

REPORT TO COUNCIL



Date: June 13, 2012
File: 1310-50
To: City Manager
From: Planner Specialist, Urban Design
Subject: Heritage Asset Management Strategy Update

Recommendation:

THAT Council receives for information the Report from the Planner Specialist, Urban Design dated June 13, 2012 with respect to the Heritage Asset Management Strategy Update for six City-owned Heritage buildings.

Purpose: To update Council on a strategy to manage the viability of six City-owned Heritage buildings as per Council Resolution 6.6 dated December 14, 2009.

Background:

It is recognized that heritage plays an important role in creating a distinctive and unique identity for neighborhoods and the community as a whole. It is also recognized that heritage assets that have viable uses are much more likely to be retained than assets that are maintained as 'museum pieces'. Consistent with this approach, in order to maintain heritage assets as viable structures to meet the operational needs of its tenants, the City has spent upwards of six million dollars within the past five years on upgrades to the Laurel Packinghouse, Guisachan House, and Memorial Arena, all of which are City-owned buildings on the City's Heritage Register.

On December 9, 2009 Council directed staff to proceed with development of a detailed Heritage Asset Management Strategy and to seek capital and operational funding opportunities for Council's consideration

(<http://www.kelowna.ca/CityPage/Docs/PDFs/%5CCouncil%5CMeetings%5CCouncil%20Meetings%202009%5C2009-12-14/Item%206.6%20-%20Heritage%20Asset%20Management%20Strategy.pdf>).

At that time, the following City-owned heritage properties were identified as a priority for conservation work:

- 1) Brent's Grist Mill Heritage Park site (Grist Mill, Dairy Barn and Fleming House) on Dilworth Drive and Leckie Place;
- 2) St. Aidan's Church on N.Rutland and Mugford Roads; and
- 3) the Ritz Café and barn on Lakeshore Road at Bellevue Creek.

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These properties were selected from among the nineteen City-owned heritage assets. Their selection was the result of an evaluation process conducted by a working group of the Community Heritage Commission comprised of City staff and community heritage stakeholders whereby each property was evaluated against criteria established by the working group. All of the properties are considered 'rare and at risk'.

A preliminary physical condition report and draft conservation plan including an order-of-magnitude estimate of labour and material costs to restore each building has also since been completed by a qualified consultant. This work provides information on the scope of work needed to conserve each asset, but not necessarily to adapt it to new uses.

Fiscal planning for the operation, maintenance, and capital renewal of heritage assets is key to their long-term viability. Therefore, the City is also in the process of completing condition reports on the remaining City-owned heritage assets that are currently used by the City for operational purposes e.g., Water Street Fire Hall, or leased to third parties, e.g., Glen Avenue School. The City has a responsibility to maintain these assets as well, and include the costs of capital renewal in the long-term capital plan. Given these existing and related financial obligations, it would clearly be beneficial to the City to engage in partnerships for the competent restoration and appropriate operational uses of all currently vacant heritage assets.

Staff met on April 18, 2012 with community representatives to identify constraints and opportunities to be considered in soliciting financially viable uses for the future of each of the three identified properties.

The discussion took into consideration background information such as pertinent City policies, the evaluation process by which the subject properties were prioritized, highlights of the consultant's conditions report, and the key features of the buildings that must be recognized as identified in their Statements of Significance (SOS). Revised SOS will be presented for Council endorsement in a separate Report to Council. The discussion also included a review of possible operating models and the factors that could be used to facilitate the success of future heritage conservation initiatives.

The information from the stakeholder session will be used to guide next steps. These steps include a request for Expressions of Interest (EOI) for each of the identified sites and/or buildings, to be followed by a Request for Proposals (RFP) from the short-listed candidates. Given the condition of all assets, conservation work needs to commence as soon as possible.

The EOI will be 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 proponents with the most promising ideas and solid financial capacity will then be requested to provide the business plans and implementation plans necessary for staff to determine which proposals are the most realistic and achievable. The EOI for each site will be issued simultaneously in late spring 2012.

In addition to posting a general proposal call, staff will also actively solicit EOI responses from organizations and agencies deemed to be qualified proponents. An estimated timeline for completion of the process to select a proponent for each property is attached (Attachment A). Staff will report back with the outcomes of the RFP process prior to finalizing any agreements which could include, but not be limited to, property leases and service agreements.

