



Planning and Land Use Committee Report For the Meeting of September 4, 2014

To: Planning and Land Use Committee **Date:** August 21, 2014
From: Murray Miller, Senior Heritage Planner, Community Planning Division
Subject: **524 and 526 Michigan Street**
Heritage Alteration Permit Applications #00188 and #00189
Proposal to relocate two Heritage-Registered properties from 524 and 526
Michigan Street to other parcels of land within James Bay

Executive Summary

The purpose of this report is to present the Planning and Land Use Committee with background information, analysis and recommendations regarding two Heritage Alteration Permit Applications to relocate two houses located at 524 and 526 Michigan Street respectively.

The key issues associated with these two applications are:

- uncertainty regarding recipient sites
- risks associated with relocating the structures
- legal protection of the relocated properties.

The relocation of these two houses within James Bay will help to strengthen the heritage character of the neighbourhood and ensure that an appropriate setting for the houses is reinstated.

The applications were reviewed by the Heritage Advisory Panel at its July 16, 2014 special meeting and were recommended for approval. Staff recommend that these applications be approved, subject to the following recommendations.

Recommendations

1. That Council consider authorizing the issuance of Heritage Alteration Permits #00188 and #00189 for 524 and 526 Michigan Street, for the relocation of the the Prout House and the Beaven/Macabe Residence, respectively, subject to the following conditions being met prior to the issuance of a Building Permit authorizing their relocation:
 - a. That the owner of the Heritage-Registered Prout House and the Beaven/Macabe Residence and the owner of the recipient sites provide the City with a letter irrevocably agreeing to the designation of the houses as protected heritage property pursuant to Section 967 of the *Local Government Act* and releasing the City from any obligation to compensate the said owners in any form for any reduction in the market value of the lands (including the receiving sites) or the designated property that may result from the designation, to the satisfaction of the City Solicitor.

- b. That a Relocation Plan be provided to the City in accordance with the Section 219 Covenant registered on title to the lands, to the satisfaction of the Director of Sustainable Planning and Community Development and that it also include the consideration of potential risks associated with the relocation and the physical protection of the structure from adjacent construction works.
 - c. Development meeting all *Zoning Regulation Bylaw* requirements; and
 - d. Final plans for Heritage Alteration Permit Applications #00188 and #00189 for 524 and 526 Michigan Street to the satisfaction of the Director of Sustainable Planning and Community Development.
- 2. That staff be instructed to prepare the Heritage Designation Bylaw that would designate the Prout House and the Beaven/Macabe Residence upon receipt of owner(s) consent to the designations.
 - 3. That Council consider giving first and second reading of the Heritage Designation Bylaw after the bylaw has been drafted.
 - 4. That Council consider advancing the Heritage Designation Bylaw to a Public Hearing pursuant to section 968 of the *Local Government Act*.
 - 5. That Council consider giving third reading of the Heritage Designation Bylaw after the Public Hearing.
 - 6. That Council consider adoption of the Heritage Designation Bylaw after the relocation of the houses to their new lots and that notice of the heritage designation be registered in the Victoria Land Title Office.

Respectfully submitted,

Murray G. Miller
Senior Heritage Planner
Community Planning Division

Alt.

Deb Day
Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager:

Jason Johnson

Date:

August 27, 2014

MGM/ljm

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1.0 Purpose

The purpose of this report is to present the Planning and Land Use Committee with background information, analysis and recommendations regarding two Heritage Alteration Permit Applications to relocate the properties located at 524 and 526 Michigan Street.

2.0 Background

The Province and the City were parties to the *Victoria Accord - Legislative Precinct Master Development Agreement*, made June 6, 1994, respecting the subdivision and development of the Lands as well as other lands within the Legislative Precinct in Victoria, British Columbia.

Early in 2014, the provisions for each land parcel were secured by way of a Section 219 Covenant on title to confirm that the key provisions and objectives of the Victoria Accord would survive the land sale. In relation to the five Heritage-Registered homes currently situated on the South Block (see Subject Map, Aerial Photograph and Existing Site Plan, attached), the following applies:

- that the extent of restoration of the heritage houses be described in future development proposals
- that a plan be submitted to the City for the restoration and relocation of the heritage houses to locations within the South Block or at alternative off-site locations.

