

National Trust
for Canada
Bringing heritage to life



Fiducie nationale
du Canada
Le patrimoine en vie

Written Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

by:

NATIONAL TRUST FOR CANADA

For more details, and a list of organizations that endorse this submission, please see the National Trust for Canada's detailed recommendations for Budget 2019 at www.nationaltrustcanada.ca/Budget2019.

Recommendations for the 2019 Budget from the National Trust for Canada

1. Renewal and Expansion of Parks Canada's National Cost-Sharing Program for Heritage Places:

- a. **\$33 million** over 3 years in matching grant funding for National Historic Sites, Heritage Lighthouses, and Heritage Railway Stations – with an estimated leverage effect of 5 times the federal contribution;
- b. **\$35 million** over 3 years to attract corporate investment and bring new productive uses to revenue-generating commercial heritage properties – with an estimated leverage effect of at least 5 times more in private investment, and the creation of an estimated 2000 jobs;
- c. **An additional multi-million dollar fund for heritage places of significance to Indigenous Peoples.** The Federal Government's response to the Truth and Reconciliation Commission of Canada's Call to Action 79 must not fail to include substantial funding to support the efforts of Indigenous Peoples to save and renew their heritage places, and commemorate their contributions to Canada's history.

2. Funding to create a transformative culture of philanthropy for historic places, to encourage public and corporate donations to heritage places that matter to Canadians, including Indigenous Peoples:

- a. **\$6 million** to build the capacity of charities and not-for-profit organizations to raise funds and forge corporate partnerships for community-led projects to renew surplus federal lighthouses, places of faith, cultural landscapes and other heritage places;
- b. **\$2 million** for national crowdfunding competitions to spur community philanthropy for heritage places.

**Submission: Recommendations for the 2019 Budget
from
the National Trust for Canada and its partner organizations**

The National Trust for Canada and its partners in the historic places sector recommend that Federal Budget 2019 provide **\$76 million over three years** (2019 through 2021) to encourage private sector investment in heritage property, stimulate heritage philanthropy for historic places, and support the efforts of charities and not-for-profit organizations to save and renew historic places in every province and territory.

We also signal the need for the Federal Government to expand existing historic places funding programs with new dedicated funding to support the efforts of Indigenous Peoples to save and renew their heritage places.

The proposed funding will serve to bridge the urgent gap in federal funding, and demonstrate the economic leverage effect of historic places investments, pending future action on recommendations in [Preserving Canada's Heritage: the Foundation for Tomorrow](#) – a milestone study completed by the House of Commons Standing Committee on Environment and Sustainable Development in December 2017.

Federal Government Priorities Supported by These Recommendations:

1. **Unlocking Local Capital and Creating New Jobs in Urban, Rural and Remote Regions.** Rehabilitation is a multi-billion dollar industry. Residential renovation alone employs 690,000 Canadians and generates \$41.3 billion in wages. Heritage rehabilitation generates upwards of 21% more jobs, including skilled jobs, than the same investment in new construction. Heritage rehabilitation also incurs less “leakage” out of the Canadian economy for foreign goods.

The recommended Budget investments would improve the environment for **private sector investment** in the adaptive use and retrofitting of older commercial property including the creation of **affordable housing**.
2. **Encouraging corporate and citizen philanthropy** to amplify the work of charities and non-profits, and support heritage construction and renovation projects in every province and territory.
3. **Support the efforts of Indigenous Peoples** to save and renew places of significance to them, as part of a movement of **Reconciliation**.
4. Help Canadian property owners take important steps toward **a low-carbon economy**, through rehabilitating existing buildings and capitalizing on their sunk carbon and natural resources. Historic buildings can be a key part of Canada’s goal to reduce GHG

emissions by 40% by 2030 and 80% by 2050. Investing in the rehabilitation of heritage buildings is a key component of the low carbon economy: building renewal and re-use capitalizes on materials and embedded carbon already invested, reduces construction and demolition waste, and avoids environmental impact associated with new development. Studies demonstrate that it takes from 10 to 80 years for a new “green” building to make up for the negative climate change impacts of its construction. The House of Commons ENVI Report 17 – [Better Buildings for a Low Carbon Future](#) (June 2018) – underscored the crucial role of adaptation and reuse in its recommendations.

5. Encourage **transfer of ownership of surplus federal lighthouses** and other assets into the hands of community groups who are equipped to generate revenue and donations for their long term sustainability.
6. Fill gaps in Federal Leadership for historic places, and in Canada’s compliance with international commitments as a signatory of the **UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage** which requires State Parties to ensure that “appropriate... financial measures” are in place for the protection and rehabilitation of this heritage (Article 5).

The historic places sector is a shared jurisdiction, with essential roles for governments at all levels. The Federal Government has been largely absent since 2007. The Standing Committee on Environment and Sustainable Development during 2017 hearings and in its subsequent Report 10 – [Preserving Canada's Heritage: the Foundation for Tomorrow](#) – identified the need for federal leadership, including funding and incentives for historic places not owned by the Federal Government.

What Historic Places Would Benefit?

Eligible properties include those listed on, or eligible for listing on, the Canadian Register of Historic Places – for example: some of the estimated 25,000 commercial heritage structures found in every Canadian downtown: office buildings; historic apartment complexes; existing or potential affordable housing; historic sites open to the public; cemeteries; cultural landscapes such as historic farming complexes and Indigenous traditional sites; lighthouses (some 450 slated to be deaccessioned by the Federal Government); places of faith (an estimated 27,000, many facing an uncertain future); former residential schools; institutional buildings; historic town halls; recreational structures (eg. cinemas and opera houses) and engineering works (eg. bridges and canals).

