

# REPORT TO COUNCIL



**Date:** May 15, 2017  
**RIM No.** 1240-30  
**To:** City Manager  
**From:** Community Planning Department (AC)  
**Application:** HRA17-0001 **Owner:** City of Kelowna  
**Address:** 4629 Lakeshore Rd **Applicant:** Worman Resources Inc.  
**Subject:** Heritage Revitalization Agreement

Existing OCP Designation: Park  
Existing Zone: P3 – Parks and Open Space  
Heritage Register: Included

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## 1.0 Recommendation

THAT Council consider a Bylaw which would authorize the City of Kelowna to enter into a Heritage Revitalization Agreement for Lot A, Section 25, Township 28, SDYD, Plan KAP71341, located at 4629 Lakeshore Rd, Kelowna, BC, for two buildings of heritage value as identified as Schedule "A" to the Report from the Community Planning Department dated May 15, 2017;

AND THAT the Heritage Revitalization Agreement Authorization Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT the Heritage Revitalization Agreement conditions outlined in Attachment "A" attached to the Report from the Community Planning Department dated May 15<sup>th</sup> 2017 be completed prior to adoption.

## 2.0 Purpose

To rehabilitate the two historical buildings on-site through a Heritage Revitalization Agreement (HRA) that would allow for commercial uses and the addition of one new 2,200 sq. ft. (footprint) commercial building on the subject property.

## 3.0 Community Planning

Staff support the Heritage Revitalization Agreement and the associated rehabilitation of the two heritage structures. This proposal will result in the following:

- i. Parkland access improvements through the construction of trail head parking;

- ii. Funding contribution to construction of a roundabout at Collet and Lakeshore roads; and
- iii. The rehabilitation of the Surtees Barn and Homestead.

Staff are supportive of the proposed commercial uses as a means to animate the heritage buildings and service the park as well as complement the existing retail node in the neighbourhood. In exchange, the City would allow commercial uses within the rehabilitated structures, the addition of a new (2,200 ft<sup>2</sup>) single storey commercial building, and the relocation of the heritage structures on the lot. The Heritage Advisory Committee 'HAC' has recommended support for the application. However, there were a few additional HAC comments that Staff did not recommend. See section 4.3 for further details.

#### **4.0 Proposal**

##### **4.1 Background**

The subject property known as the "Surtees Property" has significant historical value for the Okanagan, featuring two heritage buildings that visually communicate what Kelowna was like in the early part of the 1900's. The Surtees Barn is said to be one of the most up-to-date barns in the area for its time, and the Surtees homestead (also known as the Ritz Cafe) is believed to be the City's first 'house of ill repute' and linked to the building of the Kettle Valley Railroad. Both buildings are identified on the City's Heritage Register and have been under the ownership of the City since July of 2002. See 'Schedule D' for a full history of the property as identified by the applicant's heritage consultant.

In December 2009, City Council directed staff to proceed with the development of a Heritage Management Strategy for City owned assets. At that time, the Surtees Property through community consultation was identified as a priority for adaptive re-use and partnership opportunities. The City issued a Request for Expressions of Interest (RFEOI) to the community in July, 2012. The RFEOI was a high-level public call for ideas with the intent of casting a wide net without requiring proponents to invest the time and energy associated with a detailed proposal. The City received four responses regarding the RFEOI. However, upon staff review of the responses it was determined that none of them met the City's minimum criteria or expectations.

In the fall of 2015, a potential partnership opportunity with Worman Resources Inc. with regards to the redevelopment of the Surtees Property in a manner that meets the heritage preservation objectives of the City was brought to the attention of Staff. The City and the applicant agreed to the idea to transfer land interests within in the Surtees Property in exchange for restoration of the two heritage assets that are currently in disrepair. See 'Attachment B' to read the applicant's development rationale and collaboration efforts with City Staff.



