Report on Proposed Heritage Designation

From: St. Catharines Downtown Association
Date: May 13, 2025

Subject: Concerns and Considerations Regarding Proposed Heritage Designation

The St. Catharines Downtown Association (SCDA) would like to commend the City of St. Catharines staff for their proactive engagement with the St Catharines Downtown Association (SCDA) and for reaching out to numerous stakeholders for input on the proposed heritage designation. We appreciate the efforts made to involve the community and gain a better understanding of the diverse perspectives within the downtown area. This collaborative approach is crucial as we work together to balance heritage preservation with the economic growth and development of our community.

Concerns from Members

While the SCDA understands and values the importance of preserving the cultural and architectural heritage of St. Catharines, we feel a heritage designation is not the right time or approach. As identified in the Study "Like many urban regional centres in Canada, the Study Area has faced considerable pressures during the 2020s as municipalities have grappled with the COVID-19 pandemic, increasing development pressures, and calls for intensification as a result of a nationwide housing crisis." (page iii)

Our members—comprising commercial property owners, business tenants, and stakeholders—have expressed several concerns regarding the proposed heritage designation for properties within the downtown core.These concerns highlight the potential negative impact on the economic health of the area, especially in light of current challenges that our members are facing.

1. **Increased Insurance Costs and Limited Providers:** One of the most significant concerns is the anticipated rise in insurance premiums for heritage-designated properties. These buildings, due to their age and unique characteristics, are often considered higher risk by insurers, which could lead to substantial increases in insurance costs. Additionally, there are fewer insurance providers that specialize in covering heritage properties, which limits options for property owners. We have already heard from a number of members whose insurance providers have not renewed with them because they are being considered for designation.

2. **Higher Borrowing Costs and Limited Financing Options:** Commercial property owners are also concerned about the difficulty of securing financing for renovations or

improvements to heritage buildings. The complexity of complying with heritage preservation regulations often leads to higher interest rates and less favorable lending terms. These additional financial burdens could discourage investment in downtown properties, hindering revitalization efforts.

3. **Limited Contractor Availability and Higher Renovation Costs:** Another issue raised by our members is the limited pool of qualified contractors who are experienced in working with heritage buildings. These contractors often charge premium rates, which results in higher costs for renovation and restoration projects. The added expense could create financial strain on commercial property owners, especially those looking to lease or improve their buildings.

4. **Restricted Renovations and Tenant Limitations:** Heritage designation often comes with restrictions on renovations, both interior and exterior. This can limit the ability of property owners and tenants to adapt their spaces to meet modern business needs. Restrictive regulations could deter new tenants from occupying heritage buildings, further limiting options for property owners and business operators.

5. **Increased Bureaucracy and Delayed Permitting:** There are concerns about the potential for increased bureaucracy and delays in obtaining permits for renovations. Heritage properties often require more complex approvals due to the need to preserve architectural features. The added red tape could delay necessary improvements, leaving buildings in need of repair and discouraging investment in the downtown core.

Support from the Broader Business Community

The SCDA is not alone in voicing these concerns. The Greater Niagara Chamber of Commerce (GNCC), which represents businesses across the Niagara region, has echoed the importance of ensuring that any heritage preservation efforts are balanced with the need to support economic vitality and business sustainability. In our conversations with GNCC representatives, they have expressed alignment with the SCDA's position that policy decisions—especially those with significant economic implications—must be made with careful consideration of business impacts, available supports, and long-term viability for downtown property and business owners.

