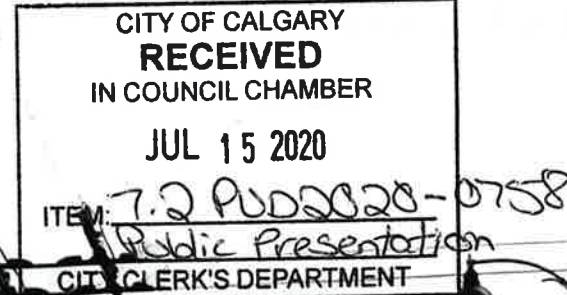




Calgary



CITY OF CALGARY
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IN COUNCIL CHAMBER
JUL 15 2020
ITEM: 7.2 PUD2020-0758
Public Presentation
CITY CLERK'S DEPARTMENT

Heritage Conservation Tools and Incentives Update Report

Standing Policy Committee for Planning and Urban Development

PUD2020-0758 | 2020 July 15



Heritage Value

Benefits of heritage conservation:

- Economic
- Social
- Environmental



A majority of Calgarians agree that conservation of Calgary's historic buildings and sites is important to them personally (**83%**), is important to Calgary's culture (**94%**) and more should be done to conserve them for future generations to enjoy (**86%**).*

*Source: 2020 Citizen Perspectives Survey Report - Heritage Conservation, March 24

Calgary (Heritage) in the New Economy



TALENT

Heritage resources stimulate and support culture and tourism economy.

Recent examples: Filming of **Fargo** (2015) and **Ghostbusters** (2020) including heritage resources.



INNOVATION

Historic buildings are prime sites for adaptive re-use, being flexible for entrepreneurs and start-up business.

Recent examples: **cSpace King Edward, Simmons Building**



PLACE

The existence of heritage areas contributes to creating a sense of place ... and cultural identity which contributes to the quality of the environment in which people live and work.



BUSINESS ENVIRONMENT

Heritage conservation has been shown to create proportionately more jobs than new construction, and provide better local expenditure retention in regional areas.

Recent example: Significant skilled trades employed on **Historic City Hall conservation**



Heritage Designation Process



Heritage Sites

- Standalone historic places of significance, with value beyond their surrounding context
- Voted onto the Inventory of Evaluated Historic Resources (Inventory) by Heritage Calgary

NOT LEGALLY PROTECTED

1. Identify heritage sites

- Suggested standalone heritage sites are brought forward to Heritage Calgary

2. Evaluate heritage sites

- Professional research is performed according to Council-approved criteria of significance and integrity
- Approved heritage sites are voted onto the Inventory by Heritage Calgary
- Non-approved properties may be assessed as a heritage asset through Local Area Planning (page 2) and qualify for policy tools

3a. Becomes Evaluated Historic Resource

- Heritage significance is formally acknowledged for resources on the Inventory, but no legal protection or financial incentives offered
- Can be demolished
- Historic elements can be altered.
- Do not qualify for the Historic Resource Conservation Grant

 Limited policy tools through **Land Use Bylaw, MDP and Local Area Plans**

 Limited technical guidance via **Heritage Planning**

 Additional limited policy tools through **Guidebook for Great Communities**

LEGALLY PROTECTED

3b. Becomes designated **Municipal Historic Resource**

- Approved by Council as a **Municipal Historic Resource**
- Prevents demolition
- Requires **Heritage Planning** approval for alterations to protected historic elements
- Qualifies for:
 - » **Historic Resource Conservation Grant**. Matching grant program up to \$125K (\$500K yearly budget)
 - » **Stronger policy tools through Land Use Bylaw, MDP, and Local Area Plans**
- **Proposed Residential Tax Credit**
 - » 75% annual credit up to \$50,000 over 15 years
- **Proposed grant program increase**
 - » Matching grants up to \$1 million (\$2 million yearly budget) for non-residential