The applications were reviewed by the Heritage Advisory Panel at its July 16, 2014 meeting and were recommended for approval.

2.1 Description of Proposal

The proposal is to relocate two existing Heritage-Registered properties (the Prout House and the Beaven/Macabe Residence) and rehabilitate the exteriors of the houses as outlined in the letter from the applicant dated June 16, 2014, and the Draft Conservation Plan dated June 2014, both attached to this report. The applicant intends to relocate the Prout House and the Beaven/Macabe Residence to other sites within the James Bay neighbourhood that would be consistent with their physical origins and historical context. The relocation is necessary in order to accommodate a mixed use development comprised of office, retail and residential land uses on South Block properties acquired by the applicant from the Province. The development is to be phased and is similar in concept to that of the development envisaged in the *1994 Victoria Accord Legislative Precinct Plan*.

2.2 Consistency with City Policy

The property is designated within DPA 12 (HC): Legislative Precinct.

2.2.1 Official Community Plan (OCP)

Placemaking - Urban Design and Heritage

The proposal is consistent with a key goal of Placemaking because it protects Victoria's cultural heritage resources using tools available under legislation to protect or conserve heritage properties (Streetscapes and Open Space policies 8.51 and 8.54). The proposal will also enhance the heritage value and character of James Bay by ensuring that these two properties are retained within their original neighbourhood (City Form Policy 8.6).

James Bay Strategic Directions

The proposal aligns with the James Bay Strategic Directions because it would maintain a diversity of land uses and character areas (Policy 21.16.3), and it enables the adaptation and renewal of existing building stock (Policy 21.16.4).

2.3 Consistency with the Section 219 Covenant

The General Conservation Strategy of the Draft Conservation Plan outlines the extent of restoration to be undertaken as part of any future development proposals. The Section 219 Covenant will require that a Relocation Plan be submitted concurrent with an application for a Development Permit for the first office building to be constructed on the Lands. While recipient sites have not been identified for the 524 and 526 Michigan Street houses, the Conservation Plan outlines Relocation Guidelines that are deemed to be consistent with the spirit and intent of the Covenant.

3.0 Issues

The key issues associated with these applications are:

- uncertainty regarding recipient sites
- risks associated with relocating the structures
- legal protection of the relocated properties.

4.0 Analysis

4.1 Description, Heritage Value and Character-Defining Elements of the Historic Place

The historic places are described in the Draft Conservation Plan (dated June 2014) and their respective Statements of Significance include a description of the heritage values of the places as well as their character-defining elements.

5.0 Discussion

5.1 Uncertainty Regarding Recipient Sites

The Prout House and Beaven/Macabe Residence are intended to be relocated to sites within James Bay. This is because the houses originated from within James Bay and it is, therefore, considered geographically and historically appropriate. In the absence of knowing the specific details of each site, the approach with these applications is to consider the criteria under which site selection would result in an appropriate fit within James Bay. A relocation plan based on the specific sites would still need to be undertaken; however, guidelines for relocation have been considered in the Draft Conservation Plan.

5.2 Risks Associated with Relocating the Structures

Relocating an historic structure can attract a number of risks that will require careful planning. Some risks will be applicable to the relocation of the Prout House and Beaven/Macabe Residence and other risks may not be identifiable until a relocation route and receiver site(s) have been determined. A primary consideration is the physical condition of the buildings. Advanced structural decay of sills and sidewall frame elements may be a challenge in keeping

the buildings intact during moving. The detailed investigations required to determine the readiness of the structures for relocation will be undertaken by the contractor at a later date.

5.3 Legal Protection of the Relocated Properties

The relocation of the Prout House and Beaven/Macabe Residence to other sites within James Bay raises a potential issue with regard to any legal protection that may be afforded to them because both the new owner(s) and recipient sites have not been determined at the time of writing this report. The applicant is, however, agreeable to the incorporation of conditions that would facilitate such protection at the appropriate stage. The applicant has therefore voluntarily requested that the Prout House and Beaven/Macabe Residence be municipally designated, but that the undertaking not encumber the development of the lands until such time as the two houses have been relocated. The instrument agreed to confirm the applicant's intention will be by a non-irrevocable letter of consent to designate the Heritage-Registered properties.