Internal Circulation:

Manager, Cultural Services
Director, Policy and Planning
Director, Real Estate and Buildings Services
Director, Communications

Existing Policy:

City of Kelowna, Cultural Policy 274
City of Kelowna Cultural Plan
Chapter 9, Official Community Plan

Financial/Budgetary Considerations:

In 2009, funding was approved for site servicing of the Brent's Grist Mill property pending occupancy of the Surtees House. Also, in 2010 funding was approved for the Conditions Reports and other studies supporting these heritage assets. The balance of that funding is available as possible seed money to assist successful RFP proponents. The extent of any additional financial commitment on the part of the City to supplement any proponent's proposal will depend upon the terms of the proposal and could result in future capital budget submissions.

External Agency/Public Comments:

The Central Okanagan Heritage Society and the Rutland Residents Association are hosting a public information session regarding the adaptive reuse of St. Aidan's Church at 7:00 PM at Rutland Centennial Hall on June 18, 2012. Staff will be available at that meeting to answer questions regarding the EOI process.

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Personnel Implications:
Communications Comments:
Alternate Recommendation:

Submitted by:



P. McCormick, Urban Design Planner

Approved for inclusion:



R. Cleveland Director, Infrastructure Planning

Attach: 1

cc: General Manager Community Sustainability
Director, Recreation & Cultural Services
Director, Communications
Director, Real Estate and Buildings Services
Director, Policy and Planning

Attachment A: Estimated Timeline

| Heritage Asset Management Strategy | | 2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------|--------|--------|---------|---------|--------------|--------|---------|---------|--------------|-------|--------|--------|--------|--------|---------|---------|---------|-------|--------|--------------|--------|-------|-------|--------------|--------|--------|-------|--|
| Week ending | May 25 | June 1 | June 8 | June 15 | June 22 | June 29 | July 6 | July 13 | July 20 | July 27 | Aug 3 | Aug 10 | Aug 17 | Aug 24 | Sept 7 | Sept 14 | Sept 21 | Sept 28 | Oct 5 | Oct 12 | Oct 19 | Oct 26 | Nov 2 | Nov 9 | Nov 16 | Nov 23 | Nov 30 | Dec 7 | |
| 1. Draft EOI | [Orange bar] | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Issue EOI | | | | | ◆ | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Draft RFP | | | | | | [Orange bar] | | | | | | | | | | | | | | | | | | | | | | | |
| 4. EOI deadline | | | | | | | | | ◆ | | | | | | | | | | | | | | | | | | | | |
| 5. EOI proposal evaluations | | | | | | | | | | [Orange bar] | | | | | | | | | | | | | | | | | | | |
| 6. Issue RFP | | | | | | | | | | | | | | ◆ | | | | | | | | | | | | | | | |
| 7. RFP deadline | | | | | | | | | | | | | | | | | | | | ◆ | | | | | | | | | |
| 8. RFP proposal evaluations | | | | | | | | | | | | | | | | | | | | | [Orange bar] | | | | | | | | |
| 9. Report to Council | | | | | | | | | | | | | | | | | | | | | | | ◆ | | | | | | |
| 10. Prepare contracts with successful proponents | | | | | | | | | | | | | | | | | | | | | | | | | [Orange bar] | | | | |



HERITAGE ASSET MANAGEMENT STRATEGY

PURPOSE

To summarize a conservation strategy for:

- St Aidan's Church
- Surtees Property (2 buildings)
- Brent's Grist Mill Heritage Park (3 buildings)

ST. AIDAN'S CHURCH



SURTEES PROPERTY



Ritz Cafe



Barn

BRENT'S HOMESTEAD AND GRIST MILL



Brent's Grist Mill



Fleming House



Brent's Dairy Barn

BACKGROUND INFORMATION

- ▶ Cultural Policy 274
- ▶ Kelowna Cultural Plan (2012-2017)
- ▶ Heritage Strategy (May 2007)
- ▶ Statements of Significance
- ▶ December, 2009 Report to Council