 Existing Policy

 Proposed Policy

 Existing Financial Tools

 Proposed Financial Tools

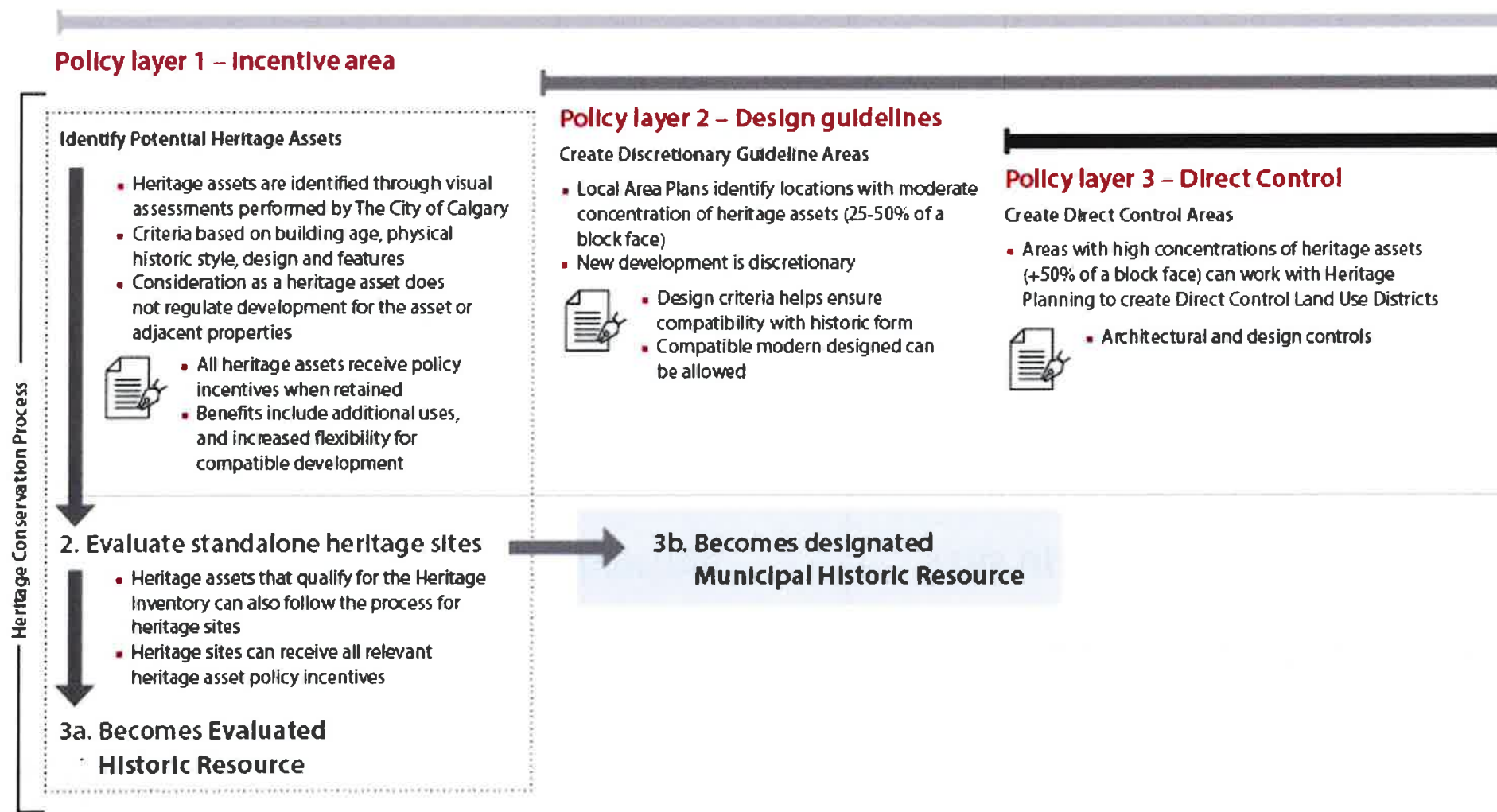


Proposed Heritage Area Process

Policy regulation continuum

Less policy regulation

More policy regulation



Heritage Assets

- Privately-owned historic buildings identified through a visual assessment by The City of Calgary
- May or may not individually qualify for the Inventory of Evaluated Historic Resources



Heritage Areas

- Concentrations of privately owned heritage assets
- Collective significance from the relation between heritage assets, which are not as individually significant as heritage resources
- Are identified by Heritage Planning through the Local Area Planning process



Since April...

This update report focuses on delivering:

- Refined financial incentive packages;
- Updated recommendations for financial incentives, including near-term implementation;
- Potential mid-cycle budget requests for consideration; and,
- Refinements throughout.