6.0 Conclusions

The relocation of these two houses within James Bay will help to strengthen the heritage character of the neighbourhood and ensure that an appropriate setting for the houses is reinstated. The principle of relocating the Prout House and Beaven/Macabe Residence to alternate sites within James Bay in a manner that is consistent with the Section 219 Covenant, accompanied by a plan to undertake the rehabilitation and an undertaking regarding the designation of the houses, will result in considerable benefits that are in the public interest.

7.0 Staff Recommendations

1. That Council consider authorizing the issuance of Heritage Alteration Permits #00188 and #00189 for 524 and 526 Michigan Street, for the relocation of the the Prout House and the Beaven/Macabe Residence, respectively, subject to the following conditions being met prior to the issuance of a Building Permit authorizing their relocation:
 - a. That the owner of the Heritage-Registered Prout House and the Beaven/Macabe Residence and the owner of the recipient sites provide the City with a letter irrevocably agreeing to the designation of the houses as protected heritage property pursuant to section 967 of the *Local Government Act* and releasing the City from any obligation to compensate the said owners in any form for any reduction in the market value of the lands (including the receiving sites) or the designated property that may result from the designation, to the satisfaction of the City Solicitor.
 - b. That a Relocation Plan be provided to the City in accordance with the Section 219 Covenant registered on title to the lands, to the satisfaction of the Director of Sustainable Planning and Community Development and that it also include the consideration of potential risks associated with the relocation and the physical protection of the structure from adjacent construction works.
 - c. Development meeting all *Zoning Regulation Bylaw* requirements; and
 - d. Final plans for Heritage Alteration Permit Applications #00188 and #00189 for 524 and 526 Michigan Street to the satisfaction of the Director of Sustainable Planning and Community Development.

