

Land-use Planning & Financial Heritage Conservation Tools / Approaches

There are various heritage conservation tools used across North America including enabling legislation, financial incentives, property tax relief and land use planning tools. Some tools are not implementable at the Municipal level without action from the Federal or Provincial government; however, there are several tools currently implemented in Calgary. Further, through other Planning & Development initiatives, a list of financial tools is being investigated, some of which may be applicable to supporting heritage conservation. Once that work is completed, the tools identified here will be reviewed for applicability in a City of Calgary context.

The following tables provides an overview of the various tools that could be applicable in Calgary.

ENABLING LEGISLATION	
Enabling legislation – City Charter; Historical Resources Act	
Description	Enabling legislation for municipalities to designate individual properties and areas/ districts without owner consent or paying compensation (for municipalities to have same current authority as The Province).
Jurisdiction	Provincial
Status/ Use in Calgary	<p>This important tool is not available in Alberta. It is broadly used in Ontario and Quebec as well as sparingly in other Provinces.</p> <p>The tool was requested by Calgary and Edmonton City Councils as part of the City Charter discussions but was rejected by the Provincial government, along with the other heritage recommendations.</p> <p>Alternatively, if the Province amended the <i>Historical Resources Act</i> such enabling legislation changes could be achieved in that way.</p> <p>Administration sees opportunity for The City to advocate for changes to the Act.</p>

LAND USE/PLANNING	
Heritage District Overlays	
Description	A special set of rules or policies for an area that serve to make heritage retention more feasible and equitable, when compared to redevelopment, and to protect character of an area. Such rules may include certain building heights/ envelope sizes, setbacks, design and landscape requirements, as well as more permissive land use rules if heritage resources are retained.
Jurisdiction	Municipal
Status/ Use in Calgary	Administration is currently proposing policy supporting the use of heritage district overlay and outline when and where such overlays shall be established as part of the Developed Areas Guidebook. This work is scheduled to come to Council for consideration in Q3 2019.
Alternate Land Use Rules for heritage resources	
Description	Allow land uses, densities and provisions, if a heritage resource is retained, that would otherwise be precluded.
Jurisdiction	Municipal
Status/ Use in Calgary	Used frequently in Calgary to secure historic resource designation in exchange for alternate land use provisions on the site. The Land Use Bylaw allows for relaxations for heritage resources as does policy elsewhere such as Developed Areas/ Centre City Guidebooks.

FINANCIAL INCENTIVES: FEDERAL / PROVINCIAL	
Tax Credit	
Description	An income tax credit on restoration expenditures on protected historic resources
Jurisdiction	Federal; Provincial
Status/ Use in Calgary	In Canada, these tools do not exist. However, in the past the federal government has contemplated such measures and calls for such measures continue. Administration sees opportunity for The City to advocate for such tools.
Easement donations	
Description	Allowance for easements (covenants) on historic properties to be donated to an organization or government, enabling owners to get a charitable tax receipt
Jurisdiction	Federal; Provincial
Status/ Use in Calgary	In Canada, these tools do not exist. However, in the past the federal government has contemplated such measures and calls for such measures continue. Administration sees opportunity for The City to advocate for such tools.
FINANCIAL INCENTIVES: MUNICIPAL	
City-wide Grant	
Description	Grant programs allow for a direct financial incentive to property owners. There are a variety of system across North America. The City of Calgary has a conservation grant program, re-established in 2012 with an initial reserve of \$1.6 million and \$225,000 allocated to the program each year.
Jurisdiction	Municipal
Status/ Use in Calgary	The grant program is almost fully subscribed through 2019. Additional funding, allocated through the One Calgary budget process of \$275,000/ year will be available beginning in 2020, for a total grant program funding of \$500,000/ year, plus an extra \$85,000/year, through 2021 and \$82,000 in 2022, to cover outstanding commitments to the Lougheed Building. Tax-funded programs are included in the financial tools review by Planning & Development.
Community Specific Grant	
Description	Grant programs allow for direct financial incentive to property owners.
Jurisdiction	Municipal
Status/ Use in Calgary	Community-specific conservation grant programs could be established as part of a community investment fund through the Local Area Planning Process in communities where heritage is identified as a priority. Community investment funds are included in the financial tools review by Planning & Development.
Tax Uplift/ Community Revitalization Levies (also known as Tax Increment Financing (TIF) in the United States)	
Description	This tool is commonly used elsewhere to fund area redevelopment and infrastructure improvements. Tax uplift resulting from increased development could be captured and used for heritage conservation (funding mechanism for a community-specific restoration grant program). Many municipalities in the USA use TIF to fund heritage grant /conservation programs in defined areas.
Jurisdiction	Municipal
Status/ Use in Calgary	This tool was used in Calgary in the East Village, to fund area redevelopment and infrastructure improvements including supporting the restoration of 3 heritage properties (Simons Building, Hillier Block, and St. Louis Hotel). Tax Uplift and Community Revitalization Levies are included in the financial tools review by Planning & Development.
Bonusing - Transfer of Unused Development Rights (Density Transfer)	