Unchanged Since April...

This update reports seeks to advance:

- Recommended approval of three-layer heritage area policy tools;
- Future work* on heritage commercial areas.

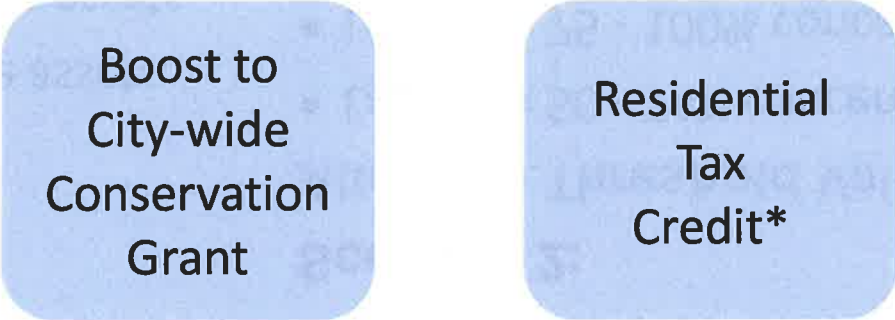
*Request for Proposals for “Heritage Value Analysis and Conservation Tool Development Focused on Commercial Streets” posted July 7, 2020.

Summary of Proposed Tools and Incentives

Policy Tools
Remain largely unchanged since April



Financial Incentives
Refined and updated since April



* Consider as part of 2023-2026 Budget



Heritage Area Policy Thresholds

Scenario 1:

Recommended Threshold Values

- Layer 2 = 25 - 49% concentration of heritage assets.
- Layer 3 = 50 - 100% concentration of heritage assets.
- Total area covered by policy layers: 350 hectares.
- Covers 2,263 heritage assets (53.3% of identified assets), 2,944 non-heritage parcels (1.7% of city-wide parcels).

capture many heritage assets across as many communities within heritage area policy boundaries

Scenario 2:

