



Dynamic Downtowns Workbook

Using Heritage to Build Strong, Vibrant Downtowns



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Acknowledgements

Dynamic Downtowns was created through a partnership between Sustainable Cities International and C+S Planning Group.

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This toolkit was made possible by generous support from our key funders:

Real Estate Foundation of British Columbia

Heritage Branch, Provincial Government, British Columbia

Columbia Institute, Vancouver, British Columbia



We would also like to recognize generous in-kind support from:

Charley Beresford, Columbia Institute

Diane Switzer, Vancouver Heritage Foundation

Mona Lemoine, Cascadia Green Building Council



Cities need old buildings so badly it is probably impossible for vigorous streets and districts to grow without them... New ideas must use old buildings.

— JANE JACOBS, *The Death and Life of Great American Cities*



Downtown New Westminster at night.

*Don't it always seem to go
That you don't know what you've got 'til it's gone*

— JONI MITCHELL

This workbook was created out of a love for old buildings and their importance to making our communities unique. One of my favourite moments as a planner was when I worked with a very bright university History student on a heritage recognition project. At the beginning of the project he did not see the importance of the old brick buildings in his downtown; by the end he was a fierce advocate for heritage as part of his community. I believe if we spend time with old buildings, and learn from them, they become part of our identity.

This project was inspired by success stories from communities around British Columbia. It was also strongly influenced by the context of our times, when we need to understand the economic impacts of the decisions we make. This workbook intends to highlight how economic opportunity can be a part of reusing heritage buildings.

This project was made possible by generous funding from the Real Estate Foundation of British Columbia, the BC Heritage Branch (Ministry of Forests, Lands and Natural Resource Operations), and the Columbia Institute.

I hope this workbook helps communities embrace and maximize that which makes each one unique.



Maria Stanborough, MCIP RPP
Principal, C+S Planning Group

How to Use this Workbook

The Dynamic Downtowns Workbook is a resource for communities that want to know more about how to include heritage buildings as part of their downtown revitalization strategy. The Workbook begins with a 'Timeline of Heritage Conservation' to provide a context for communities in British Columbia. The 'Heritage and Downtown Revitalization' section identifies the main economic uses of heritage buildings to support downtown revitalization. 'Planning for Heritage' highlights a basic approach to heritage recognition, while 'Heritage and the Environment' speaks to the environmental benefits of heritage buildings, as well as the barriers developers face.

The five 'Case Studies' included in the Workbook illustrate examples of how some British Columbia communities are incorporating heritage buildings into their downtown revitalization. Finally, the 'Tools in the Toolkit' section, and the following 'Checklist for Communities' bring together an approach for incorporating heritage buildings into a bigger strategy.

The Tools in the Toolkit section is meant to be followed sequentially, with a community first looking at how it is (1) Building Capacity, (2) Planning for heritage buildings in the downtown, (3) Implementing tools that can support the reuse of heritage buildings, and finally (4) Assessing the effectiveness of the approach.

Like most long-term strategies, it is a continuous process: once you have Assessed how you are doing you may have to go back to a previous step. For example, do downtown building owners understand the importance and opportunities of heritage in the downtown (Capacity Building)? Have you adequately captured the important heritage moments of your

downtown or is there something missing (Planning)? Do your incentives provide the return the community is hoping for, or do they need to be reworked (Implementation)?

Building Capacity may be the most important part of the process. If your building owners, local politicians and heritage advocates do not share a common understanding, then the process of including heritage buildings in a downtown revitalization strategy will be challenging.

How each community then Plans, Implements and Assesses will depend on the local situation. For instance, heritage density transfer is not useful for a community with little demand for more density. In this case, downtown design guidelines may be a cost-effective way to recognize heritage in the historic centre (see Grand Forks example, page 15).

Reuse of heritage buildings alone will generally not be enough to revitalize a downtown. There needs to be activity in the downtown, an interesting mix of retail and easy access to parking and sidewalks. However, old buildings that are no longer vacant but have an active commercial life are an important part of a vibrant downtown.

Timeline: Heritage Conservation in British Columbia

In Canada, heritage recognition began with recognizing the momentous -- wars, exploration and famous people -- and has moved into the everyday, with incentives like the “Commercial Heritage Properties Incentive Fund” (2003-2008). Along the way environmental sustainability has become a bigger part of the story, first during the energy crisis of the late 1970s and now with green building certifications that recognize heritage as part of sustainable built environments.

1919

Historic Sites and Monuments Board of Canada (HSMBC) established

The HSMBC's early work was focused on commemorating the most significant historic sites across Canada with bronze plaques on stone cairns.

1955

Historic Sites and Monuments Act Includes Built Heritage

An amendment to the Historic Sites and Monuments Act allows the HSMBC to recommend buildings for national designation on the basis of age or architectural design

1977

The Heritage Conservation Act (HCA)

Empowers local government to withhold a demolition or building permit for up to 90 days on a non-designated property with possible heritage significance and enables, but does not require, Councils to provide compensation to owners where designation resulted in decreased economic value of a heritage property.

1953

Historic Sites and Monuments Act

The Historic Sites and Monuments Board established into law.

1973

Heritage Canada Foundation Established

A national non-profit organization to provide information, support collaboration, and advocate for built heritage.



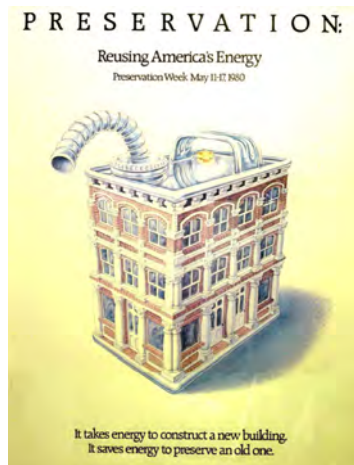
1979

Main Street Program

From 1979 – 1994 over 70 communities across Canada took part in the Main Street heritage revitalization program.



Indicates environmental initiative



1980

1980 Preservation Week Poster - Reusing America's Energy

During the energy crisis a campaign was developed showing heritage as part of the solution.

Heritage Area Revitalization Program (HARP)

From 1980 HARP provided funding for improvements to historic downtowns across BC.

1987



Brundtland Report: Our Common Future.

Our Common Future is published following the United Nations Conference on the Human Environment. It provides what is still the most popular definition of sustainability:

*“meeting the needs of the present
without compromising the ability of future
generations to meet their own needs.”*

1981

Heritage BC founded

A non-profit organization providing information, advocacy, and funding for heritage recognition, protection and rehabilitation in British Columbia.



1994

Heritage Conservation Statutes Amendment Act (HCSAA)

Local governments now have stronger tools for heritage conservation such as designating Heritage Conservation Areas, establishing temporary protection of properties, extending tougher penalties for offenses, and entering into Heritage Revitalization Agreements with heritage property owners.

2000

Canada's Historic Places Initiative

From 2000-2010, this joint initiative of federal, provincial and territorial governments developed the Canadian Register of Historic Places, the Standards and Guidelines for the Conservation of Historic Places in Canada, and the Commercial Heritage Properties Incentive Fund.

2000 

LEED Green Building Rating System

LEED (Leadership in Energy and Environmental Design) is a third party certification program first established in the United States, and two years later in Canada. LEED provides building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance.



2008 

Municipal Greenhouse Gas (GHG) Emission Targets, British Columbia

Communities are encouraged to reduce greenhouse gas emissions with the adoption of Bill 27 and amendments to the Local Government Act.

2003

Standards and Guidelines for the Conservation of Historic Places in Canada

The first national guide to the restoration and rehabilitation of historic places throughout Canada.

Commercial Heritage Properties Incentive Fund (CHPIF)

A key component of Canada's Historic Places Initiative, CHPIF provided financial incentives to private owners of registered heritage properties for rehabilitation work. Commercial heritage buildings were targeted as they are two times more likely to be demolished than other built heritage.

2005

"Heritage and Sustainability: Canadian Communities and Kyoto"

Heritage Canada Foundation's Annual Conference focuses on the link between heritage buildings and the environment.



2011

'Evergreen' Building LEED Gold-certified



Arthur Erickson's Evergreen building is a 1970s office building in the west end of Vancouver. Although constructed in an era when buildings tended to be energy inefficient, the Evergreen building underwent a retrofit to become the first LEED gold certified heritage building in Canada.

2009

Funding Cuts

Following the 2008 economic crash there were Provincial and Federal government restraint measures. Since then there has been a shift away from government dependency for heritage funding to broader based support, with heritage as an aspect of community planning and resource management.

Moving Forward

Since the economic downturn in 2008 financial support for heritage and sustainability initiatives has been reduced. Despite this, the story of heritage and sustainability continues -- most recently with the LEED gold-certification of architect Arthur Erickson's "Evergreen" building. This toolkit is designed to further explore the link between economics, sustainability and heritage preservation.

According to the new paradigm for economic development, value [of a place] is attributed to quality of life as much as or more than land, labour and capital costs.

— KEN GREENBERG, *Walking Home: the Life and Lessons of a City Builder*



Heritage and Downtown Revitalization

This workbook explores how heritage can be a key to creating 'dynamic downtowns,' town centres where people live, work, visit, shop and dine. This project was inspired by seeing success stories in places such as Nelson and Nanaimo, BC, and by seeing other communities where downtown heritage buildings appear underused and neglected.