Description	<p>Dedicated contributions to a heritage fund through bonusing funds could be directed towards heritage conservation programs (this may be a mechanism to fund community-specific conservation grant programs).</p> <p>The transfer of unused development rights (Density Transfer) is a component of a bonus system. When there is a cost to acquire that density, a market is enabled to sell/transfer unused development rights from heritage properties to development sites, for development sites to achieve their desired densities.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Bonusing fund contributions are in use in Calgary, although funds are not directed directly towards heritage conservation, with the exception of the Hillhurst/ Sunnyside Community Investment Fund which lists heritage conservation as a recipient of funds.</p> <p>Bonusing to benefit heritage conservation through the transfer of unused development rights is in use in Calgary in Beltline and Downtown/ East Village, with most uptake in the Beltline.</p> <p>The Developed Areas Guidebook which will be presented to Council Q3 2019 will contain policy supporting the use of bonusing in Local Area Plans to enable a density transfer system in communities with significant heritage resources and densities supportive of such a system.</p> <p>Bonus contributions are included in the financial tools review by Planning & Development.</p>
Off-site Levies	
Description	<p>Levies are common tools in Canada to generate funds. Levies are commonly applied to fund infrastructure improvements although some cities also fund community benefits/ amenities which could include heritage conservation.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Off-site levies are not currently used in Calgary to fund heritage conservation</p> <p>Off-site levies are included in the financial tools review by Planning & Development.</p>
Demolition Disincentives	
Description	<p>This could include an increase cost/decrease ease to demolish through higher fees, longer timelines to receive permits, or increased recycling requirements.</p> <p>This could also include restrictions on demolition sites such as requirement to have development plans for sites before demolition or no 'bonus' density allowed on demolition sites containing heritage building.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Calgary does not have any form of demolition disincentives aimed at conserving heritage resources or the recycling of material from the demolition of historic resources.</p> <p>Administration sees the opportunity to explore demolition disincentives.</p>

PROPERTY TAX RELIEF	
Differentiated Property Tax	
Description	An incentive where a designated historic resource pays a lower property tax rate than if it were not designated.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not currently have a differential property tax program but has the ability to provide differential tax rates for residential properties. Administration sees the opportunity to explore a differentiated property tax program for residential properties that are designated as a historic resource. Property tax programs are included in the financial tools review by Planning & Development.
Abatement /Ad Valorem	
Description	Relief of all/ portion of increase in taxes (from higher assessment) resulting from restoration of property for a specified period of time. This system is used in several cities in Ontario and in numerous cities in USA.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not have a property tax relief program for heritage conservation purposes. Financial incentives for the Lougheed Building restoration were provided, loosely based on a form of abatement with the difference in pre- and post-restoration taxes estimated, and with that amount guaranteed and refunded to the owner each year for 15 years. The amount refunded has not been an accurate representation of what would have otherwise been forgiven from forgiving the rise in assessment resulting from restoration given the dramatic drops in assessments for that property. In 2018, Heritage Planning, with Assessment, explored a property tax abatement approach that would forgive the rise in assessed value and the associated increase in property tax resulting from the rehabilitation of historic resources. It was determined that such an approach would be present significant limitations due to the unpredictability of assessment values. There would be no certainty to heritage property owners of when they will see a reduction if assessments fall below pre-restoration levels presenting a significant limitation. Property tax abatement programs are included in the financial tools review by Planning & Development
Reduction	
Description	Relief of a percentage of restoration expenditures over a specified period of time. A number of Canadian cities offer a reduction in property taxes equal to 35-75% of restoration expenditures for a specific period of time. Other Canadian cities offer 30-50% reduction in taxes for specific periods of time based on conservation expenditures.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not have a property tax relief program for heritage conservation purposes. Based on the 2018 work completed around the potential for a tax abatement program it is suggested that a reduction-based program may provide more certainty to a property owner. Further work would be needed to determine what such a program could look like in the Calgary context. Property tax reduction programs are included in the financial tools review by Planning & Development