

# Report to Council



**Date:** October 13, 2015  
**File:** 1810-50  
**To:** City Manager  
**From:** P. M<sup>c</sup>Cormick, Planner Specialist  
**Subject:** Heritage Assets - Proposed Work Plan

---

## **Recommendation:**

THAT Council receives for information the report of the Planner Specialist dated October 13, 2015;

AND THAT Council approves the work plan outlined in the report of the Planner Specialist dated October 13, 2015;

AND THAT the Heritage Asset Management Strategy be updated to include the work plan outlined in the report of the Planner Specialist dated October 13, 2015.

## **Purpose:**

To receive direction from Council with regard to City-owned heritage assets over the next 3 years as set out in the report of the Planner Specialist dated October 13, 2015.

## **Background:**

The Heritage Asset Management Strategy was approved by Council in 2009. The goal of the strategy is to protect the City's heritage assets to safeguard their value consistent with the criteria identified on the Heritage Register, while cost-effectively optimizing their adaptive reuse for future generations.

The Strategy prioritized the City's nineteen heritage assets in terms of proposed remedial work. Since that time, the status of several of these assets has changed, as described in the March 2015 update to Council on the Heritage Asset Management Strategy. The reasons for the changes are the result of the availability of more information. In particular, the identification of critical requirements to allow currently leased assets to continue functioning in a safe and efficient manner.

The former Glenn Avenue School, Water Street Firehall and Cameron House although not identified as priorities in the 2009 Heritage Asset Management Strategy, have since been prioritized for remedial work.

1) Former Glenn Avenue School

The building is leased to the Okanagan Boys & Girls Clubs for programming for local youth. The facility is in need of improvements and restoration to the exterior envelope including masonry, windows, parapets, cap flashings and rain water leaders, as well as repairs to concrete lintels and sills and the restoration of the chimney copings. Council approved \$510,000 in the 2015 Capital Budget and the project is underway. A Heritage Alteration Permit was recently granted by the Community Planning Department, staff are currently in the tendering phase to select an appropriate contractor, and construction is anticipated to begin in October.

2) Water Street Firehall

A facility conditions report in 2014 identified a range of upgrades required for the building to continue in its current function and to effectively serve its intended purpose. In order to properly scope and deliver the project, staff are recommending a two step process whereby detail design would be carried out in the first year followed by construction in the second year. A request for detail design will be a 2016 budget submission and pending approval, a request for construction funding would be included in a subsequent budget submission. The focus of the upgrades would be on the building envelope similar to the Glenn Avenue School project and also include interior improvements to better serve the needs of a functional fire hall.

3) Cameron House

The tenant (a children's day care) was removed in 2012 due to deteriorating building conditions and concerns for safety, and there are a number of building components in critical need of attention including the foundation, the building envelope, the flooring system, and the roof structure.

Subsequent to the building being vacated, Council approved \$330,000 for repairs. Staff have proceeded with a conditions assessment and engineering and architectural feasibility studies. Staff have determined that considerable structural upgrades are required in order to make the building safe and to extend its lifespan.

Due to the building's unique heritage value, centralized location and proximity within a neighbourhood park, staff feel the Cameron House has excellent potential for adaptive reuse and several non-profit groups have recently expressed interest in partnering with the City to operate the facility. However, given the building's current size and layout, adaptive reuse is severely limited. In order to achieve its potential and become a valued public asset, Cameron House would likely require a significant addition to provide programmable space. This approach would be similar to the proposal for the Okanagan Buddhist Cultural Centre that will be expanding the former St. Aidan's Church in Rutland. Input to help determine optimum use is proposed. Staff would solicit feedback from residents as well as the Cameron Family to identify possible uses that would best serve the neighbourhood and the overall city. Staff would solicit input from local community

groups and organizations that provide culture- and recreation-related programs and activities. Staff would also engage the Department of Canadian Heritage to determine the opportunity for a federal grant. These discussions would help identify potential future uses and to more specifically identify the square footage required in order to create an effective community hub.

Under the premise that the expansion would honour the character-defining elements of the building as set out in the Heritage Register, a concept design would be completed along with a business case identifying capital and operational expenses as well as potential funding sources for Council's consideration. The community engagement process would take place in spring 2016. Once more information is known on future uses and costs, staff would report to Council with recommendations on next steps.

The heritage assets that were prioritized in the 2009 Heritage Asset Report are reviewed below in the order of priority:

#### 4) St. Aidan's Site

In 2012, the City issued a Request for Expressions of Interest (RFEOI) seeking ideas for the adaptive re-use of six Heritage Register assets owned by the City of Kelowna. The St. Aidan's site was the only submission to elicit a response that warranted further discussion with the proponent.

That discussion led to a Memorandum of Understanding (MOU) that was endorsed by Council in 2014. The MOU sets out the terms and conditions for redevelopment of the site which will see the property sold to the Okanagan Buddhist Cultural Society. The Society will renovate the building and add on to it for the Society's use as well as community-related activities. Construction is expected to begin in 2016. All restoration work will respect the character-defining elements as set out in the Heritage Register and maintain the building and site as a key heritage asset.

Staff have drafted a contract for the sale of the property. It sets out the terms and conditions of the sale by the City to the Okanagan Buddhist Cultural Society and will replace the Memorandum of Understanding, which is a non-binding agreement between the two parties. The sale will be enacted pending Council approval of a Heritage Revitalization Agreement (HRA) and all required permits. Application for an HRA is expected to be made shortly. Staff will continue to work with the Okanagan Buddhist Cultural Centre Society on the partnership including necessary permits and approvals.

#### 5) Grist Mill, Fleming House, and Dairy Shed

These buildings are located at the Brent's Mill Heritage Park. All were included in the Request for Expressions of Interest issued by the City in 2012. None of the responses was considered to meet the terms of the RFEOI and the site remains closed to the public.