"Dynamic Downtowns" are downtowns where heritage buildings are a key feature, drawing local residents and visiting tourists who want what may feel like a more authentic retail experience than the shopping mall. Heritage areas tend to be walkable with human scale architecture, local enterprises and smaller businesses. For many visitors, heritage buildings in a downtown define the character of the community.

There are things that heritage buildings can offer a community and things that they cannot. Most heritage buildings are not large enough to offer 'big box' shopping experiences. But heritage buildings can offer niche retail and service destinations with interesting interiors and exteriors.

If residential properties are part of the downtown they will be located in the floors above the commercial or in the houses that ring the core, part of the original community design that was more pedestrian-oriented.

Heritage buildings offer five possible key stimulants for economic development:

Small Business Incubation

British Columbia has the highest percentage of small business per capita in all of Canada. Small business accounts for 98% of all businesses in British Columbia. About 82% of these are micro-businesses with fewer than five employees. Heritage buildings can offer affordable 'class B' space for smaller businesses, new start-ups, or businesses looking for an urban 'retro' feel.

Tourism

Cultural tourism is one of the fastest growing segments of the tourism market, with cultural tourism responsible for 40% of global tourism revenue¹. British Columbia is no exception: about half of travelers to BC claim to have an interest in culturally based travel². As the world becomes more and more the same, tourists are looking for interesting places to visit.



Buying Locally

The 100 Mile Diet, published in 2006, was a catalyst for not only buying locally produced food but also buying local product in general. The BC Farmers Market Association now boasts more than one hundred farmers markets which sell locally produced food as well as arts and crafts. The interest in 'buy local' is another economic driver for historic downtowns and complements the opportunities for small businesses and tourism.



Job Creation

Heritage rehabilitation is far more labour intensive than traditional construction. The costs for new construction projects are approximately 50% for materials and 50% for labour. With rehabilitation projects, between 60-70% of the costs are labour. Heritage rehabilitation projects can be stimulants for the local economy.

Affordable Housing

Downtown heritage buildings can be included as part of a community's affordable housing strategy. However, given that affordable housing is provided below market value, there may need to be incentives, and/or other government support tied to the project. As well, a non-profit organization may be brought onboard to manage an affordable housing project.

Key Points to Consider

The case studies in this workbook demonstrate several successful downtown revitalization projects that may be useful examples for other communities. When drafting a revitalization strategy that includes heritage, these are some key considerations:

Commitment to Downtown Revitalization

Is the local government committed to downtown revitalization? This commitment can be captured in the Official Community Plan or Downtown Revitalization Strategy. It will require prioritizing funds and strategies for (re)development of the downtown.

Heritage Assets

Does the community have heritage assets that can support downtown revitalization, and, if so, what kind are they? The best-case scenario is a number of buildings with heritage value in close proximity to each other that can constitute a heritage district. However, in some places there will be only one or two buildings, or places with 'intangible' heritage – no built form – but which embody historical use of a site and settlement of an area.

Downtown Amenities

Is there something to do downtown? Interesting heritage can draw some people to the downtown, but an activity can draw even more people. Downtown revitalization can be encouraged with key events or attractions. These can include a farmers' market, skating rink, or other public amenities in the downtown.

Access

Is the downtown easy to access? A heritage rehabilitation project will be more successful if there is clear signage to the downtown, easy access to parking, and a good road and bike network. As well, is it easy to pick out the sites of interest? Heritage plaques can be an effective way to recognize heritage and add interest to the downtown.

Residential Development

Does anyone live downtown? While many communities rely on tourism to help their downtowns thrive, there needs to be interest and commitment from the local community throughout the year. This can be encouraged with more residential development in or surrounding the downtown core.

Economic Cost-Benefits

Has the community evaluated the economic costs and benefits of heritage rehabilitation? Often the benefits of a project are only seen after time and, if nothing is tracked, the benefits may be lost. Recording the existing situation, setting goals and tracking any changes is a good way to evaluate the success of a project. Indicators to watch can include increased retail sales, lowered vacancy rates, and higher property values

Environmental Benefits

Reuse of existing building stock can be part of an overall strategy for community greenhouse gas reduction. Currently, demolition waste is between 20-30% of landfill while new building construction uses up to 40% of all new materials. Reuse and effective retrofitting of heritage can be part of a community's overall strategy for environmental sustainability.

Social & Cultural Benefits

Heritage buildings create many positive impacts that are not always captured in economic or environmental cost-benefit analysis.

A heritage building may have historical significance as a site of community gathering or cultural development. Heritage is a scarce resource, only 2% of the building stock. Once heritage is demolished a part of the community's social and cultural fabric is lost forever.

Heritage buildings can be very good for the local economy

\$1 million spent on:

- Building a highway. 34 jobs; \$1.2 million in household income; \$85,000 in local taxes.
- A new building. 36 jobs; \$1.223 million in household income; \$86,000 in local taxes.
- Rehabilitating an historic building. 38 jobs; \$1.3 million in household income; \$92,000 in local taxes.

Dr. David Listokin, Center for Urban Policy Research, Rutgers University. <http://www.policy.rutgers.edu/cupr/>

Planning for Heritage

Diane Switzer

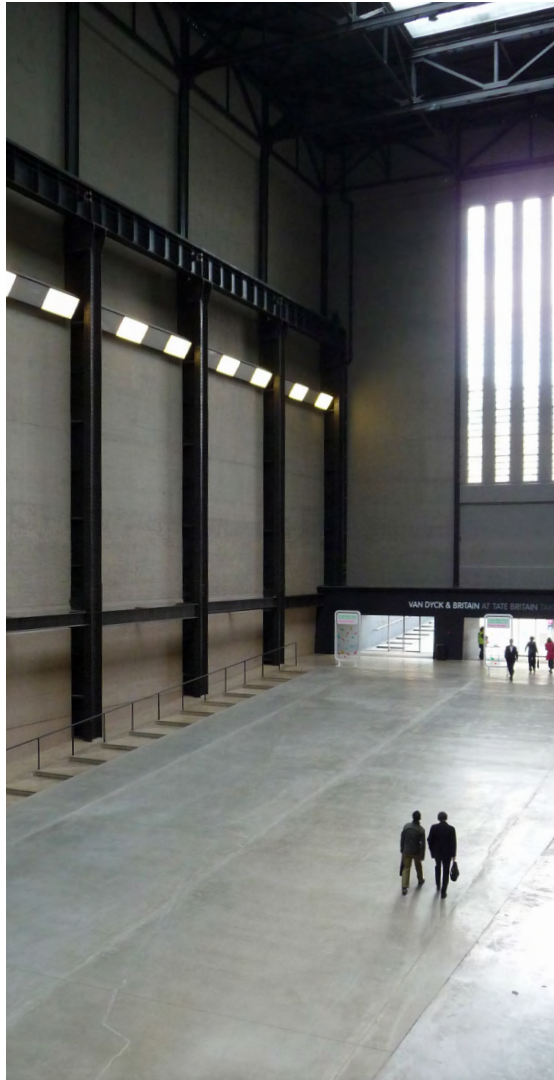
Heritage buildings in a downtown core can be an important part of a revitalization strategy. However, ensuring that heritage buildings remain in our downtowns requires planning for the maintenance, renovation or rehabilitation (reuse) of heritage. All communities can incorporate heritage rehabilitation in their downtown revitalization and each community's heritage assets will reflect a unique history.

In order to preserve heritage buildings effectively, a community must determine the key elements that need to be protected. Planning for heritage conservation is a process of identifying the key moments and activities that give a place its distinct character, discovering the sites and structures that encompass these moments, and creating a plan to ensure the retention and continued use of these community resources.

Rarely does a structure embody only one moment for a community; history is layered through time as a building has different uses. Determining which layers to conserve is a difficult process as diverse community voices compete to have their story heard. It may be difficult to peel through the layers to determine the entire story, but it is this entire story that is important. If only one story surfaces the community risks losing its physical connection to a multi-layered past.

When evaluating heritage assets, the most obvious assets are the larger spiritual, institutional and commercial buildings. Also obvious are houses from the early 1900s that have been lovingly maintained and repaired over the years. Less apparent heritage assets are First Nations sites, more modest buildings, or buildings that have been drastically renovated. Yet it is the entire continuum that makes up the complete history. Recognizing just one layer because it appeals to a certain sense of 'heritage' discounts and devalues other histories of the community.

Identifying the multi-layers of community heritage is essential to retaining a sense of place. Once identified, recognition of heritage can be done in a myriad of ways: historic plaques, festivals celebrating community history, multi-media applications, and new uses for aging structures. For downtown revitalization new uses for heritage building is key. If structures are allowed to lie unused for extended periods of time, their demolition is almost certain. It is only through vibrant and continual use that heritage structures remain relevant for the 21st century.



The Tate Modern, Britain's national museum of modern and contemporary art, is housed in the former Bankside Power Station.

In British Columbia, heritage conservation policies and programs have been in place since the Heritage Conservation Act was in 1977. This Act still provides for the conservation of heritage buildings and sites today. Recently, however, there has been a shift away from preserving an individual building towards a focus on preserving the diversity of heritage of a place.