| Asset | Designation Bylaw | National Registry |
|---|-------------------|-------------------|
| Brent's Grist Mill, 2128 Leckie Place | #9185 | YES |
| Dairy Barn at Brent's Heritage Park, 2128 Leckie Place | #9185 | |
| Fleming House at Brent's Heritage Park, 2128 Leckie Place | #9185 | |
| Cameron House, 2337-2345 Richter Street | No | No |
| Central Elementary, 1825 Richter Street | #8805 | YES |
| Guisachan House, 1056-1060 Cameron Avenue | #7794 | In progress |
| Guisachan Milk Shed, 1056-1060 Cameron Avenue | #7794 | No |
| Imhoff Tank, Waste Water Treatment Plant, 951 Raymer Ave | No | No |
| Kelowna and District Memorial Arena, 1424 Ellis Street | No | No |
| Kelowna Water Street Firehall, 1616 Water St. | #8013 | YES |
| Kelowna Memorial Park Cemetery, 191 Bernard Avenue | No | No |
| Knowles House, 865 Bernard Avenue | No | No |
| Laurel Packinghouse, 1304 Ellis Street | #5480 | YES |
| Old Glenn Avenue School, 1633 Richter Street | #8804 | No |
| Rotary Centre for the Arts, 421 Cawston Avenue | No | No |
| St. Aiden's Church, 365 Rutland Road North | No | No |
| Surtees Barn, 4629 Lakeshore Road | No | No |
| Ritz Café, 4629 Lakeshore Road | No | No |
| Tobacco Barn, 4193 Gordon Drive | No | No |

LAUREL PACKINGHOUSE



Recent Restorations: ~\$2.5M; \$1.1M from Heritage Canada
Restoration Estimate: \$450,000; rear loading dock, banner sign, heritage garden

GUISACHAN HOUSE & MILK SHED



Recent Fire Recent Fire Restoration: ~\$2,100,000
Restoration Estimate: \$?

WATER STREET FIREHALL



Restoration Estimate: \$836,000

CAMERON HOUSE



Restoration Estimate: \$250,000

KNOWLES HOUSE



Restoration Estimate: \$30,000

CENTRAL ELEMENTARY



Restoration Estimate: \$?

KELOWNA & DISTRICT MEMORIAL ARENA



Recent Ice Slab Restoration & Capital Upgrades: ~\$1,200,000
Restoration Estimate: 15 year structural life remaining

OLD GLENN AVENUE SCHOOL



Restoration Estimate: \$480,000

ROTARY CENTRE FOR THE ARTS



Recent Restoration & Adaptive Re-use: \$5,000,000
Restoration Estimate: \$?

TOBACCO BARN ON G. THOMSON FARM



Restoration Estimate: \$?

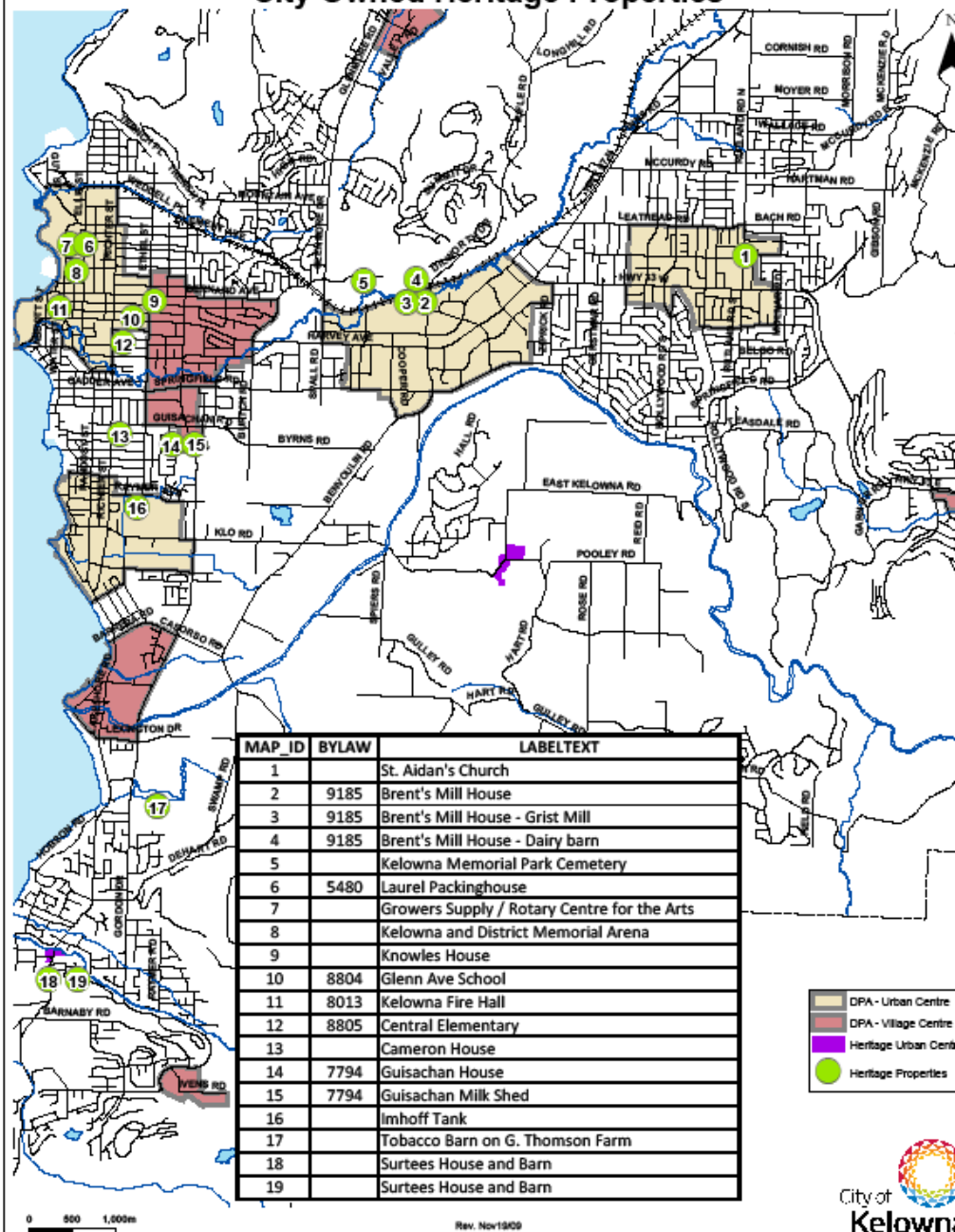
IMHOFF TANK, WASTE WATER TREATMENT FACILITY