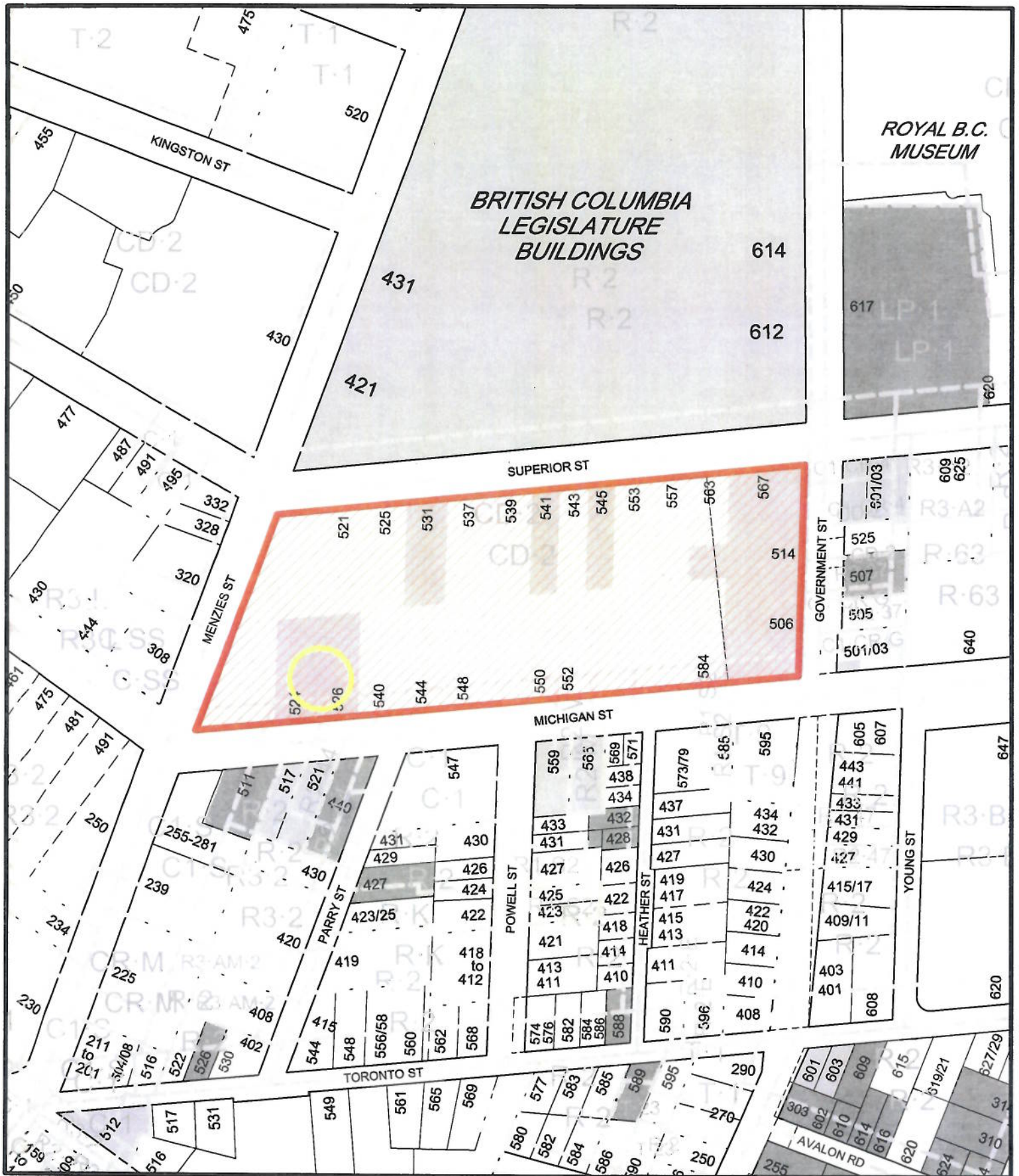
2. That staff be instructed to prepare the Heritage Designation Bylaw that would designate the Prout House and Beaven/Macabe Residence upon receipt of owner(s) consent to the designations.
3. That Council consider giving first and second reading of the Heritage Designation Bylaw after the bylaw has been drafted.
4. That Council consider advancing the Heritage Designation Bylaw to a Public Hearing pursuant to section 968 of the *Local Government Act*.
5. That Council consider giving third reading of the Heritage Designation Bylaw after the Public Hearing.
6. That Council consider adoption of the Heritage Designation Bylaw after the relocation of the houses to their new lots and that notice of the heritage designation be registered in the Victoria Land Title Office.

8.0 Alternate Recommendation

That Heritage Alteration Permit Applications #00188 and #00189 for 524 and 526 Michigan Street be declined.

9.0 List of Attachments

- Subject maps
- Aerial maps
- Existing Site Plan dated June 16, 2014
- Letter from applicant (identical for each property) dated June 16, 2014
- Draft Conservation Plans dated June 2014.