In the 1970s when the heritage conservation movement began, suburban housing was being built on seemingly endless tracts of available land. At that time the concern among heritage conservationists was to prevent the demolition of iconic buildings with less concern about the loss of smaller structures. Today there is more of a focus on local heritage assets. A recent public survey in Vancouver noted that 88% of respondents identified that there was too much demolition in their neighbourhoods and that the presence of heritage buildings helps to retain the sense of place and unique identity of where they live.³

As well as protecting the unique identity of a place, conserving downtown heritage buildings is an important part of achieving sustainable planning goals for the 21st century. With less

vacant land, rising housing prices, a push for less car use and a focus on energy efficiency, the careful rehabilitation of heritage buildings provides opportunities for attractive environments in historic urban cores close to public transportation. Historic downtowns can model the 'complete, compact community' that help reduce community greenhouse gas emissions.

Heritage buildings create opportunities to define the identity of a community. Heritage buildings do not need to be seen as liabilities to be tossed into the landfill but as assets to enrich and enliven. Imagine the commercial village strip with its old theatre now used as a fitness studio, the former bank now a retail space, and the corner store a popular coffee shop. Various religious and public buildings might remain, now retrofitted for new uses such as rental and strata housing.

In time, any new construction will come to be part of the history of the place. However, as a community grows, it must evaluate what is lost when any piece of history is demolished. Planning with heritage in mind helps answer those questions before they are asked.

Diane Switzer is the Executive Director of the Vancouver Heritage Foundation. The Vancouver Heritage Foundation recently completed a study, "Heritage Conservation in a Green & Growing City."

Grand Forks – Downtown Design Guidelines

Like many smaller towns, Grand Forks, BC is experiencing a decreasing population and destabilized economic growth. To help improve the situation, Grand Forks' Economic Development Advisory Commission has focused on re-energizing the historic core of the city. Having limited financial means to achieve downtown revitalization, the City chose to implement 'values-based' community design guidelines for its downtown.

A heritage design workshop was held in February 2011 and the downtown heritage design guidelines were adopted as part of the Sustainable Community Plan by City Council in September 2011. All future development in the downtown must meet these guidelines. However, rather than overly prescriptive heritage design guidelines, the 'values-based' approach is more descriptive and focuses on key elements of the community's heritage.

Many of these elements make Grand Forks unique:

- Relationship between industrial heritage sites such as mills, old smelter, railways and rail yards
- Back alleys
- Mid-block walkways between buildings
- Building height ranging from one to three storeys
- Eclectic streetscape made up of a variety of buildings of different eras and architectural styles
- Historic storefronts and shop windows at street level
- Surviving false fronts on some buildings



“Where sustainability aims to put the world back into balance, resilience looks for ways to manage in an imbalanced world.”

— ANDREW ZOLLI



Heritage and the Environment

Co-authored by Mona Lemoine

As the impacts of climate change are being recognized at a global level, the discussion of ‘sustainable communities’ has turned more to ‘resilient communities.’ Sustainable communities aim to put the world back into balance. Resilient communities adapt in the face of changing circumstances.

Many climate experts now believe that we have already lost the battle against climate change; they argue that it is too late to avoid significant environmental devastation worldwide. The debate is now turning to how we will adapt and thrive in a vastly altered world. Societies that seek to be resilient will create a vision for the best possible future in a world where weather patterns can be fiercely destructive, food sources uncertain, and resources diminishing.

In the face of this changing environment, our buildings can reflect our best efforts to adapt. Green building codes for new developments are an excellent step forward to reducing our reliance on energy and other resources. But while these building codes are good for new developments, two-thirds of all buildings that currently exist will still be in use in 2050.⁴ If we hope to create more sustainable and resilient communities, this 66% of our existing building stock will need to be addressed.

Heritage buildings offer the opportunity to be ‘model citizens’ in regards to creating sustainable, resilient communities.⁵ Heritage buildings are recognized as offering a value to our communities. At a government level, this value can be given worth through property tax exemptions, reduced development fees, grants for construction work, and zoning flexibility.

With access to these development tools, heritage buildings can be used to model best practices for rehabilitation work. Good heritage rehabilitation can offer an example of how existing buildings can be part of sustainable and resilient communities. Arthur Erickson’s ‘Evergreen’ building is a case in point. Completed in 1980, the Evergreen was built at a time when buildings had very poor energy efficiency. In the mid-2000s the Evergreen building underwent renovation work and, upon completion, earned LEED gold status, the first commercial heritage building in Canada to do so.

While new green buildings are valuable, the environmental costs of new construction are significant. In North America, 40% of all new materials are used in building construction.⁶ These materials often involve damaging resource extraction, harmful emissions from transportation, and use of potentially scarce resources. When existing buildings are demolished in order to build new, there can be a significant waste of resources. Between 20-30% of all existing landfill in Canada is construction waste.⁷

Reusing an existing building and upgrading it to be as efficient as possible is almost always the best environmental choice regardless of building type and local climate. In *The Greenest Building* life cycle analysis comparing rehabilitation projects to new construction, buildings that were rehabilitated had less of an environmental impact than new construction. With careful material selection and efficient design strategies, building rehabilitation can play a major role in minimizing negative environmental impacts associated with the built environment.⁸

However, as is noted in the life cycle analysis study, “There are many barriers to actualizing the environmental benefits of building reuse. Developers often perceive little economic justification for retaining existing buildings and instead look for developable land rather than buildings to retrofit.”

This is where incentives for heritage rehabilitation are important. In Nelson, BC heritage rehabilitation was encouraged in the 1980s and 1990s via multiple funding streams. The City now has one of the most vibrant and interesting downtowns in the province.

Another major barrier to rehabilitation work is that developers see this work as far riskier than new construction. Generally, the potential pitfalls of new construction can be anticipated whereas rehabilitation projects are seen to have too much uncertainty. This is another area where incentives can help promote building rehabilitation. As part of their heritage program the City of Victoria offers grants to complete applications. Using the grant, the developer can hire a professional to assess the costs related to the full scope of rehabilitation work required.

Finally, as noted in the life cycle report, “the environmental costs associated with building construction and demolition are external to developer pro formas. This creates an incentive to demolish buildings in favour of new construction.” However communities can create disincentives to demolition. In San Francisco, a demolition permit for a pre-1950s building triggers an assessment of the building. If the building is seen to have heritage value, the City will designate it as heritage and prevent demolition.

Older buildings foster a wide variety and intensity of uses, and often provide more affordable spaces for economic incubation than new buildings. Building reuse and retrofit, coupled with responsible materials choices, offer tremendous promise for minimizing environmental impacts associated with the built environment.

Heritage buildings offer an opportunity to respond to climate change through the transformation of the existing built environment and enhance the resilience of our communities in the face of an uncertain environmental future.

Mona Lemoine is the Executive Director of Cascadia Green Building Council and the Vice-President Education and Events, International Living Future Institute.

Building Life Cycle Assessment

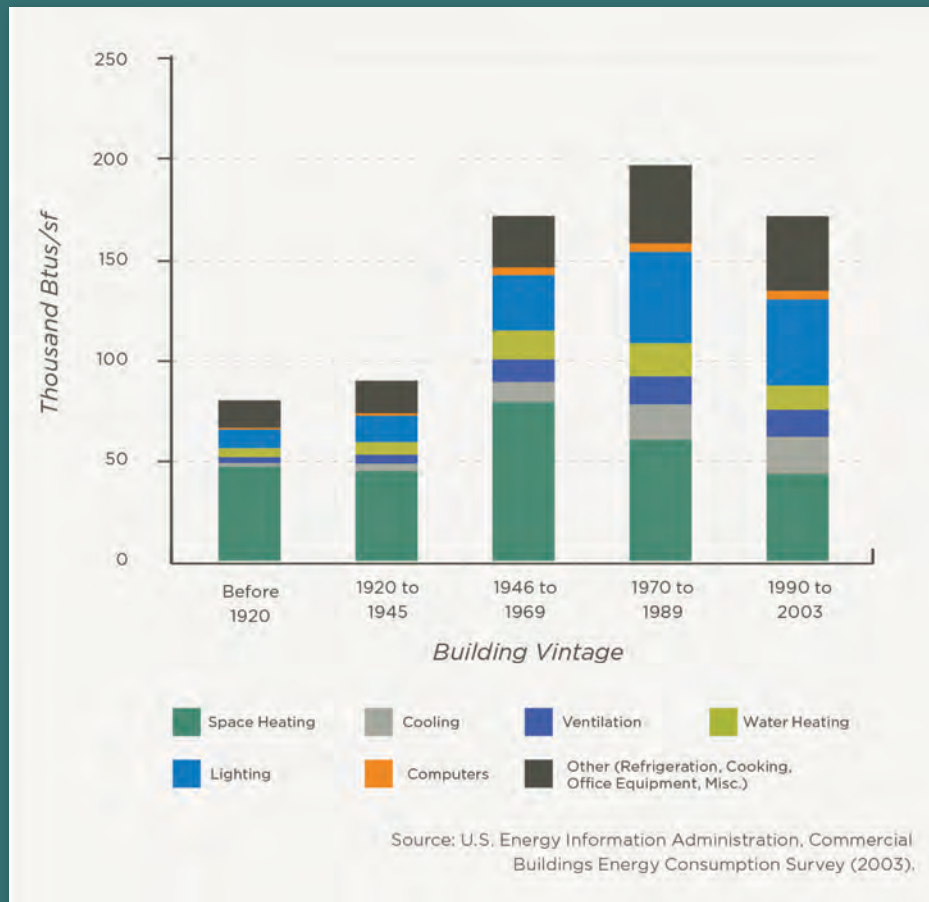
As noted in *The Greenest Building* report, the costs related to life cycle assessment are unique to each building. A building will have its own specific rehabilitation costs, whether it is replacing windows, improving insulation, or upgrading the electrical system. Thus, one pro forma cannot fit all building types.