KELOWNA MEMORIAL PARK CEMETERY



City Owned Heritage Properties



CITY OPERATIONS HERITAGE BUILDINGS

| ASSET | CIVIC USE | RESTORATION ESTIMATE |
|------------------------|---------------------------|----------------------|
| Laurel Packinghouse | Orchard & Wine Museum | \$450,000 |
| Water Street Fire Hall | Fire Hall | \$836,000 |
| Cameron House | Pre-school lease | 250,000 |
| Knowles House | KSAN (+Alzheimer's) lease | \$30,000 |
| Central School | SD #23 lease | ?? |
| Old Glen Avenue School | Boys & Girls lease | \$480,000 |
| TOTAL | | +\$2,046,000 |

COMMUNITY HERITAGE COMMISSION

- ▶ Sub-committee
 - ▶ Kelowna Museums
 - ▶ Okanagan Historical Society
 - ▶ Central Okanagan Heritage Society
 - ▶ Neighbourhood Associations
 - ▶ Economic Development Commission
 - ▶ Tourism Kelowna
 - ▶ Interested public
 - ▶ City staff

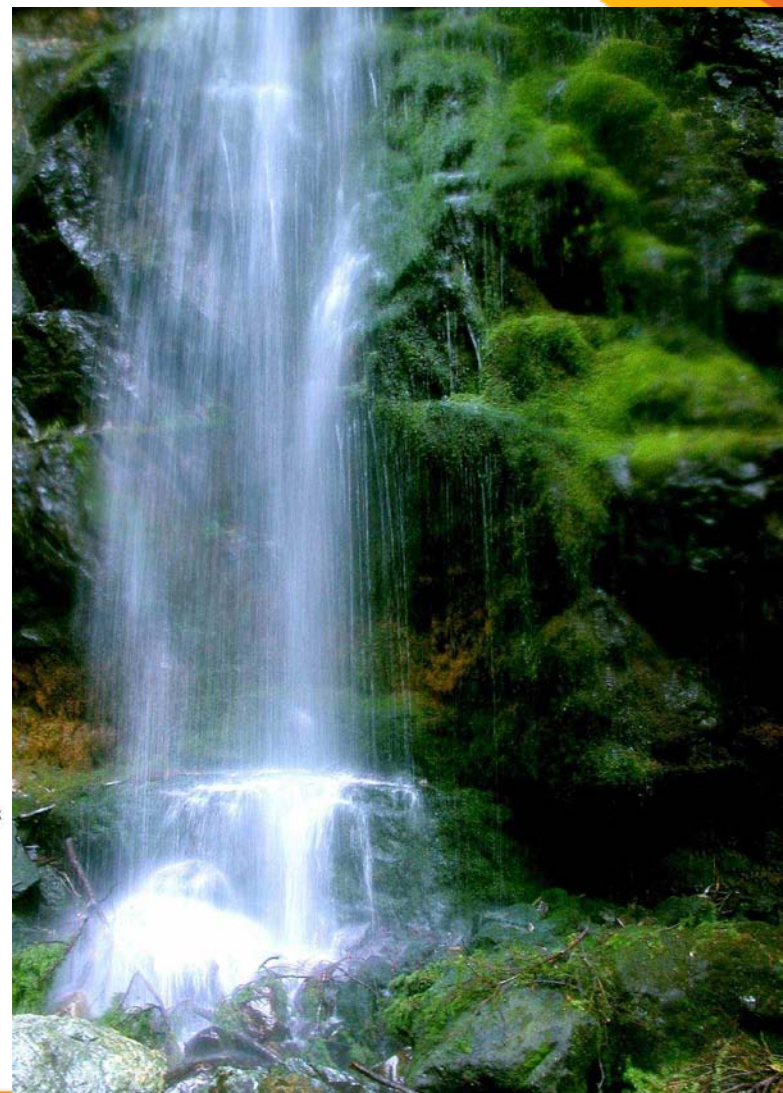
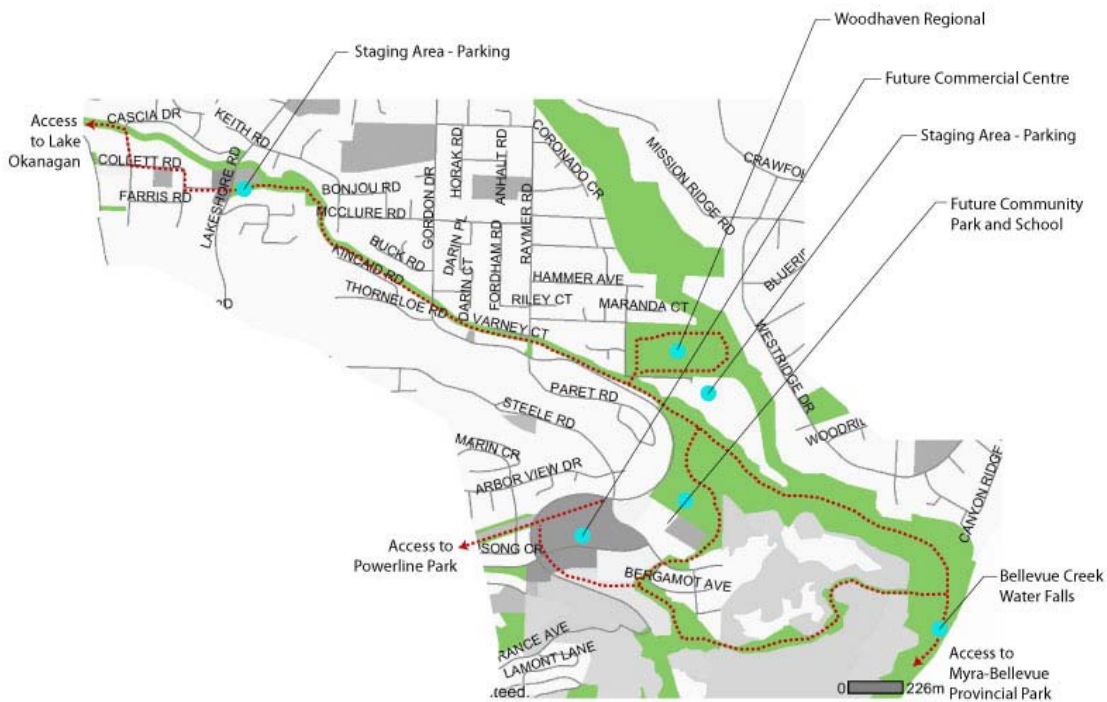
INVESTMENT CRITERIA & WEIGHTING

| CRITERIA | WEIGHTING |
|----------------------------------|-----------|
| Rare and At Risk | 45 |
| Accessible to the public | 10 |
| Municipal Service Venue | 5 |
| Revenue Stream | 10 |
| City, Town or Village Centre | 20 |
| Significant to Kelowna's history | 10 |

PRIORITY PROPERTIES

1. Laurel Packinghouse
2. Fleming House
3. Brent's Grist Mill
4. Kelowna Memorial Arena
5. Brent's Dairy Barn
6. St Aidan's Church
7. Surtees Barn
8. Surtees House