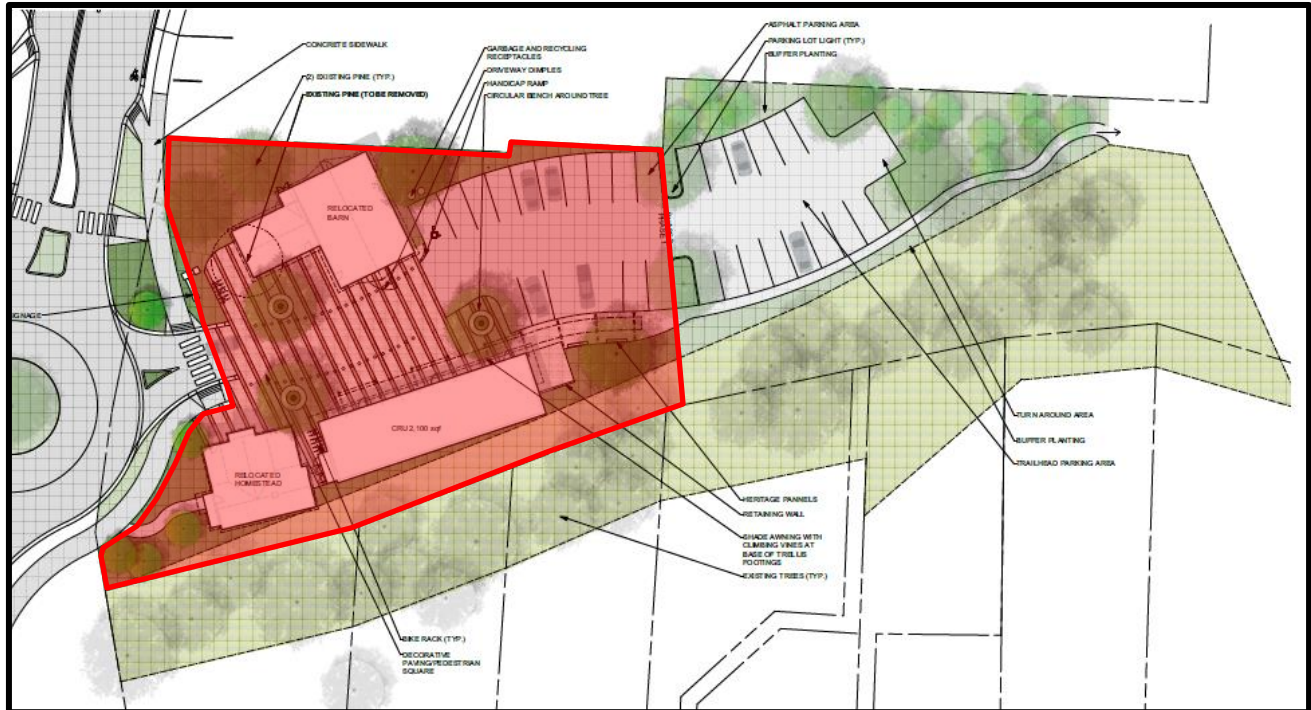
*Historic front facade (west elevation) of Surtees House at 4629 Lakeshore Road.*



*Archival photo showing south elevation of Surtees Barn with cross of church in the background (top; date unknown); photo showing existing condition of Surtees Barn, as viewed from southwest, with St. Andrew's Church in the background.*

#### 4.2 Project Description

The rehabilitation project on the subject property will assure the buildings' adaptive re-use as a community benefit, consistent with the heritage-related policies identified in the City of Kelowna's Official Community Plan. The Surtees Property is currently zoned P3 (Parks and Open Space) and this land use will remain in place. The land will be leased to the applicant long-term and all future land uses on the subject property will conform to the Heritage Revitalization Agreement ("HRA"). The term of the lease is for 75 years. See the image below outlining the lease area.



Leased Area

The land uses and development regulations for the HRA were developed by Staff and based on typical neighbourhood commercial uses as well as typical park uses. The parking requirements were based on site conditions and the anticipated demand from both the park (Bellevue Creek Greenway Staging Area) and the future commercial uses.

As part of the HRA, the applicant has provided a Conservation Plan that demonstrates how the character defining elements of the improvements will be preserved. This work has been completed with the assistance of a registered heritage planner (See Schedule 'D'). Further, as part of the HRA, the applicant has agreed to document the decisions made during the construction process and how they relate to the principles set out in the Statement of Significance & Conservation Plans as outlined in the Donald Luxton and Associates Report dated March 2017.

All the building improvements will be the responsibility of the applicant. The interior layout of the heritage buildings will be determined by the applicant, and the exterior heritage restoration of the existing buildings will be consistent with the Statement of Significance as set out in the City of Kelowna Heritage Register, in the Heritage Revitalization Agreement, and according to best practices as set out in the *Standards and Guidelines for the Conservation of Historic Places in Canada (Parks Canada, Second Edition, 2010)*. The HRA will allow for the relocation of the existing Surtees Barn and Homestead on the subject property as this facilitates the necessary site access and programming of the public realm.

In order to make the overall project financially viable, the HRA will also allow for the construction of one additional commercial building on the subject property. The new building will be limited to a site footprint of no greater than 2,200 square feet, in a location that complements the locations of the Surtees Barn and Homestead as well as the natural landscape.