Our Position and Motion

The SCDA Board recognizes the importance of preserving our community's heritage, but we also believe that a balance must be struck to ensure that the economic health of the downtown is not compromised. **As stated in the motion below that was passed at the September 23, 2024 Board meeting:**

WHEREAS Downtown St. Catharines is the economic hub and a unique part of the city with a diverse community of residents, public & private sector employers, business & commercial tenants and property owners; and

WHEREAS The SCDA Board welcomes residential density downtown to support economic growth, and recognizes the recent successes in the downtown that is a result of the Creative Cluster Master Plan (CCMP), including, the implementation of two-way streets, the Meridian Centre, The First Ontario Performing Arts Centre, and the Marylyn I. Walker School of Fine and Performing Arts; and

WHEREAS Our members are dealing with greater social and economic challenges daily than others elsewhere in the city, including the complicated and often contradictory regulatory codes in place for older buildings; and

WHEREAS Our members understand that downtowns are different; downtowns are the Historic Heart of the City, they are the Economic Centre of the City and given the present economic and social situation, the downtown requires special government policy support to enable owners to enjoy the same level opportunity to succeed that other businesses and property owners in other parts of St. Catharines and Niagara enjoy; and

WHEREAS it is understood that heritage designations could impose unintentional financial stress on our members through increased insurance premiums and limited access to financing; and

WHEREAS The City of St. Catharines, at the moment, provides limited supportive financial and other programs to support renovations to heritage properties; and

WHEREAS there are currently no tax reductions in place to financially support the extensive renovations necessary to maintain heritage properties;

THEREFORE BE IT RESOLVED That the SCDA Board does not support a blanket Downtown Heritage District, instead we support preserving historic buildings on a voluntary, individually designated basis – using an Updated Creative Cluster Master Plan (CCMP).

Suggested Supports and Compensations

To address the concerns raised by our members, the SCDA strongly believes that supportive measures must be put in place to help mitigate the potential negative impact of heritage designation. These supports would help property owners and tenants continue to invest in their buildings while preserving the historic fabric of downtown St. Catharines.

1. **Tax Incentives:** Tax incentives are a proven method to support the preservation and restoration of heritage properties. Examples from other cities, such as **Toronto** and

Vancouver, demonstrate that tax relief can help offset the costs of maintaining and restoring historic buildings. We urge the City to consider implementing similar tax programs for heritage properties.

2. **Grants for Heritage Renovations:** Grants could provide vital financial support for the costly renovations required to preserve heritage buildings. Other municipalities, including **Ottawa**, offer grants to heritage property owners to assist with restoration work. We recommend that the City explore such a program to help alleviate the financial burden on commercial property owners. This is also supported in the study: “The City should also consider opportunities to maintain and enhance CIP policies for heritage properties and supplement the desired approach with commemorative/interpretive measures for the study area” Pg vii

3. **Expedited Permits:** To reduce delays in the renovation process, we recommend implementing a streamlined, expedited permitting process for heritage buildings. This would help property owners and tenants move forward with their renovations in a timely manner while maintaining the integrity of the historic buildings.

Conclusion

The St. Catharines Downtown Association acknowledges the importance of preserving our heritage, but we believe that this must be balanced with policies that support the economic vitality of the downtown core. Thus the only recommendation we can support from the study is Option 5: **No HCD designation**, but explore alternative **heritage planning tools** (e.g., Community Planning Permit Systems, tax incentives, and commemorative programs).

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In this theme we would recommend one of the following (listed in order of preference):

1. A **voluntary designation**, where the property owners can apply for designation of their property. Through implementation of the incentives listed above it will support property owners in choosing to self-designate their properties.
2. A **Do Not Demolish** policy, rather than a restrictive one, would allow for both preservation and growth, provided the necessary supports, such as tax incentives, grants, and expedited permits, are put in place.

As identified in the study “It is also important to note that for each HCD by-law or notice of intention to designate a Part IV or V of property, there will be a 30-day period where property owners may register their objection, potentially resulting in appeals to the Ontario Land Tribunal. Multiple Ontario Land Tribunal appeals on Part IV designations can become time consuming and costly for municipalities.” page vii

Per the study “the onus is on the community to decide how to proceed and conserve their heritage” pg 10 - this community would like to continue to have that right to make their own decisions about their own properties

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We look forward to continuing to work with the City staff and Council to find tools that preserve the unique character of downtown St. Catharines while fostering a thriving, sustainable business environments