it is understood that Council may seek alternate implementation of the explored tools and incentives. In the event that this is desired, Administration has prepared two “**packages**” for modified implementation. Each package listed in this attachment includes descriptions of the projected differences in costs and outcomes.

While all policy tool and financial incentives explored in this report were individually analyzed, the required resourcing to implement multiple tools/incentives impacts Administration, Heritage Calgary, and the overall cost and timing of this initiative. Therefore, Administration cautions against modifications to the report recommendations without also addressing the supporting resources considered necessary to effectively implement the tools and incentives.

Key Takeaways

- The recommendations of this report are designed as a practical approach to delivering the explored conservation tools and incentives
- Should Council desire additional financial incentives or more immediate delivery than recommended, Administration has outlined alternative implementation options through this attachment
- Alternative implementation options are described in “packages” of tools, incentives, and related supporting resources deemed necessary for successful outcomes
- Administration advises that if Council does not adopt the recommendations of this report, consideration be given to an alternate implementation package through this attachment to ensure appropriate resourcing of the desired tools and incentives



Garry Theatre (1936)
Identified heritage resource— currently without legal protection preventing significant alteration or demolition

Using this attachment

Two alternate tool and incentive packages are proposed if Council seeks alternate implementation options. “[Recommendation Plus](#)” builds on Administration’s recommendations to deliver an additional \$3 million in more-immediate financial incentive. “[Accelerated Delivery](#)”, would implement all of the proposed tools and incentives (including the added \$3 million) two years earlier than Administration’s recommendation, through a 2020 mid-cycle budget adjustment rather than for 2023-2026.

Below is a summary of the recommended implementation plan and a comparison with the two alternate packages. Pages 3-5 outline the anticipated timelines, considerations and outcomes for each option. Pages 6-8 provide a full overview of each implementation option, divided into budget cycle phases.



Hudson’s Bay Department Store (1913)
Identified heritage resource— currently without legal protection preventing significant alteration or demolition

Administration’s recommendation

- Proposes a balanced approach to implementing the policy tools and financial incentive options deemed currently feasible, with recognition that the *One Calgary Service Plans and Budgets (2019-2022)* is fully funded
- Seeks to strategically create a high degree of positive impact on heritage assets, without new funding required until 2023
- Timeline:
 - 2020-2022**—Implementation of heritage area policy tool through in-progress Local Area Plans; internal City coordination on heritage main streets with delivery of a scoping report; *Inventory* review by Heritage Calgary to enable financial incentive rollout in 2023
 - 2023-2026**—Funding and implementation of refined financial incentives; creation of remaining heritage area policies

Alternate package 1—“Recommendation Plus”

- Includes the same tools, incentives, and implementation timeline as Administration’s Recommendation—but adds \$1.5 million per year (2021-2022) to the *Historic Resource Conservation Grant Program*
- Provides new funding assistance to heritage resources (including heritage main streets) prior to the proposed financial incentives returning for consideration with the 2023-2026 budget; does not require establishment of a new incentive program to achieve this
- Requires a mid-cycle budget adjustment
- Timeline:
 - 2020-2022**—Same as Administration’s Recommendation, with additional one-time increase to heritage grant program
 - 2023-2026**—Same as Administration’s Recommendation

Alternate Package 2—“Accelerated Delivery”

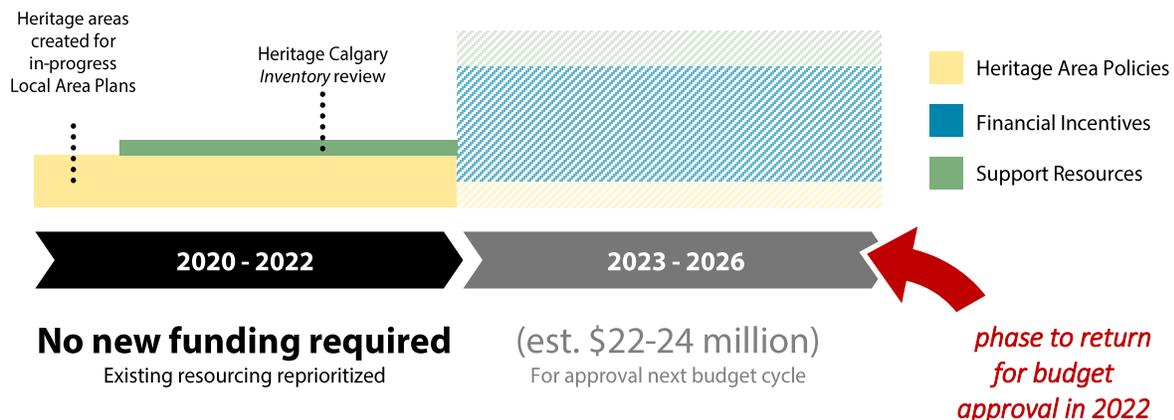
- Moves to implement all proposed tools and incentives as quickly as possible, introducing the financial incentives in 2021 instead of 2023
- Requires a significant mid-cycle budget adjustment to implement all incentives, and additional resourcing required to expedite delivery
- Timeline:
 - 2020-2022**— Expedited implementation of heritage area policy tool through in-progress local area plans; internal City coordination on heritage main streets with delivery of a scoping report; implementation of refined financial incentives through a mid-cycle budget adjustment; ongoing additional resourcing required for Administration and Heritage Calgary
 - 2023-2026**—Continued issuing of financial incentives; facilitation of designations requests; management of protected buildings

