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## **Case Study 2: Sustainable Development using Municipal Heritage Incentives**

**Erik Hanson, Heritage Preservation Officer, Peterborough, Ontario**

Erik Hanson explained that Peterborough's "historic aura" is the product of a serendipitous event at just the right moment in time: 13 years ago, Peterborough City Council instituted a five-year moratorium on large-scale development outside the commercial core. While initially criticized as being "anti-business," this move had a long-term positive effect. It slowed the "big box" retail phenomenon coming to downtown Peterborough. It recognized the downtown as a "shopping node" with all the related planning that goes into other commercial nodes. Although the moratorium was not renewed after the initial five-year period, by then it had done its job of stabilizing the downtown core.

Low-end retailers stabilize an area from an economic perspective because they make possible the continued existence of heritage buildings, and the upper-scale businesses either represent a risk-taking entrepreneur using the low overhead of an older building to assist his business venture, or a business using the restored buildings to capitalize on "heritage caché" as part of a marketing strategy. Although Peterborough is no longer a "traditional" downtown, it is nonetheless, a healthy downtown.

In the last two years the focus has been to promote a "preservation ethic" to create a stable post-industrial community and centre-core revitalization as part of a healthier urban planning ethic. There is still a long way to go: the City still approves huge Greenfield subdivisions that cost millions in added infrastructure; the mass transit system is utterly outdated; Edwardian school buildings still get demolished for parking lots while other jurisdictions redevelop them into housing units.

While development is still geared around the transportation needs of people with automobiles rather than being more pedestrian-friendly, it is Peterborough's quest to preserve the urban world as it existed before the automobile.

The re-densification of Peterborough's downtown core is more about rehabilitation than new development on brownfields. Thirty per cent of the core is vacant land used for parking, but there are many structurally sound buildings with vacant upper floors and historic institutional buildings coming available for re-use—for example, the old YMCA building and the Armouries. The target use of such buildings would be housing. This is an exercise in sustainable development. It minimizes the use of the automobile, and promotes the use of alternative modes of transit. A residential population in the core lowers crime rates, generates a demand for aesthetic civic improvements, and reduces the need for additional infrastructure and services city-wide.

To create incentives, Peterborough first waived development charges in the historic core. A facade-improvement funding program is underway. In 2002 the City passed a bylaw to take part in the Heritage Property Tax Relief Program. Its specific purpose is to provide assistance to the owners of historic buildings in recognition of the fact that there is a premium to the cost of maintaining historic buildings and doing the work properly. The maintenance of high conservation standards is integral to the program. This fall the City will be considering a report recommending the adoption of the Historic Places Initiatives Guidelines for Maintenance of Historic Buildings as a base-line standard for tax relief program properties.

The tax relief program has generated many applications for historic designation. Significantly, there are 11 new commercial designations compared to only one prior to the tax relief program. One of the participation requirements is that owners submit an application with a maintenance plan. The maintenance plan notes the current condition of the property, future plans for repair and preservation of the heritage features, and a broad time frame for completion of the work. The program does not require the tax relief dollars to be spent directly on the maintenance plan; it simply requires that the building be maintained to recognized heritage standards. This is a “carrot and stick” approach in that administration, monitoring, and paperwork are minimized for both the owner and the City, while the City maintains the ability to claw back the value of the tax relief, plus interest, if a determination is made that standards are not being maintained. The fees are not burdensome, with the five-year renewable fee of \$200 applying to residential property, and a five-year renewable fee of \$400 applying to commercial properties. Currently under review is the requirement to maintain “replacement value” insurance—it is an odd requirement in that it is impossible to replace a heritage property that suffers a complete loss, and often the cost of such insurance for commercial buildings far exceeds the value of the tax relief received.

The program has been very successful—28 properties are participating, requests for designation have increased, and at least one large rehabilitation project was made feasible. Although not all the projects are related to housing, several are for affordable housing units, and as such are combining the Canada Mortgage and Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP) with the City’s tax relief program. The conversion of the old 1953 Post Office building into a 93-unit rental property is the first major multi-unit rental development since 1975. The bigger picture, said Mr. Hanson, is that people must begin to see preservation as a way to protect the “historic fabric” of city landscapes.

The heritage of the pedestrian-scale organic city of 100 years ago is not worth saving just because of the connection to the past—its salvation has become critical to humankind’s continued healthy existence on the planet. The preservation movement is not just about old buildings any more—it is about street trees to store carbon and cool cities, urban lighting that engenders safe spaces, and a right to a landscape that promotes health and well-being.

Mr. Hansen quoted Henry David Thoreau: “How good is a house if you haven’t got a decent planet to put it on?”

Asked who owns the easements under Peterborough’s program, Mr. Hanson responded that the municipality holds the easements, under the authority of the *Ontario Heritage Act*, and has used the easement section of the Act as a template for its easement provision.

Responding to a question about the smaller buildings that do not in themselves hold significant heritage value but are still an integral part of the historic atmosphere, Mr. Hanson said those buildings with no clear, distinctive heritage value end up as a “Category C” building, meaning that without it the overall heritage value of the street is diminished.

Asked for more details on Peterborough’s Facade-Improvement Program, Mr. Hanson explained that the program has never been implemented.

In response to a comment that Toronto’s heritage designation program seems to function on the basis of a property being “at risk” rather than its heritage quality, Mr. Hanson noted that by the time a Peterborough heritage property is “at risk” it is usually too late to save it. An inventory system would be very helpful in making people aware that such properties exist. The *Ontario Heritage Act* gives municipal councils the right to deny demolition of designated buildings. Peterborough has streamlined the designation process to minimize the cost—a designation brief can often be done in two days or less by one staff person. A delegate noted that Calgary has a similar system, but has trouble keeping up with volume of buildings involved. A delegate commented that Saskatoon’s tax abatement program usually falls down when the developer cannot access the dollars “up front.”

Asked if the Heritage Property Officer in Peterborough has the authority to see and approve demolition applications, Mr. Hanson responded that Peterborough has such a small and friendly city administration unit that he just asked to be added to the list of sign-off authorities.

In response to another question about heritage and sustainability Mr. Hanson said that planning is not a scientific exercise, but is a human exercise. The “preservation world” needs to take a page from the environmentalists. They are listened to in a way that the heritage advocates are not. The general public does not understand what a preservation advocate is, nor the value in creating better communities. People must see heritage preservation as an engine of social justice. Preservation advocates must be ready to be the spokespersons for that agenda. A delegate commented that it would be helpful to put numbers to the heritage conservation and sustainability issues, because people tend to judge social issues on the basis of financial values.