SURTEES TRAILHEAD



Bellevue Creek Greenway Master Plan

SURTEES HOUSE



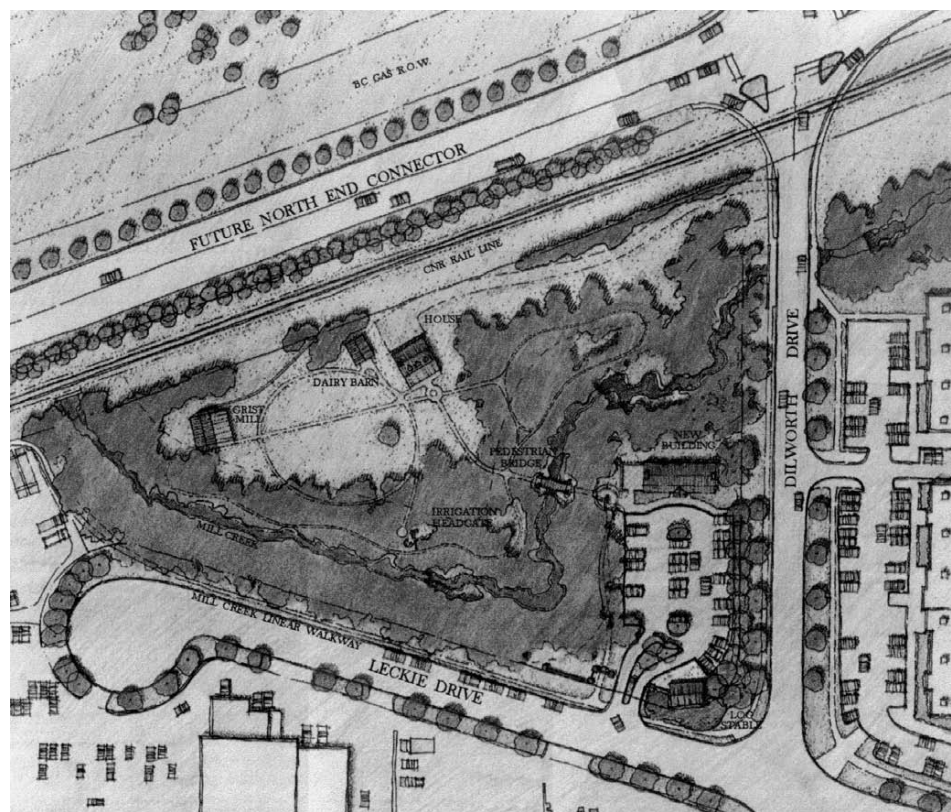
SURTEES BARN



BRENT'S GRIST MILL: POTENTIAL HERITAGE CORRIDOR



HERITAGE PARK, MUP STATION



HISTORIC BRENT'S GRIST MILL

CONCEPT PLAN

5m 0 5 10 20

BRENT'S GRIST MILL



FLEMING HOUSE



BRENT'S MILL DAIRY BARN





ST. AIDAN'S CHURCH



PRELIMINARY RESTORATION ESTIMATES

| ASSET | AGE | SIZE (sf.) | ESTIMATE (restoration) | ESTIMATE(+code) |
|--|------|------------|---------------------------|--------------------|
| Brent's Grist Mill ++ | 1871 | 2040 | \$46,167 | \$151,331 |
| Fleming House | 1871 | 1452 | \$82,113 | \$151,704 |
| Brent's Dairy Barn | 1912 | 792 | \$17,544 | \$27,809 |
| Ritz Cafe | 1912 | 1919 | \$204,280 | \$262,892 |
| Surtees Barn | 1927 | 3266 | \$105,916* | \$217,979* |
| Surtees Barn | | | \$27,433*** | \$406,573** |
| St Aidan's Church | 1933 | 963 | \$208,768 | \$248,877 |
| TOTAL (low& high Barn cost) | | | \$586,305 | \$1,249,186 |

++ Site Servicing: \$200k plus park development

*restore on ex'g site, **relocate and restore at Brent's, ***restore west façade only

CURRENT PROJECT STATUS

- ▶ Condition Reports completed
- ▶ Stakeholder meeting re: opportunities and process
- ▶ Statements of Significance updated

NEXT STEPS

- ▶ Draft & distribute EOI's for each asset
 - ▶ Public and invitational
- ▶ Draft & distribute RFP's for each asset
 - ▶ Short-list based on organizational capacity
- ▶ Evaluate business case proposals
- ▶ Seek Council approval of partnerships
- ▶ Implement contracts (winter, 2012)

MOVING FORWARD

- ▶ Identify and execute long-term partnerships for the conservation and operation of non-operational heritage assets
- ▶ Leverage approved funding for site development and capital improvements



HERITAGE ASSET MANAGEMENT STRATEGY