Administration's recommendation

Considerations

- This package is the least expensive option of the three presented, both short and long-term
- Administration would not require new staff resources 2020-2022 beyond what can be provided internally and with existing consulting capacity
- If financial incentives are approved for 2023-2026, anticipated increase in designations would create an associated ongoing increase in Heritage Planning workload to manage new protected sites
- An ongoing supporting increase in the Heritage Calgary budget will be presented for consideration in November 2022
- Delivery of heritage area policies through in-progress Local Area Plans allows scaled implementation, while prioritizing many of Calgary's most historic areas (North Hill, Historic East Calgary, West Elbow, Hillhurst-Sunnyside)
- While proposed heritage area policies (Layers 1-3) are expected to help retain heritage assets, designation (legal protection) is understood as tied to financial incentives; without new incentives the 2020-2022 designation rate is anticipated to remain static (avg. 5/yr)
- Administration's recommendations to this report directs a coordinated approach and scoping for heritage main streets to return no later than Q2 2021; financial incentives are considered generally necessary to achieve legal protection for non-residential heritage sites and would not become available until 2023

Implementation timeline (with required resourcing)



Projected Outcomes 2020-2022

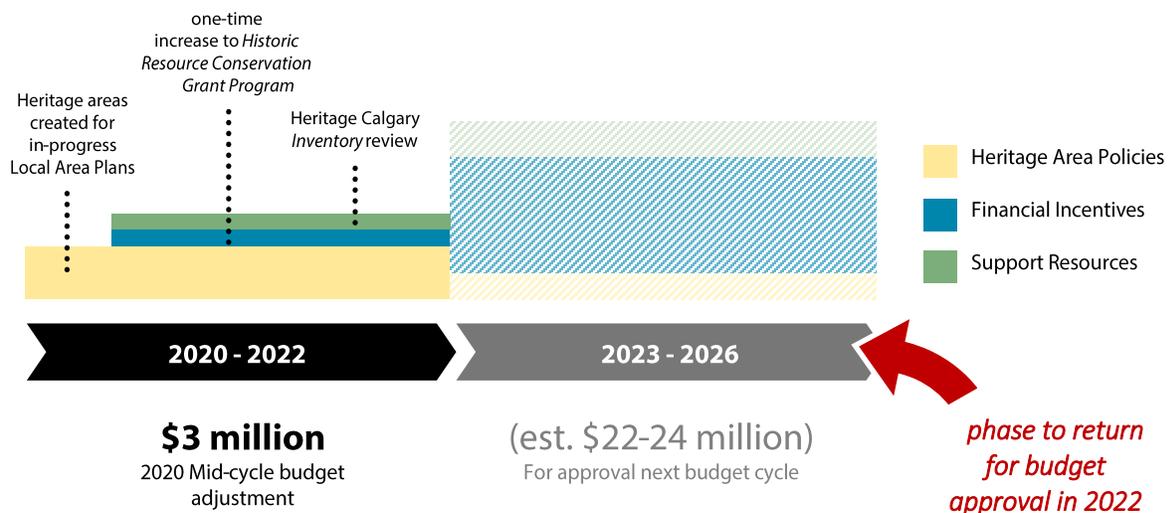
Heritage Sites	Heritage Assets	Heritage Areas	Financial Incentives
10-15 Total estimated new Designations 2020-2022	4000 Estimated Heritage Assets provided with Land Use Bylaw incentives	20 Estimated communities with one or more Layer 2 discretionary guidelines areas	\$1 million <i>Existing funding for Historic Resource Conservation Grant Program (\$500,000/yr)</i>
15% Estimated percent of extant sites on the Inventory being legally protected		1000 Estimated heritage assets covered by a Layer 2 or Layer 3 policy area	