A primary design goal of the overall project was to keep the heritage buildings as the primary features. As a result, the new building is located behind the heritage buildings and the height is kept to a single storey in order to not be visually dominant. Further, the design choice of the new commercial building does not mimic the existing architecture and rather creates a juxtaposition of styles on site. This design choice is consistent with the best practices guidelines relating to heritage redevelopment. One of the significant architectural elements incorporated into the new commercial building is inspired by an agricultural arbor. This arbor follows a long, linear design that mimics rows of orchards. This enhances the lineal pathway and creates an invitation to explore further into the future park. The shallow depth of the new building was also important to ensure a wide corridor through the park. The size and location of future signage has been identified for the heritage buildings and the signage must meet the sign bylaw for the new commercial building. However, as per OCP policy, Staff have added a condition within the HRA stating all signage must be non-illuminated and non-animated. To clarify, non-illuminated signs does not prohibit external lighting of the sign.

The City has agreed to build the roundabout at the corner of Lakeshore Road and Collet Road. This improvement is critical for the following reasons:

- Transportation safety for people turning left from Collett Road onto Lakeshore Road and turning left from Lakeshore Road into the Surtees Property;
- Pedestrian safety for people crossing Lakeshore Road to either Collett Road or the existing commercial and restaurant areas;
- Financial viability of the proposed redevelopment of the Subject Lands; and,
- Continued viability of the neighbouring commercial and restaurant areas as the roundabout allows much easier access to the existing areas by reducing the need for people to have to turn left from the west side of Lakeshore onto the road.

The remainder of the Surtees Property will continue to be owned and operated by the City of Kelowna, and will serve as a staging area for the future Bellevue Creek linear park. The vision for the park is to construct a continuous off-road trail along the creek corridor for approximately 6.1km starting at Okanagan Lake, continuing to the city limits with connections beyond to Myra-Bellevue Provincial Park. The proposed parking lot will act as a trail head access for people wishing to park their vehicles and walk west to

Okanagan Lake or east to Woodhaven Regional Park as well as provide parking for the proposed commercial uses. The applicant will be required to guarantee public access from 6:00am – 11:00pm (or as otherwise stipulated in Bylaw No. 10680).

#### 4.3 Heritage Advisory Committee

The Heritage Advisory Committee met on April 20<sup>th</sup> and the following were the resolutions:

**Moved by Brian Anderson/Seconded by Amanda Snyder**

THAT the Heritage Advisory Committee agrees the value of restoring the existing heritage structures on the property located at 4629 Lakeshore Road, Kelowna BC supports increasing the allowable commercial use on the subject property.

**Carried**

**Moved by Amanda Snyder/Seconded by Brian Anderson**

THAT the Heritage Advisory Committee agrees that a Heritage Designation Bylaw be pursued for the two (2) heritage structures on the property located at 4629 Lakeshore Road, Kelowna, BC.

**Carried**

**Moved by Brian Anderson/Seconded by Stoke Tonne**

THAT the Heritage Advisory Committee agrees that the proposed uses and development regulations identified in the proposed Heritage Revitalization Agreement for the property located at 4629 Lakeshore Road, Kelowna, BC is appropriate.

**Carried**

**ANCEDOTAL COMMENTS:**

The Heritage Advisory Committee recommends adding health facility and professional offices as allowable uses to the proposed Heritage Revitalization Agreement.

**Moved by Lorri Dauncey/Seconded by Stoke Tonne**

THAT the Heritage Advisory Committee recommends that a Heritage Alteration Permit application be triggered by any changes to the Statement of Significance with respect to the heritage structures on the property located at 4629 Lakeshore Road, Kelowna, BC.

**Carried**

**Moved by Stoke Tonne/Seconded by Brian Anderson**

THAT the Heritage Advisory Committee recommends that the signage plan with respect to the structures on the property located at 4629 Lakeshore Road, Kelowna, BC is appropriate.

**Carried**

**Moved by Stoke Tonne/Seconded by Amanda Snyder**

THAT the Heritage Advisory Committee recommends that no self-illuminated or back lit signage be allowed on the two (2) heritage structures on the property located at 4629 Lakeshore Road, Kelowna, BC.

**Carried**

**Moved by Brian Anderson/Seconded by Stoke Tonne**

THAT the Heritage Advisory Committee recommends that Council support Heritage Revitalization Agreement Application No. HRA17-0001 for the property located at 4629 Lakeshore Road, Kelowna, BC in order to restore the two (2) historical buildings on site through a Heritage Revitalization Agreement that would allow for some commercial uses and the addition of one new 2,200 sq. ft. (footprint) commercial building on the subject property;

AND THAT the Heritage Advisory Committee recommends that Council support the heritage designation of the two (2) historical buildings on the site;

AND FURTHER THAT the Heritage Advisory Committee recommends that Council support the proposed signage for the subject property subject to the Committee's recommendation that no self-illuminated or back lite signage be allowed on the two (2) heritage structures.