The Fleming House is protected from the natural elements and is in relatively stable condition. The Dairy Shed is also protected from the elements and is in relatively stable condition. The Grist Mill is in poor and deteriorating condition.

As per the City's Heritage Asset Management Strategy, the Grist Mill building remains a high-priority for stabilization. A conditions assessment of the Grist Mill was completed in early 2015. Council subsequently approved funding for upgrades to stabilize the building from further deterioration. Site clean-up began in September 2015 and restoration work is expected to be completed in spring 2016.

At issue, as set out in the RFEOI, is the long-term adaptive reuse of the buildings and site including a business model that would mitigate the City's contribution to capital and operational costs. Although responses to the RFEOI identified potentially exciting long-term uses, the burden for funding as proposed, would remain with the taxpayer.

The question of long-term adaptive reuse needs to be determined. A first order of business is to develop a vision for the site. This process should include special-interest groups as well as the community at large. Funding models that rely on significant funding from the City as well as possible grant monies will need to be considered, particularly with respect to capital costs and subsequent operating costs. Staff expect to initiate the engagement process in 2016 and return to Council late in the year with proposed next steps.

#### 6) Ritz Café and Surtees Barn

Both buildings on the site were among the assets included in the Request for Expressions of Interest issued by the City in 2012. None of the responses were considered to meet the terms of the RFEOI and the site remains closed to the public.

Both buildings are deteriorating and in need of immediate intervention to stabilize their physical conditions. A conditions assessment in 2009 indicated that the costs of upgrading to stabilize the buildings would be significant.

Without a partner on this site and recognizing the lower heritage value relative to the other properties in the Heritage Asset Management Plan, staff are recommending exploring the site's commercial viability given that there are several properties in the vicinity effectively creating a commercial node along Lakeshore Road. Any commercial use of the site would need to be consistent with the existing P3 Parks & Open Space Zoning as well as complement the trailhead access to the future recreational corridor along Bellevue Creek. Adaptive reuse of one or both heritage buildings will be explored in conjunction with a new commercial development, and potential business models would be explored. Staff would engage the services of a retail consultant, heritage consultant, and architect to provide advice on adaptive reuse potential and how a commercial development could be incorporated.

In the event that adaptive reuse of either building does not prove economically viable, staff are recommending that a commemorative approach would be investigated as a way of acknowledging the history of the site and providing continuity with the past. This approach could include interpretive signage in conjunction with demolition of the buildings and preservation of one or more structural components of either or both buildings (e.g., foundation remains within parkland for interpretation).

In order to support this project, funding is required. Council previously approved funding in the amount of \$55,000 for this property that remains unspent in City reserves. Staff recommend bringing those funds back into budget to support the proposed work plan.

### Summary

The proposed work plan for the six identified heritage assets is as follows:

- 1) complete the work underway with respect to the former Glenn Avenue School;
- 2) proceed with a 2016 capital budget request with respect to upgrades to the Water Street Firehall;
- 3) follow-through on the sale of the former St. Aidan's Church and work with the proponent in securing all necessary approvals;
- 4) initiate a public engagement process in 2016 to explore viable long-term uses for the Cameron House and include as necessary, the preparation of a concept plan and a business model for capital improvements and operations;
- 5) initiate a public engagement process in 2016 to explore viable long-term uses with respect to the Grist Mill Heritage Park including adaptive reuse of the three heritage structures located on site;
- 6) issue a proposal to hire qualified expertise in spring 2016 to explore viable adaptive reuse of the Ritz Café and the Surtees Barn and any viable commercial opportunities on the overall site.

No other heritage assets are currently being assessed and as such, no other upgrades to City-owned heritage assets have been identified.

#### **Internal Circulation:**

Director, Financial Services  
Manager, Long Range Planning  
Manager, Cultural Services  
Manager, Real Estate Services

#### **Financial/Budgetary Considerations:**

A summary of the anticipated funding for the properties addressed in the report of the Planner Specialist dated October 19, 2015 is included as Attachment A. Staff will put forth as request for funding to support the Work Plan as part of the 2016 Capital Budget for Council's consideration.

#### **Considerations not applicable to this report:**

Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:  
Personnel Implications:  
External Agency/Public Comments:  
Communications Comments:

Alternate Recommendation:

Submitted by:

P. M<sup>c</sup>Cormick, Planner Specialist

Approved for inclusion:



Alan Newcombe, Infrastructure Divisional Director

Attachment A: Summary of Anticipated Funding

cc: Divisional Director, Active Living and Culture  
Divisional Director, Community Planning and Real Estate  
Divisional Director, Financial Services  
Divisional Director, Infrastructure  
Manager, Cultural Services  
Manager, Long Range Planning  
Manager, Real Estate Services

Attachment A: Summary of Anticipated Funding

Asset	Proposed Next Step	Date	Approved Funding	Funding Requests	Future Funding Request
<b>Glenn Ave. School</b>	Restoration work	Fall 2015	\$510,000	n/a	n/a
<b>Water Street Firehall</b>	Detail design and costing	Spring/summer 2016	n/a	\$75,000 in 2016 capital budget	To be determined
<b>Cameron House</b>	Public engagement	Spring 2016	\$330,000	n/a	To be determined
<b>Grist Mill</b>	Restoration work	Fall 2015	\$215,000	n/a	To be determined
<b>Fleming House</b>	Public engagement	Spring/summer 2016	n/a		
<b>Dairy Shed</b>					
<b>Surtees Barn</b>	Site concept design	Spring/summer 2016	\$55,000	\$55,000 from reserves	To be determined
<b>Ritz Cafe</b>					