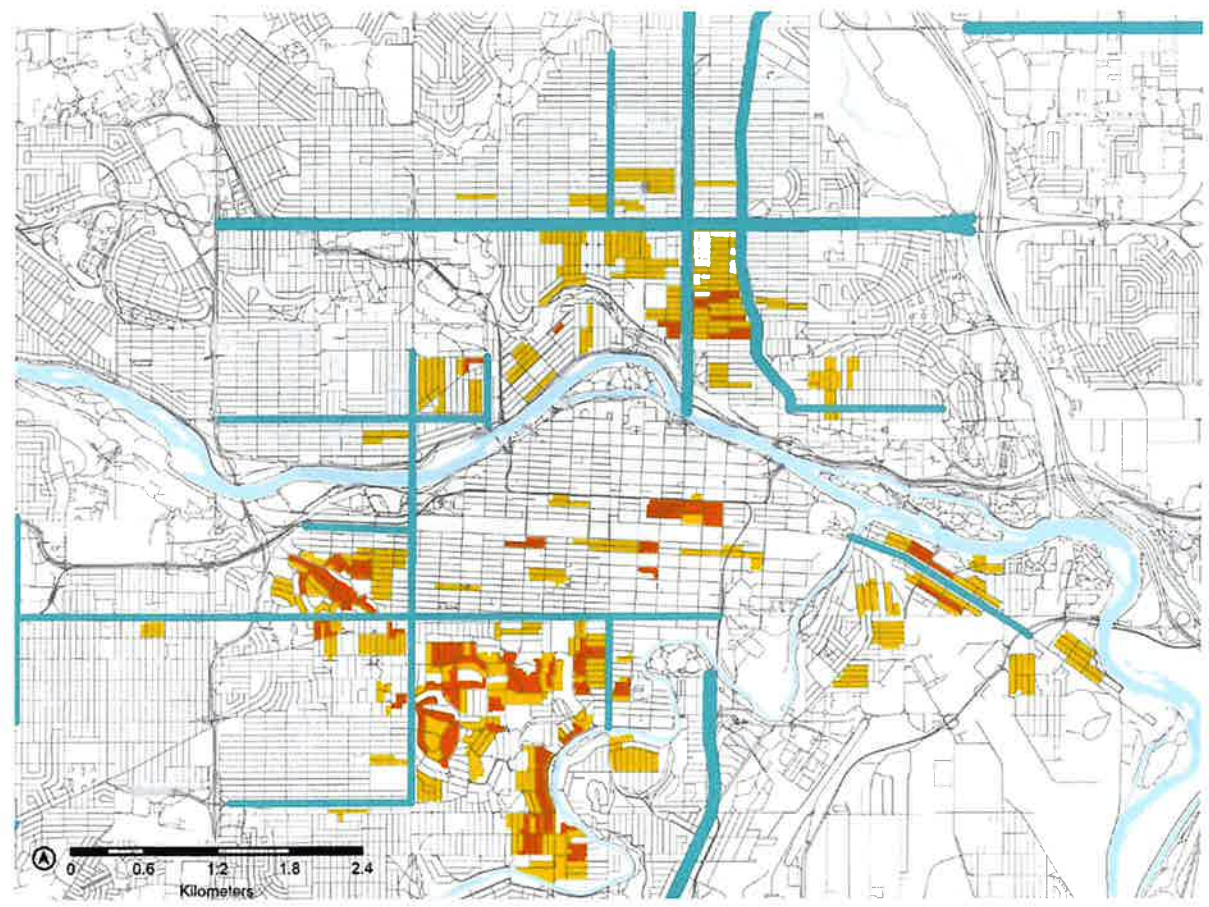
Alternate Threshold Values

- Layer 2 = 50 - 74% concentration of heritage assets.
- Layer 3 = 75 - 100% concentration of heritage assets.
- Total area covered by policy layers: 90 hectares.
- Covers 745 heritage assets (17.5% of identified assets), 155 non-heritage parcels (0.09% of city-wide parcels).

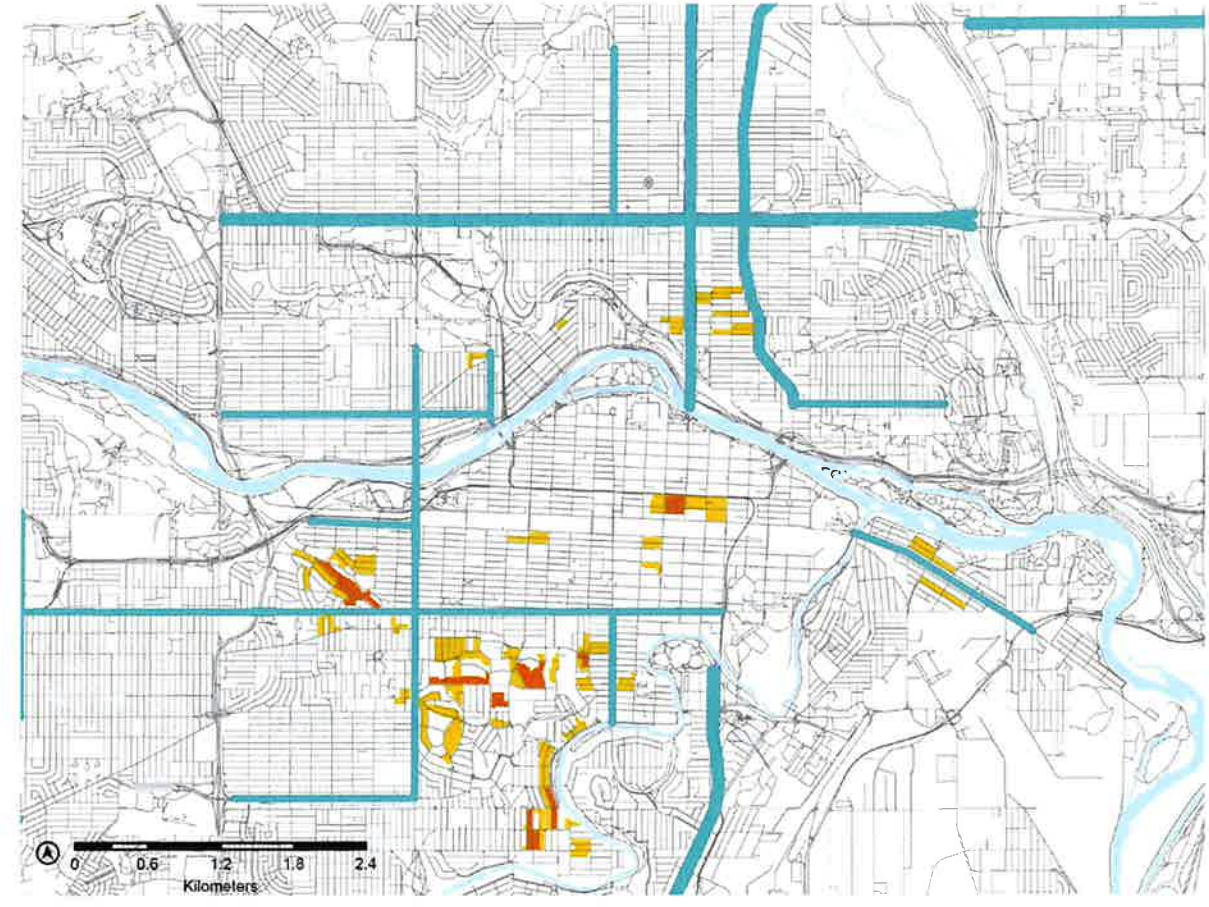
capture only high-integrity areas that consist of primarily heritage assets within heritage area policy boundaries