**Carried**

**Moved by Brian Anderson/Seconded by Stoke Tonne**

THAT the Heritage Advisory Committee recommends that Council consider including a clause in the Heritage Revitalization Agreement for the property located at 4629 Lakeshore Road, Kelowna, BC that requires a review of the heritage restoration process by a professional with heritage expertise.

**Carried**

#### 4.3.1 Heritage Advisory Committee – Staff Comments

Staff have incorporated the HAC recommendations into the HRA bylaw with the following exceptions:

- A Heritage Designation Bylaw was contemplated in order to add the 'Surtees House & Barn' to the provincial 'Protected Heritage Buildings' list. The Heritage Advisory Committee 'HAC' recommended a designation bylaw be pursued. However, the developer has not included this feature in the proposal and Staff are not recommending it as a requirement as it would be redundant to the HRA.
- The Heritage Advisory Committee also recommended that a designated Heritage Consultant be retained to monitor decision making process of heritage assets during construction. However, the applicant is not prepared to implement that HAC recommendation due to potential construction delays and costs. The applicant has agreed to a HRA condition that requires the applicant to document the decisions made during the construction process and how they relate to the principles set out in the Statement of Significance & Conservation Plans as outlined in the Donald Luxton and Associates Report dated March 2017.

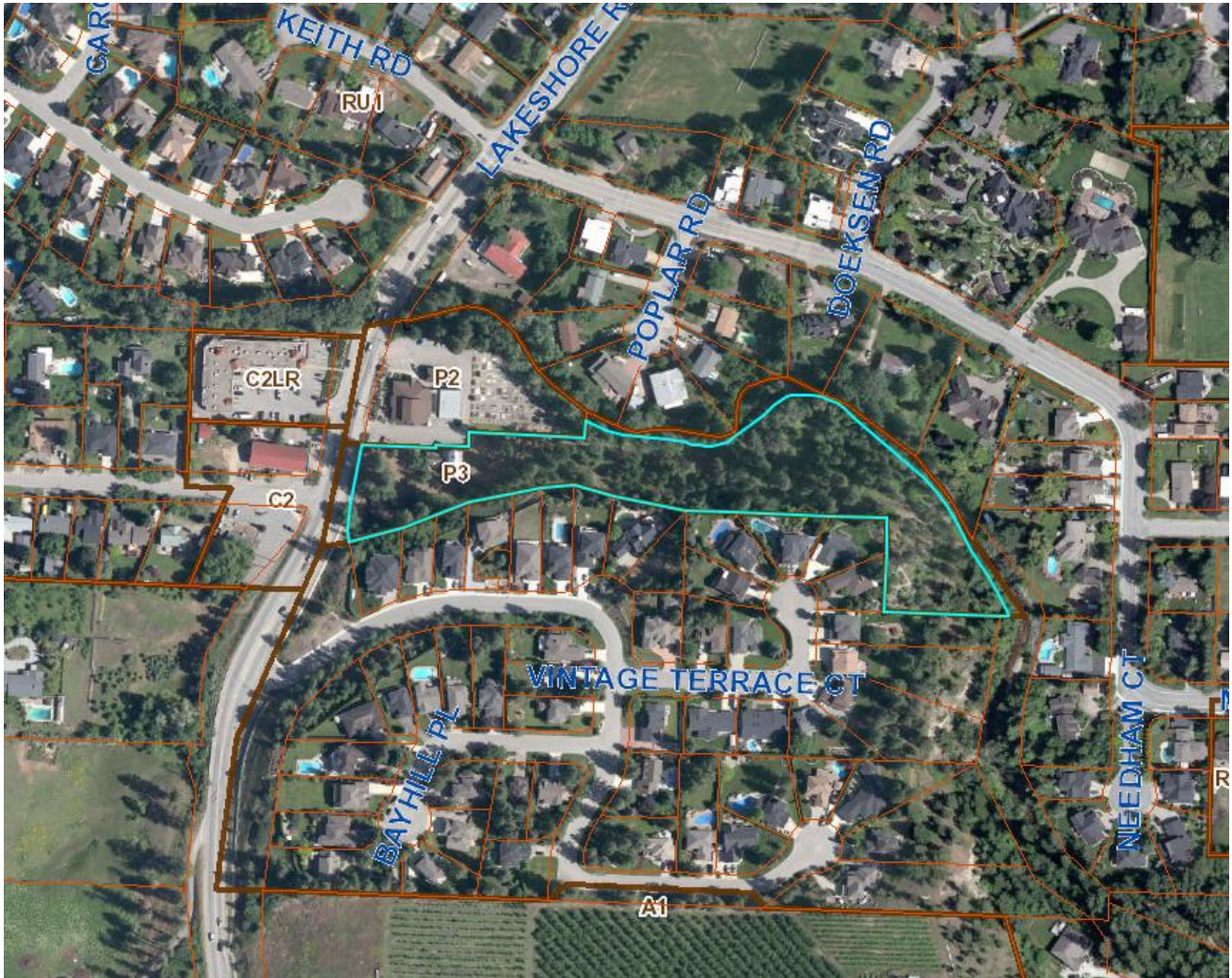
#### 4.4 Site Context

The subject property is zoned P<sub>3</sub> – Parks and Open Space and is designated Park in the Official Community Plan (OCP). The property is within the Core Area east of the City Centre and within a Character Neighbourhood Development Permit Area. The City is the owner of the subject property (Surtees Property).

The property is in a boutique commercial area surrounded by residential neighbourhoods. Specifically, the adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	P <sub>2</sub> – Educational & Minor Institutional	Church
East	C <sub>2</sub> – Neighbourhood Commercial	Commercial
South	RU <sub>1</sub> – Large Lot Housing	Single Family Dwellings
West	RU <sub>1</sub> – Large Lot Housing	Single Family Dwelling

**Subject Property Map: 4629 Lakeshore Rd**



**5.0 Discussion of Relevant Policies**

**5.1 Official Community Plan (OCP)**

**Chapter 5 – Development Process**

Objective 5.8: Achieve high quality urban design.

Policy 1 Public Space. Integrate safe, high-quality, human-scaled, multiuse public spaces, such as parks, plazas and squares, as part of development or redevelopment within Urban and Village Centres.

Objective 5.7: Identify and conserve heritage resources.



