Financing Heritage Projects:
How Governments do it, and how financial realities determine the level of conservation”

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Contemporary Public Use Heritage Infrastructure

Large Cultural Amenities

Schools

Recreation and Leisure
Mixing Public and Private Uses in the Same Building

Conventional Views of Mixing Land Uses

Innovative Mixing of Uses

Fig. 7. Conceptual section of Kowloon station development.
Redeveloped Heritage Buildings that Mix Large Public and Private Uses
Mixing Public and Private Uses in the Same Heritage Building
Maple Leaf Gardens: Making Heritage Preservation Work
Synergy of Uses, Interaction of Users

**Indifference:** Limited interaction between multiple building users and their operators, such that neither is made better or worse off by sharing the building.

**Conflict:** Antagonism between building users or operators which worsens conditions for one or all building partners.

**Complementarity:** Interaction between building users which creates value for each user.
Building Design to Minimize User Conflicts

• Allocate building space to user that can best maximize its value
• Separate Building entrances and loading between users
• No unsupervised internal connections between uses
New money for critical public use infrastructure?

- Creative mixed use building can raise some private money for public use facilities, but still require major government support

- **MLG**: Enabled private sector to attract government and philanthropic money to support a project that had sat dormant for years, and otherwise would not have been financially viable for the private sector partner alone

- Government of Canada: $20 million

- Mattamy Homes (philanthropic donation and building naming rights): $15 million

- Lablawa Philanthropy: $5 million

- Ryerson University Student levy: $20 million

- Student user fees and facility rentals provide ongoing maintenance funds
Mixed Use Development and Risk

• Opportunities to mitigate risk
  – Partnership with a reputable public sector institution can make it possible to obtain support for controversial development projects, especially high rise towers that require rezoning
  – Can attract new financing beyond what either partner could bring
  – Can share construction risk between multiple partners

• Unique risks
  – Different levels of development experience can create risk for the various partners
  – Partnership only as strong as each partners capacity to actually obtain financial support
    • Private development deals may become ensnared in politics and public debates about government resource allocation
  – Conflict between the partners can be difficult to resolve if each are equity holders rather than one being a tenant in the building
    • To date our interviews did not uncover any major conflicts between the partners in the projects
Conclusions

• Heritage conservation increasingly requires creativity
  – Architecture and building purpose

• Innovative mixing of land uses has generally had a positive outcome thus far
  – No major conflicts between partners
  – Users happy with the functioning of the facilities
  – Buildings contribute to overall diversity of the neighbourhood
  – Arrangements create new revenues for heritage preservation

• Questions for the future:
  – Can this model work for smaller, or less glamorous or lower profile heritage facilities?
  – Does it work outside of the downtown core where land is scare and property values tend to be high?