Owners and project proponents would include NGOs and charities, taxable Canadian corporations, and provincial, municipal and Indigenous governments.

Recommendations for the 2019 Budget

1. Renewal and Expansion of Parks Canada's National Cost-Sharing Program for Heritage Places:

Re-introduced as an economic stimulus measure in 2009 after many years dormant, Parks Canada's National Cost-Sharing Program for Heritage Places offers matching funds to the 736 National Historic Sites not owned by the Government of Canada. It saw an investment of \$20 million over two years (2016-17 and 2017-18), but has otherwise been severely underfunded (typically \$1 million per year) and consistently oversubscribed. Since 2009 there have been applications for \$107 million but only \$40 million in available funding.

Recommended:

- a. **\$33 million over 3 years in matching grant funding for National Historic Sites, Heritage Lighthouses, and Heritage Railway Stations – with an estimated leverage effect of 5 times the federal contribution.**
- b. **\$35 million over 3 years to attract corporate investment and bring new productive uses to revenue-generating commercial heritage properties – with an estimated leverage effect of at least 5 times more in private investment, and the creation of an estimated 2000 jobs.**

A comparable Canadian federal incentive program for commercial heritage properties (2005-2008) provided 20% of eligible project costs with a maximum grant of \$1 million, and yielded impressive results, with contributions totalling \$14.95 million leveraging \$143.4 million in construction costs, creating jobs and giving empty, derelict buildings vibrant new uses.

It should be noted there is widespread support in Canada for a federal income-tax-based incentive to attract corporate investment to revenue-generating heritage property. US heritage tax credits have leveraged 5 times their value in private investment, preserved more than 40,000 historic properties, created thousands of affordable housing units, and stimulated a booming "heritage construction industry."

The Liberal Party of Canada stated its willingness in October 2015 to consider tax incentives for heritage buildings, and there are positive signals about tax incentives contained in [Preserving Canada's Heritage: the Foundation for Tomorrow](#) – however the Government has expressed reservations. Given these reservations, and the urgent need to stimulate investment without delay, this \$35 million in federal grant funding is recommended as an acceptable compromise over the next 3 years, pending action on recommendations in the Environment Committee's Report.

c. **An additional multi-million dollar fund for heritage places of significance to Indigenous Peoples.**

The Federal Government's response to the Truth and Reconciliation Commission of Canada's Call to Action 79 must not fail to include substantial funding to support the efforts of Indigenous Peoples to save and renew their heritage places, and commemorate their contributions to Canada's history. The dollar value, terms and conditions including contribution matching ratios should be established in accordance with the collaborative approach called for in TRC Call to Action 79.

2. **Funding to create a transformative culture of philanthropy for historic places, to encourage public and corporate donations to heritage places that matter to Canadians, including Indigenous Peoples:**

This game-changing investment would expand the universe of funding available for historic places.

Recommended:

- a. **\$6 million** to build the capacity of charities, not-for-profit organizations and volunteers to raise funds and forge corporate partnerships for community-led projects to renew surplus federal lighthouses, places of faith, cultural landscapes and other heritage places.

This would fund a team of seasoned fundraising and sponsorship experts to provide one-on-one training, coaching and support to the staff and volunteers of historic places and to execute major fundraising campaigns. The majority of the funding would be delivered to participating organizations for use as "challenge grants" or matching funds to kick-start their donation campaigns and/or leverage corporate funding.

Federal governments in other countries have seen the benefit of such investments: *Save America's Treasures* was a successful private-public partnership between the US National Trust, the National Park Service and other federal agencies, with the US National Trust leading efforts to secure \$55 million in corporate funding, and offer technical support to successful applicants.

- b. **\$2 million** for national crowdfunding competitions to spur community philanthropy for heritage places.

THIS PLACE MATTERS (thisplacematters.ca) is a proven crowdfunding platform that has directed \$1.4 million to worthy community-led heritage projects since launching in the spring of 2015. Unlike a granting program, which would typically require applicants to match funding 1:1, THIS PLACE MATTERS benefits from the excitement of competition, which mobilizes community participation and stimulates community philanthropy. During the 2016 and 2017 competitions, every dollar invested in the prize pool resulted in an additional \$2.50 in donations raised at the local level, with the excitement reaching millions of Canadians through social media, and giving Canadians a voice in funding places that matter to them.

There are Canadian precedents for using federal matching funds to stimulate philanthropy and kick-start local projects and investments – eg. the Government of Canada’s response to the Syrian refugee crisis and to disaster relief for Haiti.

Conclusion

This past year saw substantial discussion about Canada’s historic places on Parliament Hill, and a recognition that federal leadership and investment is needed. Inclusion of the new funding for historic places in Budget 2019 would unlock new investment and economic impact, reduce GHG emissions, contribute to Reconciliation, promote environmental sustainability, and renew places that matter to communities.

Sincere thanks to members of the House of Commons Standing Committee on Finance for considering these recommendations.

About the National Trust for Canada www.nationaltrustcanada.ca

The National Trust for Canada is a national registered charity that leads and inspires action for historic places. We know that historic places can be transformed to meet community needs, and we offer tools, resources and funding to help communities do just that.

We are connected across the country through our National Council to heritage organizations in every province and territory.

Since 2016, the National Trust’s crowdfunding competition platform THIS PLACE MATTERS has delivered \$1.4 million to help save and renew 89 worthy historic places.

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