The general assumption with any life cycle assessment is that the work done to rehabilitate an existing building will bring it to an accepted level of construction as per today's standards and building code. In simple terms, the building is now at day one with a life span of approximately 75 additional years. Life cycle assessment will look at the costs incurred to bring a building to current standards, as well as the costs related to operating the building for the next 75 years.

Currently, only the financial costs are evaluated. In time, full-cost life cycle assessment will include the environmental costs of waste material, the cultural costs of lost community character, and the social costs of eroded community cohesion.

Commercial Energy Use by Vintage

The Greenest Building: Quantifying the Environmental Value of Building Reuse



“The more sophisticated we get, the more advanced our buildings are, the more vulnerable we are.”

—STEPHEN AMBROSE, HISTORIAN



Case Studies

The following five case studies are examples of communities where heritage has been integrated successfully into downtown revitalization strategies in British Columbia. Some of the key findings from the case studies include:

- Grants can be an effective way for a building owner to leverage more funds for a project. Tracking what other funds have been leveraged is useful to assess the effectiveness of a grant program (Nelson, Nanaimo, Victoria)
- A design grant to help a developer estimate costs for a project can encourage the reuse of an existing building (Victoria)
- A permissive tax exemption can provide long-term economic benefits that outlive the 10-year period of the tax exemption (Nanaimo, Kelowna, Victoria)
- Heritage Revitalization Agreements (HRAs) allow for a lot of flexibility in how they are used, from parking relaxations to allowing uses other than what the zoning permits (Nanaimo, Kelowna, Victoria)
- It is important to consider the heritage properties that surround and support the downtown commercial (Heritage Revitalization Agreements in Kelowna, New Westminster and Coquitlam)
- Reuse of heritage buildings is most effective when part of overall economic development strategy. This may include holding events that draw people downtown, improving traffic and pedestrian connections through the downtown, and an interesting business mix that can attract local residents and tourists (Nelson, Nanaimo)

A Model for Heritage & Downtown Revitalization: Nelson and the Main Street Program

The revitalization of Nelson's historic downtown in the 1980s was very much a product of a time when Federal and Provincial governments came together to create a focused heritage approach. Although local governments today must look to downtown and heritage revitalization in a much different funding climate, Nelson's experience with the Main Street Program is a valuable story of what is possible with support from a multi-level comprehensive program.

In the 1970s and early 1980s, Nelson was facing a number of economic challenges. The city's historic role as a trade and service centre for the larger Kootenay region was being challenged by nearby Cranbrook and Castlegar due primarily to the construction of the Salmon-Creston highway that bypassed Nelson. The construction of the Chahko Mika Mall outside of the downtown area in 1980 also shifted a significant portion of Nelson's retail and service activity away from the core. The economic downturn only worsened with the closure of the Kootenay Forest Products sawmill and the David Thompson University Centre. During this period the city's population declined dramatically.

Despite the bleak economic outlook at the time, the groundwork was being laid for Nelson's revitalization. In 1977, BC's newly formed Provincial Heritage Branch chose Nelson to be the focus of a pilot project for the development of a heritage conservation program. Nelson was chosen because it was a small city lacking the expertise of larger urban centers, it

had a large number of heritage structures, and it had seen little economic growth for several decades. *Nelson: A Proposal for Urban Heritage Conservation* was intended to be a guide for the development of conservation plans in similar sized communities across the province.



The study focused on heritage conservation so that heritage buildings were a functional part of the community while keeping an active connection to the past. The study began by assessing the state of preservation and the design qualities of each block along the main street. A key part of the heritage assessment was the principle of “Keeping It Real”. Rather than seeking to focus on one period or ‘theme’, the study acknowledged the evolution of architectural styles in Nelson and emphasized the variety.

These styles include Late Victorian, Art Deco, Mission Revival and Modern/International.⁹ Many buildings had undergone partial façade ‘modernizations’ and had seen original design features removed, such as elaborate cornices and towers.

Around the time that *Nelson: A Proposal for Urban Heritage Conservation* was completed, local merchants were voicing their concerns about the state of downtown. With the help of a consultant and using the findings of the report, the City developed the Nelson Downtown Core Study which consisted of a physical improvement plan, a marketing approach, and a preliminary development strategy. The City further secured commitments for funding and technical guidance from various agencies including

Heritage Canada, the BC Heritage Trust, Provincial Municipal Affairs, and the Travel Industry Development Subsidiary Agreement and was selected as the second demonstration community for Heritage Canada's new Main Street Program.

Starting in 1981 a Main Street Coordinator appointed by Heritage Canada worked closely with a Downtown Development Officer hired by the City. A steering committee with representatives from the Downtown Business Association, the Heritage Advisory Committee, City Council, the Regional District of Central Kootenay, and the Nelson and District Chamber of Commerce provided recommendations and significantly influenced the program's activities.

The program had immediate visible effects on the downtown core, both in terms of economic vitality and aesthetic character. In the first phase of the Main Street Program (1981-1983), 35 private buildings, 2 civic buildings, and significant streetscape improvements were completed. Improvements to buildings ranged from cleaning and painting to major restoration work. A 1984 report cited the following economic benefits from the program's first phase:

- From 1980-1983 an estimated twenty-two retail and service businesses permanently closed in Nelson. Of these, 55% were located in the Chahko Mika Mall and only 36% in the downtown core.
- By 1984, business closures stopped in the downtown and there were several new and expansions of existing businesses.
- Between 1980 and 1983 property values increased 28.5% for the downtown core of Baker Street.

- At a time when nearly half of the town's tradespeople were unemployed, the Main Street Program generated an estimated 180 person-years of employment.
- The local small manufacturing/cottage industry sector benefited from the opportunity to create a variety of products related to the downtown improvements.¹⁰

The total cost of the first three-years of Nelson's Main Street project was \$1.52 million. Of this, approximately \$258,000 was Federal funding which leveraged an additional \$1.27 million from a variety of sources including the Provincial Municipal Affairs Office, BC Heritage Trust, the Provincial Transit Authority, the City of Nelson, and local merchants.

Despite its apparent success, the Main Street Canada program was a hard sell to local merchants. The language of heritage conservation did not connect with business owners, as it was not clear how the program would help their businesses make money. The 1984 evaluation of the program's first phase describes the challenges in bringing together independent downtown merchants and the underwhelming impact that many merchants felt the program's promotion efforts had had. Main Street Canada soon realized that they needed to better deal with the promotion, merchandising and business development aspects in order to get downtown merchants on board. New, more business-oriented staff were hired and changed the conversation to include discussion of filling vacant sites, generating foot traffic, and retaining and expanding downtown businesses. Glen Loo, one of the business advisors, recalled that the best approach to take was to play up the business element while underplaying heritage and "sneaking it in".¹¹ Between 1980 and 1990, 90% of Nelson's downtown buildings were renovated to some degree.

Nelson Today

Nelson's heritage revitalization was facilitated by the positive environment for heritage in BC in the 1980s when conservation was gaining recognition, funding for conservation activities was available, and the Main Street Program was initiated. Due in large part to the focus on heritage conservation, Nelson persevered through an era of economic challenges and was able to diversify its economic base to include significant tourism and culturally-oriented development long before many other communities its size.

The benefits of Nelson's revitalization are still visible today in the vibrancy of its downtown and in the city's ability to attract new residents. Nelson is also highly attractive to entrepreneurs. In 2004, Nelson had 2.5 times the national per capita average of business licenses issued for a small city. At that time, there were close to 400 businesses located along Baker Street which is made up of low-rise, primarily heritage buildings.¹² In 2012, over 1300 business licenses were issued, a significant number for a small town.¹³



Downtown Nelson, BC

Main Street Program

In 1979, Heritage Canada Foundation, a Federally-funded non-profit, began its Main Street Canada program with the aim of revitalizing Canadian downtowns. The Main Street Program used heritage as a tool for economic development and engaged stakeholders in how to best utilize their local assets—both tangible and intangible. By taking a comprehensive approach and bringing together the business community, municipal councils, private corporations and Provincial governments, the program had positive impacts on job creation, private sector investment, heritage tourism, and local pride.

In the first 10 years of the program:

- 700 buildings underwent major renovation;

- 6,000 jobs and 1,500 new businesses were created;

- \$90 million was invested in participating communities;

- Each dollar invested by Main Street Canada generated \$30 of private investment

By the end of the national Main Street program in 1994, over 70 communities had implemented the approach.¹⁵



Downtown Nelson, BC

Nelson has continued to build on the success that was put into motion in the 1980s:

- *The Nelson Official Community Plan* designates the downtown commercial heritage core as a Development Permit Area. The guidelines encourage the maintenance and restoration of historic buildings, as well as the construction of new infill buildings that respect architectural precedents.
- City Council approved the *Path to 2040 Sustainability Strategy* (2011). Two of the ten key focus areas are: Local Economy, and Arts, Culture & Heritage.
- Nelson City Council approved the *Sustainable Waterfront and Downtown Master Plan* (2011). The plan describes a 20 to 30 year vision for sustainable growth, densification and improved connections throughout the downtown and waterfront area. Baker Street is highlighted as the hub of the community around which new activity will be concentrated.