Alternate package 1—“Recommendation Plus”

Considerations

- One-time grant program increase is proposed as a “stop-gap” measure until other financial tools are brought for consideration in 2023; additional \$1.5 million/year to be administered through the existing *Historic Resource Conservation Grant Program* (matching grant), requiring minimal resources compared to creating a new program
- Adding a new financial incentive during 2021-2022 period mitigates some of the risk presented to non-residential sites/historic main streets by delaying financial incentive implementation until the 2023-2026 budget; \$1.5 million increase would be earmarked for non-residential sites, with \$500,000 remaining for residential sites
- Projected increases to number of designations and percent of *Inventory* being legally protected—otherwise, no outcome differences anticipated

Implementation timeline (with required resourcing)



Projected Outcomes 2020-2022

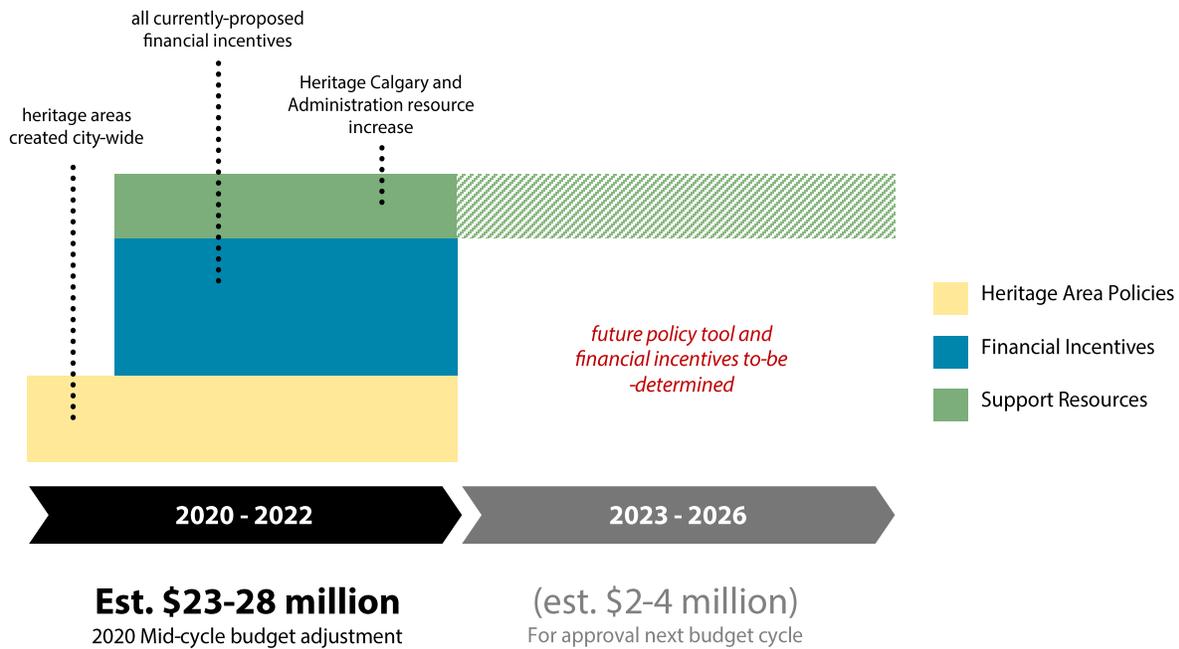
Heritage Sites	Heritage Assets	Heritage Areas	Financial Incentives
<p>20-30</p> <p>Total estimated new Designations 2020-2022</p>	<p>4000</p> <p>Estimated Heritage Assets provided with Land Use Bylaw incentives</p>	<p>20</p> <p>Estimated communities with one or more Layer 2 discretionary guidelines areas</p>	<p>\$4 million</p> <p>Additional \$3 million for the <i>Historic Resource Conservation Grant Program</i>:</p> <ul style="list-style-type: none"> - \$1.5m/yr for non-residential - \$500,000/yr for residential
<p>17%</p> <p>Estimated percent of extant sites on the <i>Inventory</i> being legally protected</p>		<p>1000</p> <p>Estimated heritage assets covered by a Layer 2 or Layer 3 policy area</p>	

