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## CITY OF KELOWNA

### MEMORANDUM

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**Date:** May 9, 2007  
**File No.:** 0870-20  
**To:** City Manager  
**From:** Property Manager  
**Subject:** **Guisachan House Restoration (following 2006 fire)**

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#### **RECOMMENDATIONS:**

**THAT** Council approve the expenditure of \$155,000 to provide a fire sprinkler system, minimum structural repair and mechanical system replacement to meet the normal needs of the current commercial occupancy;

**AND THAT** the 2007 Financial Plan be amended with funding of \$115,000 from the Rental Property Reserve and \$40,000 from the Insurance Deductible Reserve;

**AND THAT** Council authorize staff to seek alternate sources of funding to assist with the work;

**AND THAT** Council direct staff to perform the necessary research and applications to have the Guisachan House placed on the Canadian Register of Historic Places;

**AND FINALLY THAT** the Civic Properties Manager be authorized to execute appropriate change orders through the insurance underwriter to design and construct the upgrades.

#### **BACKGROUND:**

On the morning of September 7, 2006 a fire began under the verandah at the Guisachan House Restaurant. There was extensive fire damage to the west verandah, the Aberdeen Room and the hallway and extensive smoke and water damage to the remainder of the building.

Council will be asked to approve the Heritage Application Permit to allow the restoration to begin. While insurance will cover the cost to restore the building to its pre-fire condition and to provide an accessible restroom inside, it does not provide funding for any deficiencies in the building which predated the fire.

The following considerations are pertinent to the Guisachan House:

- Key building within the Guisachan Heritage Park designated as a Municipal Heritage Site by Bylaw 7794 by Kelowna City Council on 16 January 1996; the

bylaw protects the building against relocation or exterior alteration and structural change.

- Built in 1891, restored by the Central Okanagan Heritage Society during the last decade.
- Currently leased to Strongwave Investments Ltd until May 31, 2011 (annual rent \$34,913) and operated as a restaurant; as of May 4, 2007, the Tenant has the right to terminate the lease due to the business interruption caused by the fire but remains hopeful that fire repairs will be done in a timely manner.

The Guisachan House is one of 14 heritage buildings owned by the City of Kelowna (see ANNEX 1). The City is actively engaged in planning the restoration of 7 of them (Laurel Packing House, Brent's Grist Mill (3), Ritz Café, Surtees Dairy Barn, and Guisachan House). Since these are relatively costly undertakings, it is important to prioritize the degree of restoration to be considered in each case along the following spectrum, which generally implies greater cost moving from left to right:



The original Guisachan House restoration was primarily concerned with repairing extant exterior and interior finishes, providing minimal and temporary structural interventions to stabilize visible structural deflections, and to provide a wheel-chair ramp between the garden and the main house; that is the work was close to the left side of the above spectrum. The suggested recommendations would result in an improvement to the service life of the building, but would not attempt to achieve full preservation.

The fire restoration began with the removal of charred and smoke damaged material throughout the house and revealed a range of issues that (a) are not covered by insurance and (b) would need to be addressed to improve the service life of the building.

- Structural: The original building was a farmhouse and built according to normal practice of the time. Some structural framing is missing, and must be replaced while the interior finishes are removed. Historic renovations to the house have compromised the original structure by cutting key structural members which also must be replaced at this time.

In addition, the change of occupancy has increased the loads on the floor and roof. Although these may result in deflection (visible sagging over time), the engineering opinion is that this is not a life safety issue. Therefore no structural upgrades are recommended at this time.

- Asset Protection: The fire could have consumed the entire building. It is recommended that sprinklers be installed to arrest property loss in case of another fire incident. This requires upgrades to the water service.
- Heritage Preservation: There are a number of instances where the materials in the building are subject to decay.
  - Incompatible materials: Foundation wood sill plates are in direct contact with concrete foundations, which eventually will lead to rot. In addition, there is no vapour barrier in the crawlspace, which exposes wood to a



- moist environment and the potential of additional rot. The full solution would require foundation replacement which is too expensive at this time.
  - Trapped moisture: Insulation, the lack of vapour barriers and the change of use have increased the presence of moisture in wall cavities, increasing the potential for rot in the structural wood members. Since the wall finishes are currently removed, it is recommended that a foamed insulation (integral vapour barrier) be installed in wall cavities at this time. Improved insulation in the ceiling/roof would increase snow loads and increase roof loads which is not recommended until the roof structure can be upgraded sometime in the future.
- Occupancy Accommodation: The Heating, Ventilation and Air Conditioning system is at the end of its useful life and is inadequate for the current restaurant use. It is proposed that the system be upgraded to meet the needs of the current Tenancy.