Though Nelson's revitalization took place in a unique period for heritage in BC, there are lessons to be learned from the model that was followed. The first step was to take stock of assets and to determine the aspects of the town's character that were most important to rehabilitate. The City then created a business model for improving the downtown core and was able to secure funding and support from several agencies. In more recent years, the City has successfully integrated heritage interests into its broader planning framework through design guidelines and comprehensive downtown planning. By considering built heritage and economic vitality together, these efforts have played a fundamental role in transforming Nelson from a dying community into a thriving destination for both tourists and residents.

Downtown Revitalization Strategy: Nanaimo

Like many other cities its size, Nanaimo's downtown core saw significant economic decline from the 1960s to the 1990s. During this time, residential and commercial growth shifted to newly developing suburban areas, with new malls attracting businesses and shoppers.

The City began downtown revitalization efforts in the mid-1980s with the implementation of Downtown Design Guidelines and with improvements funded by the Provincial Heritage Area Revitalization Program (HARP). Between 1984 and 1990 the Province provided \$283,000 of funding for improvements to the Commercial Street business area, including service upgrades and pedestrian lighting, street trees, street furniture and decorative sidewalk brickwork. However, the focus on design was not enough to provide an on-going boost to the downtown economy.

By the end of the 1990s it became clear that further action needed to be taken. In 2000 the National Trust for Historic Preservation (USA) provided the City with an assessment of downtown revitalization opportunities using their trademark four point Main Street

approach: promotion, design, organization and economic restructuring. The Downtown Nanaimo Partnership (DNP) was formed in 2001 to implement the Main Street model and support the revitalization effort. The DNP consisted of representatives from the Nanaimo City Centre Association, The Old City Quarter Association, the City of Nanaimo and community members. The DNP has since evolved into the Downtown Nanaimo Business Improvement Association (DNBIA).

Throughout the early 2000s, Nanaimo took a comprehensive approach to re-imagine the city's heart

- A Downtown Plan (2002) to guide development and revitalization
- Downtown Business Retention and Attraction Strategy (2002), which highlighted the value of a "destination downtown"

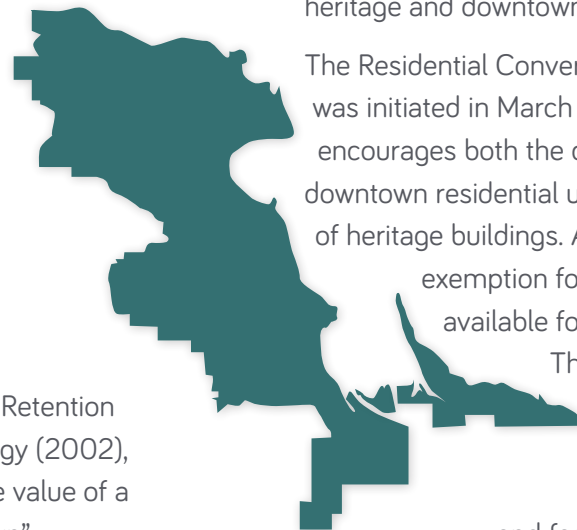
- An updated Downtown Zoning Bylaw (2005) to reflect unique precincts and allow taller building heights in identified areas
- Downtown Design Guidelines (2008) to provide conceptual guidance for future development

From the beginning the City recognized that the rich heritage in Nanaimo's downtown had a valuable role to play in bringing both businesses and residents into the core. The City created a set of complementary incentives to achieve their heritage and downtown revitalization aims.

The Residential Conversion Exemption Program was initiated in March 2002. The program encourages both the development of new downtown residential units and the preservation of heritage buildings. A full property tax

exemption for up to 10 years is available for eligible projects.

The exemption is intended to offset the cost of required seismic, building code, sprinkler and facade upgrade work.



A Heritage Façade Improvement Grant was created in 2003 to provide a financial incentive for exterior building improvements that follow both the Downtown Design Guidelines and the provincially-endorsed *Standards and Guidelines*. The grant covers up to 50% of the project cost to a maximum of \$10,000 per street-fronting building face.

Three other non-heritage specific development incentives round out the package:

- Development Cost Charge (DCC) Exemption Area in the Old City Neighbourhood (Downtown)
- Reduced On-site Parking for Residential Downtown
- Revised Seismic Upgrading Requirements which allow a slightly more flexible method of evaluating structural requirements in the case of residential conversion and allow changes of occupancy between compatible uses, such as retail and office, without requiring seismic upgrading

Between 2001 and 2007 the DNBIA tracked several downtown revitalization indicators. The City of Nanaimo also documented 2001-2010 assessment values for the downtown core relative to the Woodgrove mall area and the city as a whole. The findings included:



Modern Cafe, Nanaimo, BC

Significant private investment

As of January 2012, 27 heritage facade grants had been paid or committed by the City of Nanaimo. The grants totaled \$254,169 and ranged from \$1,180 to \$20,000 per project. The grants leveraged over \$2.1 million in private investment or almost \$8.54 per grant dollar.¹⁵ Much of this investment would likely not have occurred in the absence of the grant program.

Increase in property values

Between 2001 and 2011, the total assessed value for properties in the Downtown Nanaimo Business Improvement Association area increased at an average of 6% per year. Though this increase occurred at a slower rate than property value increases in newer shopping areas and across the city as a whole, the year-over-year value changes tell a more detailed story.

Between 2001 and 2003—and possibly for years before that—the total assessed value of DNBIA area properties was declining. In 2004, the assessed value began increasing and has maintained positive growth ever since. As the upturn coincided with the revitalization initiatives it is likely that these efforts had an effect on reversing a downslide in assessment values. From 2007-2010, year-over-year increases in the DNBIA areas outpaced the increases in assessed property values for the city as a whole: an average increase of 14% per year compared to 10% city-wide.¹⁶

Successful job creation

In the period 2001-2006, Nanaimo saw a 21% increase in the number of people working downtown in positions ranging from retail and food services to medical and legal services.¹⁷

10% reduction in commercial vacancy rates

Vacant commercial space in Nanaimo's downtown declined from 15.4% of total commercial space in 2001 to 5.5% in 2007. Retail space fared better than office space – vacant retail space declined from 12.1% of total retail space in 2001 to 2.4% in 2007, while vacant office space declined from 24% to 16% of total office space in the same time period.

Increased attendance at special events held downtown

Well-attended special events are a sign of a vibrant destination downtown that attracts both residents and visitors. Between 2001 and 2006, Nanaimo more than doubled the number of special events held annually downtown from 15 to 31. Total attendance at downtown events also increased by an estimated 120%.

Nanaimo's remarkable downtown revitalization, and the role of heritage within it, has not gone unnoticed. In 2011, Commercial Street was named Canada's top "Great Street" in the Canadian Institute of Planners' Great Places in Canada contest. A rich heritage, partnership between the City and the downtown business community, economic growth and year-round cultural activity were identified as Commercial Street's standout qualities.



Gusola Block Before and After

Nanaimo's Gusola Block is an example of a successful project that has benefitted from several of the City's incentives. Located at a prominent downtown intersection, the Gusola Block was constructed in 1937 with a late Art Deco style influence. The 2007 rehabilitation included a conversion of the underutilized second floor to three residential units and a façade upgrade. The reduced parking requirement for downtown residential developments and the 10-year tax exemption for residential conversions were major factors in the project's viability. Additionally, the Gusola Block received a \$20,000 Heritage Façade Improvement Grant to assist with the renovation of the building's two street-facing façades. The overall private investment in the building's rehabilitation was \$1 million.¹⁸ The first floor commercial now houses a very successful café.

Permissive Tax Exemption: Heritage Train Station, Kelowna

In July 2010, Kelowna's City Council unanimously supported up to \$1.12 million in a permissive tax exemption for the developers of 1177 Ellis Street, the site of the former CN Rail Train Station. Kelowna's City Council had never before, or since, approved such a generous permissive tax exemption for a heritage rehabilitation project. The end result, however, has been the development of an underused key location in Kelowna's downtown that will, in time, provide significant economic return to the community.

City Council may have been especially generous with its tax exemption given the history and legislative restrictions for this site. The CN Rail Station opened in 1926 and was the only land-based transportation route to Kelowna until 1958. At one time the rail line transported goods from 22 packinghouses and four commercial canneries in the industrial downtown and served as the only land transportation route for residents and visitors. However, when the bridge across Lake Okanagan opened connecting Kelowna to the west side, the importance of passenger rail travel diminished

and the station closed for good in 1967.

In 2000, the heritage train station was sold from a Crown Corporation to an arm's length land holding company and put up for sale. In the process, as per the 1990 *Heritage Railway Stations Protection Act*, the property was protected by a heritage revitalization agreement (HRA). The HRA required that any future development of the site conserve the train station using same or similar materials, windows and doors. As well, the HRA required some of the landscape features to be preserved; however, in the ensuing years all of the landscape features except for one ginkgo tree died.

Although the HRA permitted development of the site as per C4 zoning – Town

Centre Commercial – development of the site had to conform to the Downtown North Area Structure Plan which required any development to protect views to Knox Mountain, a local

landmark north of the station. This permitted a maximum height of two to four storeys on the site, despite the fact that C4 zoning allows up to seven storeys.