Alternate package 2—“Accelerated Delivery”

Considerations

- This package is the most expensive option, short and long-term
- Additional Administration staff are required to expedite Layer 2 and Layer 3 heritage area policies, increasing the overall expense; implementation of full financial incentives in 2021 requires new staff to manage ongoing resourcing with designations, that in Recommendation and “Recommendation Plus” is only needed 2023-onward
- More robust funding for Heritage Calgary is included beginning 2021 to enable re-evaluation of outdated *Inventory* entries, new evaluations for potential *Inventory* sites, and expanded public programming (eg. information sessions, etc.)
- Significant projected increases to number of designations for the 2020-2022 period—particularly with residential sites eligible for proposed tax-back grant. Designation outcomes estimated by staff capacity (25-30/yr), rather than anticipated designation interest

Implementation timeline (with required resourcing)



Projected outcomes 2020-2022

Heritage Sites	Heritage Assets	Heritage Areas	Financial Incentives
80-90 Total estimated new Designations 2020-2022	4000 Estimated Heritage Assets provided with Land Use Bylaw incentives	20 Estimated communities with one or more Layer 2 discretionary guidelines areas	\$24 million \$1M existing grant program \$3M additional grant funding \$5M residential tax-back grant \$15M non-residential conservation credit
26% Estimated percent of extant sites on the <i>Inventory</i> being legally protected		1500 Estimated heritage assets covered by a Layer 2 or Layer 3 policy area	

Administration's recommendation

phase
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direction
today

2020-2022

Policy Tools

Heritage Area Tools

- Application of Layer 1 incentives to all currently-identified heritage assets
- Creation of Layer 2 (Discretionary guidelines) policies for in-progress Local Area Plans where applicable concentrations of heritage assets exist
- Creation of Layer 3 (Direct Control) policies for in-progress Local Area Plans where applicable, and sought by owners

N/A
(existing resourcing
reprioritized)

Additional Resourcing Costs

City of Calgary

- 1-2 positions to create Layer 2 and Layer 3 district policies
- Use of existing consulting budget where required

N/A
(existing resourcing
reprioritized)

Heritage Calgary

- Review of residential *Inventory* sites to prepare for 2023-2026 project phase

N/A
(existing resourcing
reprioritized)

New Costs 2020-2022

N/A

phase
to return
for
approval
in
2022

2023-2026

Policy Tools

Heritage Area Tools

- Layer 2 policies in remaining areas with concentrations of heritage assets
- Layer 3 policies in all remaining areas where applicable, and sought by owners

N/A
(existing resourcing
reprioritized)

Financial Incentives

Residential Tax-Back Grant

- 75% reimbursement of annual municipal property taxes over 15 years, to a \$50,000 maximum
- \$5 million program cost (to be refined at November 2022 budget discussions)

\$5 million

Non-Residential Conservation Tax Credit

- 50% reimbursement of conservation project, up to 50% of annual municipal property taxes over 15 years, to a maximum \$250,000 per year, or a total 15% of assessed property value
- \$15 million program cost (to be refined at November 2022 budget discussions)

\$15 million

Additional Resourcing Costs

City of Calgary

- 1-2 full-time employees to manage workload associated with increased designations (including bylaw creation, intervention approvals and grant administration)

\$800,000–
\$1.6 million

Heritage Calgary

- Funding to support City of Calgary workload and expand programming

\$600,000–
\$1.8 million

Projected New Costs (Range) 2020-2022

Est. \$22-24 million

Projected Total New Costs (Range)

Est. \$22-24 million

Alternate package 1—“Recommendation Plus” (major changes dotted)

phase
for your
direction
today

2020-2022

Policy Tools

Heritage Area Tools

- Application of Layer 1 incentives to all currently-identified heritage assets
- Creation of Layer 2 (Discretionary guidelines) policies for in-progress Local Area Plans where concentrations of heritage assets exist
- Creation of Layer 3 (Direct Control) policies for in-progress Local Area Plans where applicable, and sought by owners

N/A
(existing resourcing
reprioritized)

Financial Incentives

Historic Resource Conservation Grant Program

- Strategic one-time increase to existing 50% cost-matching grant program for conservation projects; intended to provide interim funding prior to proposed funding increase 2023-2026
- \$1.5 million annually for 2 years, earmarked specifically for non-residential heritage sites; existing \$500,000 to be used for residential heritage sites only