Council Resolution **R326/07/03/26** directed staff involved with the restoration of protected heritage buildings to refer to the Parks Canada *Standards and Guidelines for the Restoration of Historic Places* as a guideline for restoration projects. The guidelines in this case are not being strictly followed as it would add an additional \$195,000 to the project with no funding sources and would eliminate the restaurant as an adaptive re-use of this space.

#### **LEGAL/STATUTORY AUTHORITY**

The property is protected under Bylaw No. 7794, adopted on 16 January 1996.

#### **LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:**

Council must approve a Heritage Application Permit to allow the restoration to begin.

#### **TECHNICAL REQUIREMENTS**

Restorations are subject to R326/07.03.26, adopted on March 26, 2007.

#### **INTERNAL CIRCULATION**

Risk Manager  
Financial Planning Manager  
Manager, Policy, Research & Strategic Planning

#### **EXTERNAL AGENCY/PUBLIC COMMENTS**

The Heritage Planning Commission has recommended that a sprinkler system be installed. This recommendation came prior to determining the full extent of that work required in the building.

#### **FINANCIAL BUDETARY CONSIDERATION**

Funding for the recommended upgrades is as follows:

##### **Rental Property Reserve**

• Mechanical Upgrades (*)	\$70,000
• Landscape remediation for new water service	\$7,000
• Miscellaneous Structural Repairs	\$15,000
• Contingency	<u>\$23,000</u>
○ SUBTOTAL	\$115,000

**Insurance Deductible Reserve**

• Fire Sprinkler System (**)	<u>\$40,000</u>
<b>TOTAL</b>	<b>\$155,000</b>

\*50% of the mechanical fixtures may be covered up to \$7,500 by a grant by the BC Heritage Branch. The resultant cost is estimated at \$32,500 if the application is successful.


\*\*Portion of the full cost may be covered by the insurance claim. The division of responsibility is yet to be negotiated.

**ALTERNATE RECOMMENATION**

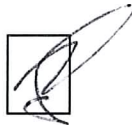
A full restoration of the building would cost a total of approximately \$350,000. The work recommended at this time allows for the further restoration to be done at some time in the future with minimum disruption of the interior and exterior of the building.

Considerations that were not applicable to this report:

**PERSONNEL IMPLICATIONS  
EXISTING POLICY**

  
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Ron Forbes  
Property Manager

Approved for Inclusion:



Cc David Graham, Director of Recreation, Parks and Cultural Services  
Paul Macklem, Director of Financial Services  
Randy Cleveland, Civic Properties Manager  
Lance Kayfish, Risk Manager

## ANNEX 1: City-Owned Heritage Properties

Name	Address	Kelowna Designation Bylaw	Kelowna Registry	National Registry	1998 Evaluation Points/Grade	# of Buildings on Property	Age
Brent's Mill	2135 Leckie Place	9185 (2004)	YES	NO	86 / A	3 (C)	1879
Cameron House	2337-2345 Richter	-	YES	NO	-	1	-
Central Elementary	1825 Richter St.	8805 (2002)	YES	YES	100 / A	1	1913
Glenn Avenue School	1633 Richter St.	8804 (2002)	YES	YES	100 / A	1	1910
Guisachan House	1060 Cameron Ave	7794 (1996)	YES	NO	88 / A	3 (A)	1891
Kelowna Firehall #1	1616 Water St.	8013 (1996)	YES	YES	100 / A	1	1924
Knowles House	865 Bernard	8561 (2000)	YES	NO	-	1	-
Laurel Packing House	1304 Ellis St	5480 (1983)	YES	YES	100 / A	1	1918
Ritz Café	4629 Lakeshore Rd	-	YES	NO	73 / B	2 (B)	1910
9	7	9	4	7	14		
<b>PROPERTIES WITH HERITAGE INTEREST</b>							
Memorial Arena	Doyle Ave					1	
St Aidens Church	Rutland Rd					1	
Rotary Centre for the Arts	421 Cawston					1	
Thompson Barn	4125 Gordon Drive						

### Notes:

- A. Property also includes Milk Shed (1925/43/C), Greenhouse and McDougall House (1886/100/A)
- B. Property also includes Surtees Dairy Barn
- C. Property also includes Brent's Dairy Barn and Flemming House