Policy 2 Heritage Designation:<sup>1</sup> Encourage owners of properties listed in the Kelowna Heritage Register and identified as significant to voluntarily provide long-term heritage protection to their properties through the use of a Heritage Designation Bylaw.<sup>2</sup>

Policy 3 Heritage Revitalization Agreements:<sup>3</sup> Consider the adaptive reuse of heritage buildings appropriate within any future land use designation, provided that a Heritage Revitalization Agreement is negotiated with the City and provided that the project meets the criteria established for sensitive neighbourhood integration.

## **Chapter 7 – Infrastructure**

Objective 7.15: Develop park partnerships.

Policy 1 Partnerships. The City will create community and enhance quality-of-life through partnerships with developers, residents' associations, property owners, non-profit organizations, private enterprise, user groups and individuals, on the acquisition and construction of all classes of parks. The City will also pursue joint use agreements and partnerships with School District 23, Regional District of the Central Okanagan, and the University of British Columbia Okanagan.<sup>4</sup>

## **Chapter 9 - Heritage Policies**

Objective 9.2 Identify and conserve heritage resources.<sup>5</sup>

## **Chapter 14 – Signs**

Where signage is proposed for buildings with historical character or heritage significance (i.e. Listed on the Heritage Register, with Heritage Designation and/or located in the Abbott Street and Marshall Street Heritage Conservation Areas) that signage should use design inspiration from historical influences (e.g. non- illuminated and non-animated).<sup>6</sup>

<b>Report prepared by:</b>	Adam Cseke, Planner Specialist
<b>Reviewed by:</b>	Terry Barton, Urban Planning Manager
<b>Approved for Inclusion:</b>	Ryan Smith, Community Planning Manager

### **Attachments:**

Attachment 'A' Development Engineering Memo dated May 2<sup>nd</sup> 2017  
Attachment 'B' Applicant Rationale  
Schedule 'A' Heritage Revitalization Agreement (HRA)  
Schedule 'B' HRA attached drawings  
Schedule 'C' HRA Landscape Plan  
Schedule 'D' Heritage Consultant Report (Luxton Report)

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<sup>1</sup> City of Kelowna, Official Community Plan Chapter 5, Objective 5.7, Policy 2

<sup>2</sup> City of Kelowna, Official Community Plan Chapter 5, Objective 5.8, Policy 1

<sup>3</sup> City of Kelowna, Official Community Plan Chapter 5, Objective 5.7, Policy 3

<sup>4</sup> City of Kelowna, Official Community Plan Chapter 7, Objective 7.15, Policy 1

<sup>5</sup> City of Kelowna, Official Community Plan Chapter 9, Objective 9.2

<sup>6</sup> City of Kelowna, Official Community Plan Chapter 14, Policy 17.4