



## RE: 2015 DRAFT OPERATING AND CAPITAL BUDGET – PLANNING COMMITTEE

### **Part I: Introduction**

1. Action Sandy Hill (ASH) is a volunteer-led community association incorporated in 1968 that represents the 15,000+ residents of Sandy Hill and promotes the best interests of our neighbourhood. We would like to thank you for giving ASH the opportunity to provide our input regarding the 2015 Draft Operating and Capital Budget.
2. One of ASH's primary objectives is to preserve and enhance Sandy Hill's residential integrity and unique urban heritage in architecture and landscapes. To this end, we want to emphasize how heritage preservation can advance one of the City's own stated priorities: Economic Development – specifically the growth of tourism and small business.

### **Part II: Sandy Hill's Heritage**

3. Sandy Hill is a community of astonishing national historical importance. It has been home to seven Fathers of Confederation and eight Prime Ministers, in addition to numerous national luminaries such as Sir Sandford Fleming, WWI flying Ace Billy Bishop, the 20th Century's most globally-acclaimed photographer Yousuf Karsh, Canada's Confederation Poet Laureate Archibald Lampman, Canada's first female Senator Cairine Wilson, numerous Supreme Court Justices, and legendary politicians such as Ed Broadbent and Tommy Douglas, as well as Canada's own "Bletchley Park" on Laurier Avenue. Indeed the very neighbourhood itself has contributed to the development of the story of both Ottawa and Canada.
4. Sandy Hill includes more than 850 pre-war buildings, six Heritage Conservation Districts, 29 individually designated heritage properties, one National Historic Site (Laurier House) and one heritage landscape (Strathcona Park)<sup>1</sup>. In addition, many fine old villas and mansions survive, including 31 as embassies or legations.
5. The story of Sandy Hill's development, *From Wilderness to Suburb to Neighbourhood*, which was included in the 2010 Sandy Hill Heritage Study, noted that parts of Sandy Hill "retain a very high percentage of original construction, and this fact alone allows the area to stand as an example of the evolution of urban domestic architecture in central Canada over time."<sup>2</sup>

### **Part III: The Business Case for Heritage Preservation As An Economic Driver**

6. Several cities have leveraged their history and built heritage as a driver for economic development. As evidence of how this approach could work for Ottawa, we bring to your attention some examples of how investment in heritage has transformed the economic standing of the following cities:
  - a. Winnipeg, Manitoba – City of Winnipeg Heritage Conservation Tax Credit Program

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<sup>1</sup> <http://documents.ottawa.ca/en/document/sandy-hill-heritage-study>

<sup>2</sup> <http://documents.ottawa.ca/en/document/wilderness-suburb-neighbourhood>

- i. In 1998 Winnipeg implemented its Heritage Conservation Tax Credit (HCTC) Program which is intended to assist a limited number of strategic projects with a view to increasing their property assessment value. Proposals must involve a minimum \$10,000 in eligible work to repair, stabilize, and rehabilitate designated buildings and to preserve their significant heritage elements. The value of an approved tax credit may be up to 50% of the net private investment made in eligible work. The credit may be used at a recipient's discretion over a maximum 10-year period to reduce qualifying property, business, and amusement taxes levied by the City.<sup>3</sup>
  - ii. Between 1998 and 2006 the HCTC Program provided just over \$32.7 M in tax credit benefits which leveraged over \$149.4 M in investment, a leverage ratio of more than 4.5:1. Heritage properties that benefited from the HCTC program experienced on average a 5-fold increase (486%) in their assessed value from 1998 to 2006. By comparison, non-heritage properties in the immediate area only increased in assessed value by 142% over that same period, and only 40% in Winnipeg overall.<sup>4</sup>
- b. Charleston, South Carolina – Heritage Tourism
- i. Charleston has built a tourism industry on its heritage. This is even reflected in their tourism slogan which is “Charleston, where history lives.”<sup>5</sup> Tourists identified history and ambiance or atmosphere as among Charleston’s greatest tourist assets. Capitalizing on their history and built heritage resources brought 4.5 million tourists to Charleston in 2011, with a total economic impact of \$3.22 billion for the region.<sup>6</sup>
- c. Asheville, North Carolina – The Biltmore Company
- i. The historic Biltmore Estate in Asheville, North Carolina attracts more than a million visitors annually and has spawned its own tourism industry which now includes an inn, winery, and agriculture and reproductions businesses. Biltmore contributes significantly to the local economy. In fact, the direct economic impact of Biltmore includes:
    - 4,400 jobs in the Asheville economy
    - \$139 million in wages and benefits
    - \$238 million in value added expenditures
    - \$27 million in state and local taxes<sup>7</sup>

7. We believe that the preservation of Sandy Hill’s rich heritage can bring similar economic opportunities to the City of Ottawa. Budget 2015 provides an opportunity to help realize this under-resourced potential through key strategic investments and a targeted tax-relief heritage incentive program.