Threshold Extent Comparison

Recommended: 350 ha



Alternative: 90 ha



Yellow indicates Layer 2, Orange indicates Layer 3, Teal is excluded Main Streets



Financial Incentives



- Current City approach generally works for *heritage sites*, but further resources are needed to meet the needs of many owners.
- Heritage conservation financial incentives are both an important and successful tool for ongoing protection and restoration and for economic stimulus and job creation.



Residential Tax Credit*

- Owners of designated properties receive tax credit of 75% of Municipal tax annually for 15 years up to \$50,000 total.
- Total estimated cost of program **\$17.97 million** (2021-2045).
- Expected to result in **321 designated** heritage properties (**current 31**) by 2030.

*consider as part of 2023 Budget.

Boost to
City-wide Conservation Grant

- Boost annual grant to \$2.5 million.
- \$2 million to address non-residential applications, capped at \$1 million per application.
- Leave full existing \$500,000, capped at \$125,000, to address res. applications.
- Additional **\$30 million** cost over 15 years, generating at least \$30 million in private investment.



Other Initiatives since April



- Students from the University of Calgary School of Architecture, Planning and Landscape and from SAIT's Architectural Technician program have been testing Layer 2 Discretionary Design Guideline Area policies.
- A request for proposals has been posted (July 7, 2020) to initiate a "Heritage Value Analysis And Conservation Tool Development Focused On Commercial Streets."
- Heritage Calgary provided with \$150,000 to begin a review of the Inventory and prepare updated Statements of Significance for outdated entries.



Summary



Approval of Administration's recommendations will result in the following in the near-term:

- Direction to implement a three-layer heritage area policy system that will address more than **4,200** residential heritage assets –**16 times** what we currently acknowledge through the *Inventory* (~250*).
- A significant boost to our City-wide Historic Resource Conservation Grant, resulting in **5 times** the annual funding to incentivize designations and support typical and exceptional residential *and* non-residential properties like never before.
- A Conservation Grant program that has the potential to directly stimulate **\$2.5 million in private investment** and conservation jobs and **\$5 million in total investment annually**.

*extant residential properties on the *Inventory*



Recommendations:

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommend that Council Direct Administration to:

1. Undertake a two-year phased program (2021 – 2023) to implement the heritage area policy tools, using the recommended thresholds, through the local area planning process, Land Use Bylaw amendments, or associated land use redesignations, and return to the Standing Policy Committee on Planning and Urban Development to report on the progress in Q1 2024;
2. Alter the City-wide Historic Resource Conservation Grant Program by:
 - a. Preparing a mid-cycle budget request for a \$2 million increase to the base budget and funding for the City-wide Historic Resource Conservation Grant Program from \$500,000 to \$2.5 million;
 - b. Restructuring the grant program to direct \$2 million to non-residential conservation projects with a cap of \$1 million per project, and reserve \$500,000 for residential projects with the existing cap of \$125,000; and,
3. Return to the Priorities and Finance Committee no later than Q1 2022 with the residential tax credit financial incentive package for consideration in the 2023-2026 budget deliberations.