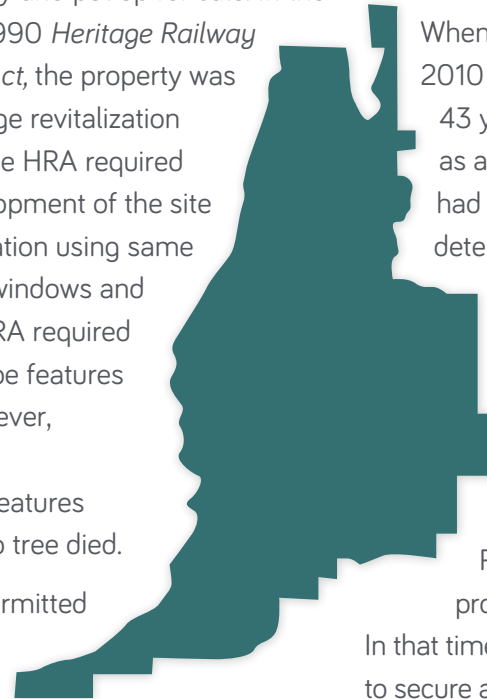
When developers bought the site in 2010 the building had sat empty for 43 years, the property was being used as a parking lot, most of the landscaping had died, and the building itself was deteriorating. The former rail station had created an economic detractor for the downtown's North end.

The developers applied for a Council-approved permissive tax exemption for heritage buildings.

The "Heritage Building Tax Incentive Program Policy" targeting commercial property had been in place since 2004.

In that time only one developer had been able to secure a 10-year exemption (the maximum allowed by the Local Government Act).

In order to encourage the rehabilitation of commercial heritage properties — those at a higher risk for demolition — the policy was





The Train Station Pub, Kelowna, BC

revised early in 2010. The criterion of eligible costs was expanded to include, “Fees for architects, consultants, professional quantity surveyors, public accounting firms, and third party estimates.” As well the steps to apply were more clearly laid out.

As required by the application process, the developer provided two cost estimates of the proposed rehabilitation work. The lower of the two

estimates was \$1.62 million. The City’s engineering and building services departments reviewed the estimates and eligible costs were reduced to \$1.49 million. The owners were eligible for a tax exemption of 75% of these costs, for a maximum of \$1.12 million exemption over ten years.

The proposed development did not only rehabilitate the heritage building, but also provided additional future commercial development, met the

requirements of a revised HRA, preserved the remaining ginkgo tree, and offered sustainability measures including a feature public garden and ample bicycle parking. City Council unanimously supported the permissive tax exemption.

Although the permissive tax exemption policy was very generous, the long-term pay off is considerable. Given that the buildings will have, at minimum, a 75-year life, the local government will more than double the return on the permissive tax exemption (see sidebar). The redeveloped site now includes a pub in the former train station and a new liquor store, both open year-round. These two commercial ventures provide approximately 6 full-time employment positions, improving local income earning potential. Other positive impacts of the project include the employment created during construction, the impact this project may have had on surrounding property values, and the reduced community GHG's from reusing an existing building.

The Value of a Permissive Tax Exemption

Kelowna's heritage train station is a good example of a positive return from a permissive tax exemption.

Here's the math (rounded \$s):

After the renovations & new construction, the total annual property tax is estimated at \$73,500

Tax exemption on \$73,500 for the next 10 years, as a present dollar value* = \$642,000

The present value of the following 65 years of property tax = \$1.53 million

Net additional property taxes = \$888,000

And, if nothing had been done with the train station:

In 2010, the property had annual municipal taxes of \$14,800.

Total present value of property taxes for 75 years = \$437,000

*Present value was calculated using a discount rate of 3.15%, the current rate municipal governments borrow money at. If the City is not collecting property tax for 10 years and has to borrow money to pay its bills, this is the cost of borrowing.

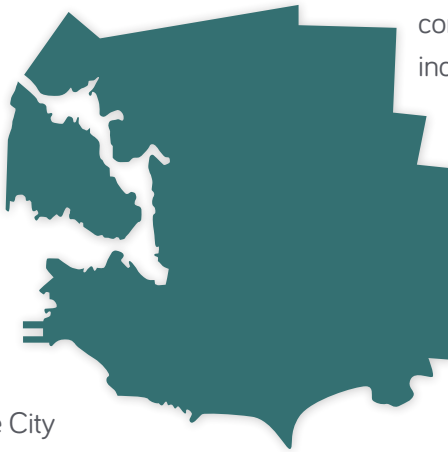
Financial Incentives: Historic Downtown Victoria

The City of Victoria is well known for its attractive heritage downtown and for the community's commitment to preserving its historic buildings. Old Town, the city's historic core, encompasses three distinct areas: Chinatown, the Commercial District and the Waterfront. Victoria's Chinatown is the oldest surviving Chinatown in Canada; the Commercial District is the foundation of Canada's first Pacific port city; and the Waterfront recalls the city's vital role as a commercial seaport for British Columbia.

During the 20th century there was a great deal of development – commercial and residential – outside of the downtown core. The development of the Mayfair Shopping Centre and other suburban-style malls gradually drew retail and service activity away from the downtown.

The successful revitalization of Victoria's downtown is the result of a long-term, concerted effort on the part of the City. Beginning as early as the 1960s the City encouraged rehabilitation projects by providing property owners grants for relatively small-scale improvements with the goal of improving the look of the downtown core.

In the early 1970s heritage planning in Victoria began in more concrete terms with the creation of the Heritage Advisory Committee. The early work of the Committee focused on identifying and designating heritage buildings and on improving public space in the downtown core.



Soon after, the City introduced new zoning which limited the maximum height and density permitted in the Old Town in an effort to reduce redevelopment of historic properties.

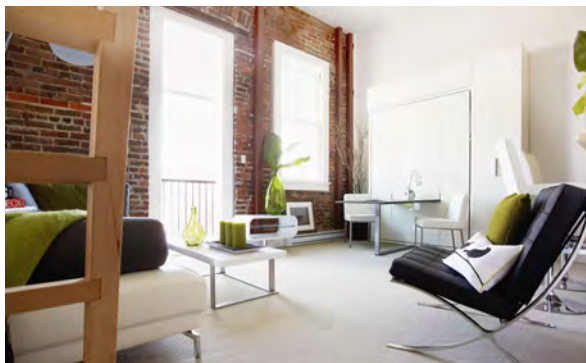
Despite these efforts, the downtown was still struggling to attract and keep businesses. In the late 1980s the City began to explicitly connect heritage rehabilitation with revitalization goals for the downtown. In addition to zoning controls and designation bylaws, the City introduced direct financial incentives to private developers for the rehabilitation of historic buildings.

In 1990 the Building Incentive Program (BIP) was created, and administered on behalf of the City by the Victoria Civic Heritage Trust (VCHT). The BIP provides grants for significant rehabilitation work for commercial and institutional heritage buildings with the aim of improving downtown commercial vitality. Financial assistance is offered for façade restoration, structural improvements, building code upgrades, and other rehabilitation costs. Grants may cover up to 50% of eligible project costs (up to \$50,000) funded by an annual municipal capital grant. VCHT also provides one-time Design Assistance Grants of up to \$1000 to assist with the costs of professional services needed to complete a BIP application, such as estimates for total costs of the rehabilitation project.

Though the BIP was well utilized, by the late 1990s many downtown heritage buildings with successful street-level retail remained empty and decaying on upper floors. The City saw an opportunity to further support downtown revitalization by encouraging empty buildings to be converted



The Oriental Hotel Before



The Oriental Hotel After

The Oriental Hotel

Built in the 1880s and reflective of the state-of-the-art architecture of its time. It was one of the first hotels in the Old Town District, which was once home to a thriving hotel industry.

When the property owners planned to rehabilitate the building in 2009, the commercial main floor was occupied but the upper floors had been vacant for decades. The rehabilitation of the Oriental was only economically feasible when done in conjunction with the building next door and became a joint project. The owners applied for a Design Assistance Grant, BIP grant and TIP exemption.

Total grants for the project (2 buildings) were \$103,500, which helped facilitate \$4.26 million in rehabilitation work (not including seismic upgrades) – \$41 in private investment for each \$1 in grants.

A ten-year permissive tax exemption was granted through TIP. The present value of the TIP for the project is approximately \$442,900. The total cost for seismic upgrading is \$1.226 million.

The final project included 32 new residential units in the upper floors. The tax exemption for the residential units is carried on title. The developers have held onto the main floor commercial and will benefit from the 10-year tax exemption for their portion of the building.

into residential space. Owners of heritage buildings found the costs to create residential units, and the necessary seismic upgrades in particular, to be prohibitive. In 1998 City Council approved Victoria's Tax Incentive Program (TIP) to assist owners of downtown heritage buildings to convert their vacant or underutilized upper stories to residential use.