\$3 million

Additional Resourcing Costs

City of Calgary

- 1-2 positions to create Layer 2 and Layer 3 district policies
- Use of existing consulting budget where required

N/A
(existing resourcing
reprioritized)

Heritage Calgary

- Review of residential *Inventory* sites to prepare for 2023-2026 project phase

N/A
(existing resourcing
reprioritized)

New Costs 2020-2022

\$3 million

phase
to return
for
approval
in
2022

2023-2026

Policy Tools

Heritage Area Tools

- Layer 2 policies in remaining areas with concentrations of heritage assets
- Layer 3 policies in all remaining areas where applicable, and sought by owners

N/A
(existing resourcing
reprioritized)

Financial Incentives

Residential Tax-Back Grant

- 75% reimbursement of annual municipal property taxes over 15 years, to a \$50,000 maximum
- \$5 million program cost (to be refined at November 2022 budget discussions)

\$5 million

Non-Residential Conservation Tax Credit

- 50% reimbursement of conservation project, up to 50% of annual municipal property taxes over 15 years, to a maximum \$250,000 per year, or a total 15% of assessed property value
- \$15 million program cost (to be refined at November 2022 budget discussions)

\$15 million

Additional Resourcing Costs

City of Calgary

- 1-2 full-time employees to manage workload associated with increased designations (including bylaw creation, intervention approvals and grant administration)

\$800,000–
\$1.6 million

Heritage Calgary

- Funding to support City of Calgary workload and expand programming

\$600,000–
\$1.8 million

Projected New Costs (Range) 2020-2022

Est. \$22-24 million

Projected Total New Costs (Range)

Est. \$25-27 million

Alternate package 2—“Accelerated Delivery” (major changes dotted)

<p>phase for your direction today</p> <p>2020-2022</p>	<p>Policy Tools</p> <p>Heritage Area Tools</p> <ul style="list-style-type: none"> Application of Layer 1 incentives to all currently-identified heritage assets Creation of Layer 2 (Discretionary guidelines) policies for all applicable concentrations of heritage assets—requiring 1 new part-time employee and/or consultants (captured under ‘Additional Resourcing Costs’) Creation of Layer 3 (Direct Control) policies where applicable, and sought by owners 	N/A (existing resourcing reprioritized)
	<p>Financial Incentives</p> <p>Residential Tax-Back Grant</p> <ul style="list-style-type: none"> 75% reimbursement of annual municipal property taxes over 15 years, to a \$50,000 maximum \$5 million program cost (to be refined at November 2022 budget discussions) 	\$5 million
	<p>Non-Residential Conservation Tax Credit</p> <ul style="list-style-type: none"> 50% reimbursement of conservation project cost, up to 50% of annual municipal property taxes over 15 years, to a maximum \$250,000 per year or a total 15% of assessed property value \$15 million program cost (to be refined at November 2022 budget discussions) 	\$15 million
	<p>Historic Resource Conservation Grant Program</p> <ul style="list-style-type: none"> Strategic one-time increase to existing 50% cost-matching grant program for conservation projects; in Accelerated Delivery scenario, this offers additional instead of interim financial incentive \$1.5 million annually for 2 years, earmarked specifically for non-residential heritage sites; existing \$500,000 to be used for residential heritage sites only 	\$3 million
	<p>Additional Resourcing Costs</p> <p>City of Calgary</p> <ul style="list-style-type: none"> 2-3 positions to create Layer 2 and Layer 3 district policies 1-2 full-time employees to manage workload associated with increased designations (including bylaw creation, intervention approvals and grant administration) <p>Heritage Calgary</p> <ul style="list-style-type: none"> Accelerated review of Residential <i>Inventory</i> Sites Funding to support City of Calgary workload, and expand programming 	\$1.8 million– \$4 million \$900,000
<p>New Costs 2020-2022</p>		<p>Est. \$23-28 million</p>

<p>phase to return for approval in 2022</p> <p>2023-2026</p>	<p>Additional Resourcing Costs</p> <p>City of Calgary</p> <ul style="list-style-type: none"> 1-2 full-time employees to manage workload associated with increased designations (including bylaw creation, intervention approvals and grant administration) <p>Heritage Calgary</p> <ul style="list-style-type: none"> Funding to support City of Calgary workload and expand programming 	\$800,000– \$1.6 million \$600,000– \$1.8 million
	<p>Projected New Costs (Range) 2020-2022</p>	<p>Est. \$2-4 million</p>
	<p>Projected Total New Costs (Range)</p>	<p>Est. \$25-32 million</p>