

To: David Gagnon, Clerk of the Standing Committee on Finance

By: Central Station Education Initiative

**Recommendation: We recommend that the Government provide at least \$200 million in stimulus funding to unlock billions of dollars in capital construction and other investments in shovel-ready heritage buildings across Canada. This funding would target the renewal, retrofitting and adaptive use of revenue-generating space, the creation of affordable housing and more; and would help nonprofits and charities renew cultural infrastructure and social purpose real estate.**

I am writing on behalf of Central Station Education Initiative, an incorporated not for profit organization working to restore a 1920 fire station in Welland Ontario designated under the Ontario Heritage Act, unique in Canada in that it still contains its original 1920's fittings and equipment so that it can be reopened as a public heritage display with the balance of the building becoming a multi-use community centre.

Our 2021 Federal Budget recommendation will capitalize on shovel-ready heritage projects across Canada, create new green jobs, spur private investment and contribute to community resiliency over the long term.

Why? Because investments in heritage places are an ideal target for economic recovery and community infrastructure programs:

- Shovel-Ready Projects exist across Canada in urban, rural, and Indigenous heritage places;
- Projects at existing buildings create 21% more jobs than new construction, with less "leakage" out of the Canadian economy for foreign goods;
- Funding will leverage private sector investment and other financial instruments;
- Adaptive use and retrofits of existing buildings reduce GHG emissions and demolition waste, and capitalize on materials, energy, and sunk carbon already invested;
- Investments in their infrastructure will provide increased stability for the charitable, non-profit and tourism sectors; and
- Healthy and vibrant main streets and neighborhoods strengthen social cohesion and drive local economies.

**There are heritage buildings in our Niagara Centre riding that urgently need this stimulus funding:**

Example 1 – Our project to revitalize Central Fire Station in Welland Ontario, a heritage building unique in Canada that still contains its original 1920's fittings and equipment to create a heritage display on the first and part of the second floors and a multi-use community centre on the second and third floors that will make the building self-sustaining. Estimated total cost \$1.2 million; almost all that will be spent with local companies, creating and sustaining 100's of local jobs.

**What our recommendation will accomplish:**

The potential for stimulus investments targeting heritage buildings is vast: many billions of dollars in capital repair, energy retrofits and adaptive re-use could be generated at some of the 437,000 pre-1960 commercial and industrial properties; 1,000,000 pre-1960 apartment units; 27,000 places of faith; as well as thousands of institutional buildings in private and public ownership. Stimulus investments can leverage at least 5 times more in private investment, create new green jobs; renew, adapt and retrofit existing infrastructure; produce new revenue-generating space; create new affordable housing units and more.

There are compelling precedents for these federal stimulus measures. In the United States, Federal Historic Preservation Tax Incentives have distinguished themselves as one of the nation's most successful and cost-effective community revitalization programs. Since its launch in 1976, it has leveraged \$102.64 billion in private investment (5 times the value of the federal tax credits provided), created over 130,000 jobs each year (construction, manufacturing, services, retail trade, etc), preserved 45,383 historic properties, and enabled 172,416 affordable housing units. 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: federal contributions of \$14.95 million leveraged \$143.4 million in construction costs, created 1,465 person years of employment, and gave derelict heritage buildings vibrant new community uses.

Directing federal stimulus to heritage places will reach beyond major cities and have immediate and measurable impacts on the economies of small town and rural Canada. Funding could flow without delay to projects large and small through existing mechanisms such as Regional Economic Development Agencies, the Cultural Spaces Canada Program and Parks Canada's National Cost-Sharing Program for Heritage Places. It can also be used to support participation in national celebrations like Canada Historic Places Day that generate awareness and encourage Canadians to explore special places virtually online, and visit historic places close to home when the doors re-open. In parallel, there is great potential to leverage corporate philanthropy and crowdfunding and generate public awareness using proven high-profile crowdfunding tools like This Place Matters.

Stimulating the reuse of heritage buildings would also play a key role to play in meeting Canada's 2030 GHG emission reduction targets. 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 the 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.

We would be pleased to have the opportunity to discuss our recommendation with the House of Commons Standing Committee on Finance in more detail.

Yours sincerely,

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President, Central Station Education Initiative