In order to qualify for the TIP, the building must be privately owned, protected by a Heritage Designation Bylaw, and located within the specified Old Town boundaries. In addition, the proposed work must result in substantial rehabilitation and create new residential units on upper floors. The program is intended to offset the costs of seismic upgrading necessary to convert existing space to residential uses. Properties that receive a TIP are exempt from paying property taxes for a maximum of 10 years, as permitted in the Local Government Act. The term of exemption for each property is determined using the following calculation:

$$\text{Number of years of exemption} = \frac{\text{Cost of seismic upgrading}}{\text{Current property taxes}}$$

The two incentive programs tend to be applied in tandem to facilitate upgrades of downtown heritage buildings. City staff coordinates all applications to ensure that incentives are not provided twice for the same work. In 2003, the TIP was expanded to assist in the rehabilitation of a limited number of designated heritage buildings for commercial uses in the upper floors to further support downtown revitalization.

Between 1990 and 2012, the Building Incentive Program approved 144 Grants and 51 Design Assistance Grants, for a total of \$4.3 million in funding. The program has led to the rehabilitation of over 100 downtown buildings and leveraged over \$105 million in private investment (not including seismic upgrading costs) — leveraging \$24.04 of private funding for every \$1 in grants.

As of November 2012, the Tax Incentive Program has offset nearly \$20 million in seismic upgrading costs resulting in the rehabilitation of 27 downtown heritage buildings and the creation of 600 new residential units. This rehabilitation work has resulted in total property tax for these properties increasing from \$1.1 million to over \$2.8 million.¹⁹

Shaping Growth: Heritage Revitalization: Agreement Guidelines

A Heritage Revitalization Agreement (HRA) is one of the most flexible tools available for heritage protection. An HRA may include provisions regarding the phasing and completion of the project, vary or supplement provisions of zoning, subdivision, development cost charges, permits and/or fees, and “include other terms and conditions that may be agreed on by the local government and the owner.”²⁰ All in all, it offers a broad scope for heritage protection.

An HRA is a negotiated process between the local government and the owner of a heritage property. The intention of an HRA is to ease development restrictions to make the site more valuable and the protection of the heritage building more viable. Once approved by Council, the HRA becomes bylaw and goes on title of the property ensuring long-term heritage protection.

The best starting point for negotiating an HRA is the heritage Statement of Significance. The Statement of Significance, or SOS, is a summary of the property detailing key heritage features that need long-term protection. If a property does not have an existing SOS, the property owner may be required to pay for one. The other key point when negotiating an HRA is the existing zoning. An HRA can be used to allow for development other than what is permitted in the zoning, so the existing zoning can determine how flexible the HRA will be.

A number of communities have started to use HRAs as part of their heritage protection program. The following examples of Guidelines for HRAs are meant to highlight how heritage protection can fit within the overall goals of a community, as part of their ongoing growth strategy.

City of Kelowna

Compared to other communities, the City of Kelowna has used HRAs extensively in the protection of heritage properties. Thirteen properties are protected via an HRA, with the first HRA approved in 1994. Kelowna has approved HRAs primarily for residential properties, allowing for more density (strata or subdivision) or for zoning changes to allow non-residential use, generally professional offices (doctors, lawyers). Kelowna does not require a Heritage Designation of the property as a requirement for an HRA. Given that the HRA goes on title and stays with the property, an HRA will provide long-term protection.

Kelowna's downtown is surrounded by older residential properties that complements the heritage commercial core. Bernard Avenue, Kelowna's historic main street, transitions from commercial in the core to older residential just east of the centre. Six properties on one block of Bernard Avenue are protected heritage properties, three with HRAs.

To provide consistency between HRAs, the City adopted “Adaptive Re-use Guidelines for Residential Heritage Buildings”, with one of the objectives of an HRA, “To ensure that allowing adaptive re-uses within heritage buildings does not have a negative impact on the viability of existing commercial areas within Town Centre areas.” The guidelines are fairly clear, seeking to avoid a concentration of HRAs in any one residential area and that any adaptive re-use must still include residential use. However, the specifics – such as what constitutes a concentration of HRAs, or how residential use is to be enforced – are not included in the guidelines. Although the HRA program has been successful overall, the commercial downtown is seeing office space bleeding out of the core into the residential periphery.

City of Coquitlam

Coquitlam is often viewed as a newer suburb in metro Vancouver but its heritage dates back to the late 1800's. Much of Coquitlam's built heritage exists in Maillardville, the former mill town located north of the Fraser River.

The City of Coquitlam has recently started implementing HRAs as an incentive to protect heritage properties. As of January 2013, two HRAs had been negotiated and approved by Council. Coquitlam is an interesting case study: density increases (secured by an HRA) have been the key to achieving successful heritage protection.

Like many historic areas, Maillardville is struggling to keep businesses in its commercial core. To attract more residents to the area and support the local economy, the area surrounding the main street has been rezoned to RM-1, low-density apartment. This zoning has meant that the existing heritage properties, which are primarily single-family houses, could be lost to higher density redevelopment. The result has been that, to protect the existing heritage, the City has had to negotiate HRAs that allow redevelopment of the properties with 40% more density than the current RM-1 zoning allows.

The increased density on heritage properties has changed the character of the area and created some discomfort among local residents. Had the heritage properties been identified and left zoned single-family, the City would then have had more flexibility when negotiating future HRAs. The City could have also offered other incentives as part of the HRAs, such as reduced development cost charges, reduced permitting fees, or fast-tracked development applications.



Downtown New Westminster, BC

City of New Westminster

In January 2011 New Westminster's City Council endorsed a "Policy for the Use of Heritage Revitalization Agreements." This policy is detailed in a 35-page booklet that includes the rationale for HRAs and a simplified step-by-step explanation of the application process.

In the information booklet it is stressed that any future HRA be integrated with other important City policies, with specific reference to the *Official Community Plan*, the *Affordable Housing Strategy* and the *Liveable City Strategy* for local economic development. Although the HRA policy does not restrict where HRAs will be considered, it does emphasize an HRA must align with overall growth strategies.

New Westminster Council has approved HRAs that increase allowable density, relocate heritage buildings, permit transfer of density, subdivide heritage properties and allow zoning changes. All of these changes have also complemented other existing City policies, such as creating affordable housing and a more liveable city while balancing private and public interests. To date there have been five HRAs in the historic downtown core, three allowing density transfer.

Tools in the Toolkit

The process for developing heritage assets as part of a downtown revitalization can be divided into four steps: Capacity Building, Planning, Implementation and Assessing. These are all important parts of the process, with Capacity Building being a very vital first step. These four steps are part of a process that will need to be revisited in an ongoing way.

In the Province of British Columbia, the tools for heritage protection are legislated for local governments in the Local Government Act (LGA) and the Community Charter (CC). The LGA or CC reference for British Columbia will be noted after the description of each tool.

Capacity Building

Archives

A community's archives provide a useful tool for research and images. These archives may be housed at City Hall, the community museum, or even the local newspaper.

Museum

The museum houses artifacts, archives and information for heritage research. The museum is also a valuable resource for people interested in community heritage.

Heritage Advocacy Groups

Heritage advocacy groups are often the starting point for awareness of a community's unique history. Advocacy groups can provide spokespersons for heritage and key representatives for the Community Heritage Commission (see below).

Cultural Organizations

Heritage advocacy groups may lack diverse representation of a community's heritage. Cultural organizations can provide people, information and resources of local heritage that may be less represented elsewhere.

Community Heritage Commission

Can advise the local government on heritage-related issues. Members are appointed to the Community Heritage Commission. The local government can determine who is represented on the Commission. (LGA part 27)

Heritage Planner

The local government can delegate an individual to act on Council's behalf for heritage-related issues. Depending on a community's financial resources, heritage planning may be one part of a planner's portfolio or their main focus. (LGA part 27)

Downtown Business & Building Owners

Business and building owners will undoubtedly support a more vibrant downtown, but they do not necessarily understand the value of heritage or how heritage can support downtown revitalization.

Local Government Officials & Staff

Local governments change every three years so it is important to ensure that local government officials are aware of the community's heritage assets and their role in downtown revitalization.

Planning

Heritage Register

A list of local heritage properties with value to the community. A listing on the heritage register does not protect the property but recognizes it as a community heritage asset. This form of recognition is a first step to heritage protection including incentives such as grants and permissive tax exemptions. The community heritage register must indicate the reasons why a property is included. These reasons are generally captured in a Statement of Significance for each property.

Although listing a property on a heritage register does not provide long-term protection of the property, a demolition permit can be withheld for a period of up to 60 days for a property legally-identified as having heritage value. During this time the local government may be able to work with the property owner to find an alternative to demolition, or may extend long-term protection through a heritage designation. (LGA part 27)

Provincial & Federal Heritage Recognition

Although built heritage is legislatively protected at the local government level, heritage recognition can provide added community value for a property. In rare cases, heritage recognition at higher levels of government may lead to a property being purchased for long-term protection.

Heritage Designation

Provides protection of a property by bylaw. The bylaw means that the exterior of the building cannot be altered without an approved heritage alteration permit. A heritage alteration permit is used in place of a building permit and isn't needed for changes that do not require a building permit, such as painting, re-roofing, etc. The bylaw can also protect interior and landscape features, and these features need to be detailed in the bylaw itself. (LGA part 27)

A local government can designate a property without the property owner's consent. However, the property owner can be compensated for any reduction in property value/development potential that the heritage designation creates. For this reason, it is very important that the local government consider zoning bylaws in conjunction with heritage designation.