#### **Part IV: The Tools That ASH Proposes Be Adopted Through The 2015 City of Ottawa Budget**

8. With a view to preserving and protecting Sandy Hill’s heritage resources, Action Sandy Hill would propose that monies be allocated specifically towards:
  - a. Completing and implementing the Uptown Rideau Community Design Plan now under way, including incentives to encourage the rehabilitation of our traditional main street;

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<sup>3</sup> [http://www.winnipeg.ca/ppd/historic/historic\\_incentives.stm](http://www.winnipeg.ca/ppd/historic/historic_incentives.stm)

<sup>4</sup> Page 12, <http://www.heritagecanada.org/sites/www.heritagecanada.org/files/Final%20Report%20-Financial%20Measures-2014.pdf>

<sup>5</sup> <http://www.charlestoncvb.com/>

<sup>6</sup> [http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http%3A%2F%2Fweb.charlestonchamber.net%2Fexternal%2Fwcpages%2Fwcpages%2Fwebcontent%2Fwebcontentpage.aspx%3Fcontentid%3D25500&ei=\\_p3rVLmiE4vXoASY7YCADw&usq=AFQjCNGEYN7mmUZBLKSdDMCEIM0dfNuXSg&sig2=gJ-Nw7V-rq8ILeefky7x7A&bvm=bv.86475890,d.cGU](http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http%3A%2F%2Fweb.charlestonchamber.net%2Fexternal%2Fwcpages%2Fwcpages%2Fwebcontent%2Fwebcontentpage.aspx%3Fcontentid%3D25500&ei=_p3rVLmiE4vXoASY7YCADw&usq=AFQjCNGEYN7mmUZBLKSdDMCEIM0dfNuXSg&sig2=gJ-Nw7V-rq8ILeefky7x7A&bvm=bv.86475890,d.cGU)

<sup>7</sup> Page 7, <http://biltmore.s3.amazonaws.com/1138-2013-community-impact-report.pdf>

- b. Updating the Sandy Hill Secondary Plan in order to guide future development in Sandy Hill, with a particular focus on ensuring preservation of and compatibility with our existing heritage resources; and,
  - c. Adopting the report of the 2010 Sandy Hill Heritage Study and directing staff to implement the recommendations contained therein as an initial step to further protecting Sandy Hill's built heritage resources.
9. As regards the targeted tax-relief heritage incentive program, Action Sandy Hill would propose that, pursuant to the Province of Ontario's *Municipal Planning and Financial Tools for Economic Development Handbook*<sup>8</sup>:
- a. The City of Ottawa establish a Heritage Property Tax Relief Program through a by-law, to encourage good stewardship, maintenance, and conservation of designated heritage properties. This program would supplement the City's existing Heritage Grant Program for Building Restoration, which primarily targets smaller-scale projects, by providing tax relief to owners of eligible properties who undertake more significant projects that preserve and protect heritage features. The City would contribute through its portion of the tax relief while the Province would share through the education portion.
  - b. It is worth noting that in 2013 the US National Park Service undertook a study of the economic impact of the US federal Historic Tax Credit (HTC), which is akin to what we are proposing albeit on a national scale. Their study concluded that over the 35 year existence of the HTC it had yielded a net benefit to the US Treasury with federal tax receipts exceeding the credits allocated. In fact, during this time the US Treasury had earned about \$5.6 billion of additional revenue thanks to the HTC.<sup>9</sup>

#### **Part V: Concluding Remarks**

10. Given the economic benefits that these suggestions will bring, over time, in terms of increased tourism, support for local businesses, beautification of the urban core and resulting interest in investment - not to mention greater community pride – these are straightforward and attainable proposals.
11. Conserving built-heritage assets can maintain and add to community aesthetics, help create a strong sense of place, and support municipal objectives related to attracting and retaining residents, businesses, employment talent, and tourists.<sup>10</sup> However, heritage preservation is not a one-time activity.<sup>11</sup> Clearly more would need to be done to realize Sandy Hill's full tourism potential, including amongst other elements: appropriate way-finding signage, ameliorated by-law enforcement and greater promotion.
12. Nevertheless, Action Sandy Hill believes that the modest measures we are proposing today can create a solid foundation for long term development - in Sandy Hill, in the downtown core, and in Ottawa more broadly.

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<sup>8</sup> <http://www.mah.gov.on.ca/Page9392.aspx#2.3%20%20%20%20Financial%20Tools> This document also lists a number of other fiscal instruments that municipalities can use for heritage preservation, and provides case studies throughout the province.

<sup>9</sup> Page 6, [http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&uact=8&ved=0CB0QFjAA&url=http%3A%2F%2Fwww.nps.gov%2Ftps%2Ftax-incentives%2Ftaxdocs%2Feconomic-impact-2013.pdf&ei=4vrVICuKlugyAT3x4G4Dw&usq=AFQjCNH0HHqdmOjE0d9qdWAFKETEeLNMaQ&sig2=0R3Yed-H89-5M6l\\_og17ZA](http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&uact=8&ved=0CB0QFjAA&url=http%3A%2F%2Fwww.nps.gov%2Ftps%2Ftax-incentives%2Ftaxdocs%2Feconomic-impact-2013.pdf&ei=4vrVICuKlugyAT3x4G4Dw&usq=AFQjCNH0HHqdmOjE0d9qdWAFKETEeLNMaQ&sig2=0R3Yed-H89-5M6l_og17ZA)

<sup>10</sup> <http://www.mah.gov.on.ca/Page9392.aspx#2.3%20%20%20%20Financial%20Tools>

<sup>11</sup> [http://www.mtc.gov.on.ca/en/publications/Strength\\_Heritage.pdf](http://www.mtc.gov.on.ca/en/publications/Strength_Heritage.pdf)