Zoning

Defines and restricts the development opportunities related to a property. It is important that zoning works in conjunction with overall heritage priorities. For instance, if existing downtown heritage buildings are 2-storeys, rezoning for high density means that these properties are at risk for demolition given a new potential higher and better land use. (LGA part 26)

Heritage Conservation Areas

Provides heritage long-term protection for an area identified as having distinctive characteristics, history or heritage significance. A heritage conservation area needs to be identified in the Official Community Plan, and a list of all properties to be protected needs to be included. Properties identified in the conservation area can be modified only if a heritage alteration permit is issued. (LGA part 27)

Archaeological Preservation

The Province has primary responsibility for protecting and managing archaeological and aboriginal traditional use sites. The scope of this responsibility is detailed in the Province of BC's *Heritage Conservation Act*.

Mapping

To facilitate heritage protection, mapping of existing heritage sites is useful for decision-making. Mapping can provide a means to visually present the relationship of heritage buildings to existing road networks, zoning, or development permit areas.

Implementation

Permissive Tax Exemption

A permissive tax exemption can provide financial support to private property owners for up to 10 years by waiving the local property tax and, in some cases, the school tax. The local government must approve criteria for tax exemption eligibility, including the application procedure, expected improvements, conditions of tax exemption, legal protection of heritage property, and rate and term of exemption.

For areas identified as revitalization areas, criteria for a permissive tax exemption can include environmental (green retrofits), social (affordable housing) and economic (support local businesses) benefits. (CC part 7)

Heritage Density Transfer

If a developer agrees to rehabilitate and legally protect a heritage building, density that cannot be accommodated in the existing heritage building can be transferred to other buildings on the same site. If no other buildings exist on the site, the unused density can be transferred to buildings elsewhere in the community depending on local government approval. The developer can be financially compensated through the development process for the density that cannot be accommodated on their own property. (LGA part 26 and 27)

Heritage Revitalization Agreement

A heritage revitalization agreement is a formal voluntary written agreement negotiated by a local government and an owner of heritage property. It is perhaps the most flexible tool available, and can be used to detail the timing of a project and vary the zoning requirements, permit fees, subdivision requirements and development cost charges, or “other terms and conditions that may be agreed on by the local government and the owner” (LGA part 27).

Grants

Local government can provide financial support to owners of both residential and commercial heritage buildings. This funding can often help leverage other funding, or make an improvement more economically feasible for the property owner. (CC part 3, LGA part 27)

Direct Acquisition

In cases where a heritage building is seen as a key part of a revitalization plan, and the existing property owner is not committed to keeping the building, the local government can purchase the property for fair market value.

Development Design Guidelines & other Non-Monetary Incentives

The local government can determine the form and character of an area with prescribed design guidelines for commercial and non-single family residential areas. As well, other non-monetary incentives can be used to promote heritage protection such as relaxed zoning requirements (within the building code) or prioritized development applications for heritage properties.

Provincial & Federal Funding for Heritage Property Owners

Funding can help finance heritage rehabilitation projects and leverage other funding. In British Columbia government has funded heritage through a number of programs including the Main Streets Program (1979 – 94), stimulus funding, funding for energy efficiency upgrades, and the through partnerships for affordable housing.

Provincial & Federal Indirect Funding for Heritage Non-Profits

Funding for heritage non-profits can provide an arm’s length means to distribute funds. In British Columbia this has been done through Heritage BC. The non-profit organization can also be a spokesperson for the region and help connect local governments to each other.

Assessing

In order to know if a program is working it is best to track indicators showing the success (or failure) of a project.

Key Indicators for Downtown Revitalization

- Attendance at Events
- Business Licenses
- Crime Rate
- Hotel/B&B Occupancies
- Lease Rates
- Number of Downtown Events
- Population Growth
- Property Values
- Residential Development in the Downtown Core
- Storefront & Office Vacancies

Tracking Success of Financial Incentives

- Number of people hired for a project (job creation)
- Total cost of a project (funds leveraged)

Survey Community Response to Downtown Revitalization and/or Rehabilitation Project

- Attendees at events
- Business owners
- Customers
- Local Residents
- Tourists

The Last Place/The Only Place?

Local governments are often surprised at the community outcry when the old movie theatre on the downtown strip or the last modernist-style library is to be demolished. As part of planning for heritage in the downtown it is useful to know what may be the last or only remaining structure of any one style. As surprising as it may be, it is this building that the community may fight hardest for and which may polarize Council support.



The Laurel Packinghouse, the last remaining packinghouse in downtown Kelowna, was saved from demolition in the 1980s thanks to protests from the community. Today it houses two museums and a popular reception hall.

A Checklist for Communities

Key Points to Consider

- ☐ Commitment to Downtown Revitalization
- ☐ Heritage Assets
- ☐ Downtown Amenities
- ☐ Access
- ☐ Residential Development
- ☐ Economic Cost-Benefits
- ☐ Environmental Benefits
- ☐ Social & Cultural Benefits

NOTES:

Building Capacity

- ☐ Archives
- ☐ Museum
- ☐ Heritage Advocacy Groups
- ☐ Cultural Organizations
- ☐ Community Heritage Commission
- ☐ Heritage Planner
- ☐ Downtown Business and Building Owners
- ☐ Local Government Officials and Staff

NOTES:

Planning

- ☐ Heritage Register
- ☐ Provincial & Federal Heritage Recognition
- ☐ Heritage Designation
- ☐ Zoning
- ☐ Heritage Conservation Area
- ☐ Archaeological Preservation
- ☐ Mapping

NOTES:

Implementation

- ☐ Permissive Tax Exemption
- ☐ Heritage Density Transfer
- ☐ Heritage Revitalization Agreement
- ☐ Grants
- ☐ Direct Acquisition
- ☐ Development Design Guidelines & other Non-Monetary Incentives
- ☐ Provincial & Federal Funding
- ☐ Funding from Heritage Non-Profits

NOTES:

Assessing

Indicators

- ☐ Attendance at events
- ☐ Business licenses
- ☐ Crime Rate
- ☐ Hotel/B&B Occupancies
- ☐ Lease Rates
- ☐ Number of Events held
- ☐ Population growth
- ☐ Property Values
- ☐ Residential housing numbers
- ☐ Storefront & Office Vacancies

NOTES:

Building Projects

- ☐ Funds leveraged
- ☐ Job Creation

Surveys with

- ☐ Business owners
- ☐ Shoppers
- ☐ Tourists
- ☐ Attendees at events
- ☐ Local Residents

NOTES:

Online Resources

Heritage Information

BC Heritage Branch, <http://www.for.gov.bc.ca/heritage/>
Heritage BC, <http://www.heritagebc.ca/>

Downtown Revitalization Planning

Nanaimo, <http://www.nanaimo.ca/EN/main/departments/Community-Planning/DowntownNanaimo.html>

Nelson, <http://www.nelson.ca/EN/main/services/planning-building-services/current-planning-projects/sustainable-waterfront-and-downtown-master-plan.html>

Victoria, <http://www.victoria.ca/EN/main/departments/planning-development/community-planning/downtown-plan/view.html>

Heritage & the Environment

The Greenest Building, <http://www.preservationnation.org/information-center/sustainable-communities/sustainability/green-lab/valuing-building-reuse.html>

Heritage & Economic Analysis

Impact Study of the Commerical Heritage Properties Incentive Fund (CHPIF), Deloitte, March 29, 2010 (Gov'n't of Canada On-line Resource)

Indicators for Downtown Revitalization, Downtown Nanaimo Partnership, January 2008 (contact City of Nanaimo)

City of Victoria Case Studies, <http://www.victoria.ca/EN/main/departments/planning-development/community-planning/heritage/program-description/case-studies.html>

Design Guidelines

Grand Forks, <http://www.city.grandforks.bc.ca/index.php/city-hall/heritage-program/>

Nanaimo, <http://www.nanaimo.ca/EN/main/departments/Community-Planning/DowntownNanaimo.html>

Nelson, <http://www.nelson.ca/EN/main/services/planning-building-services/official-community-plan.html>

Heritage Building Grants

Kelowna, <http://www.kelowna.ca/CM/Page2282.aspx>

Nanaimo, <http://www.nanaimo.ca/EN/main/departments/Community-Planning/heritage/heritage-building-conservation-incentive-programs.html>

Victoria, <http://www.victoria.ca/EN/main/departments/planning-development/community-planning/heritage/grants.html>

Permissive Tax Exemption

Kelowna, <http://www.kelowna.ca/CM/Page2298.aspx> (go to Archives, July 12, 2010, item 702 Heritage Tax Incentive Agreement with Kelowna Train Station Inc.)

Victoria, <http://www.victoria.ca/EN/main/departments/planning-development/community-planning/heritage/program-description.html>

Heritage Density Transfer

New Westminster, CNW_DOCS-#25718-v1-density_transfer_system.DOC

Heritage Revitalization Agreements

Coquitlam, <http://www.coquitlam.ca/planning-and-development/resources/heritage/redevelopment.aspx>

Kelowna, <http://www.kelowna.ca/CM/Page2298.aspx> (go to Archives, July 12, 2010, item 506 Heritage Revitalization Agreement Authorization Bylaw)

New Westminster, http://www.newwestcity.ca/business/planning_development/heritage.php

Heritage Conservation Areas

Kelowna, <http://www.kelowna.ca/CM/Page1795.aspx>

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Page 27 – ¹⁶ Property assessment value data obtained from the City of Nanaimo.

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