524 Michigan Street

Heritage Alteration Permit #00188

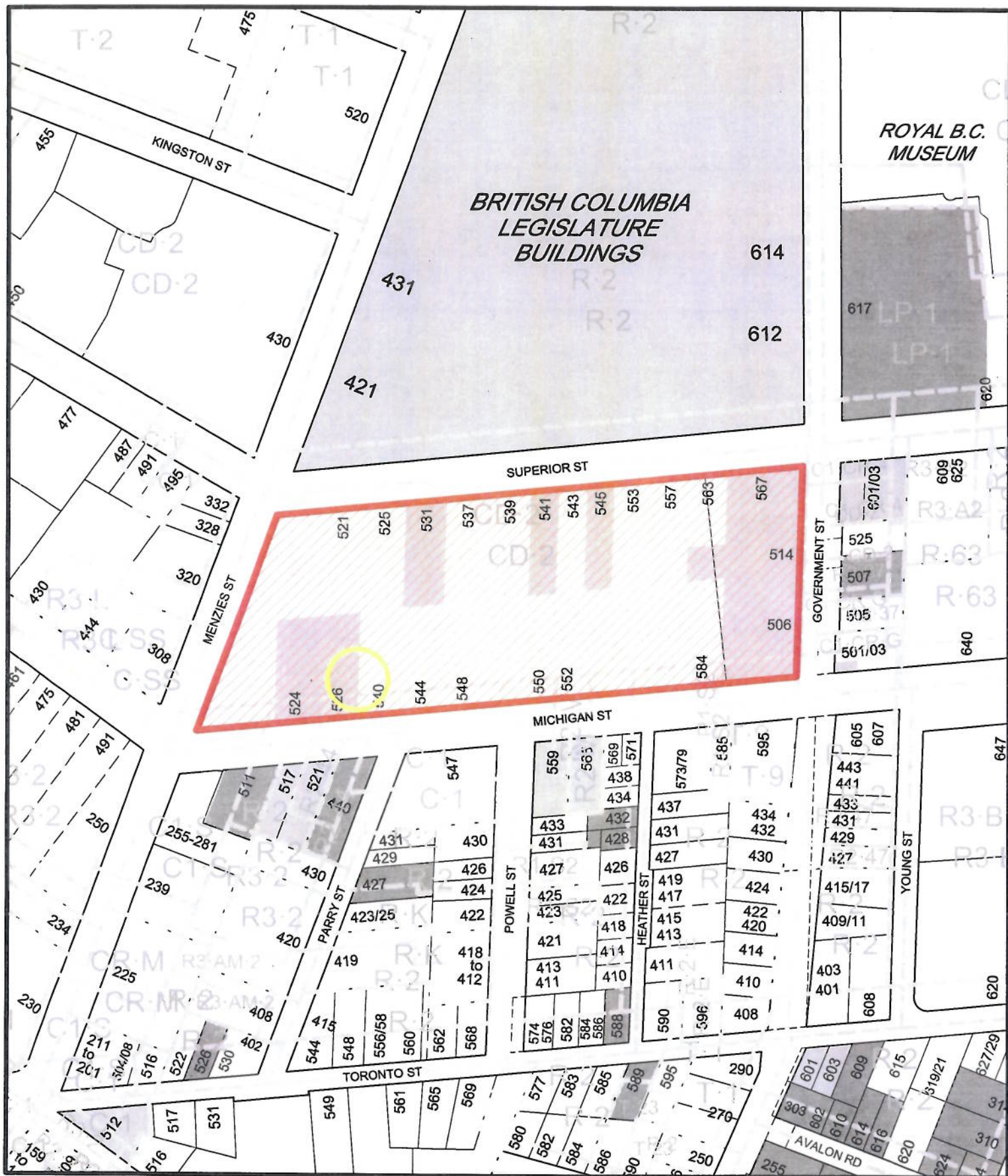


Designated



Registered





526 Michigan Street

Heritage Alteration Permit #00189



Designated



Registered





524 Michigan Street

Heritage Alteration Permit #00188





South Block Development Corporation

3350 Douglas St. - Suite 100
Victoria, BC V8Z 3L1
Phone: 250 475-0338
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June 16, 2014

City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Attention: Mayor and Council



Re: Heritage Application for 524 Michigan Street

Dear Mayor and Council,

Please accept this application outlining the heritage conservation plan for 524 Michigan Street which is currently located on the South Block lands in James Bay. This house, along with four others, was acquired by South Block (Concert) Ltd. and Jawl Precinct Lands Corporation (collectively the 'Developer') in connection with a land purchase from the Province of British Columbia of a parcel totaling approximately 6 acres bounded by Superior Street, Michigan Street and Menzies Street and a lot retained by the province which is home to the Queen's Printer and two heritage houses (the 'Redevelopment Lands'). A comprehensive redevelopment plan is being prepared for the overall site and will be the subject of future land use applications to be made to the City of Victoria.

The five heritage houses located on the Redevelopment Lands are listed on the City of Victoria's Heritage Register. The conceptual redevelopment plan for South Block provides for the retention of the three houses currently located on Superior Street which are proposed to be relocated to the southeast quadrant of the Redevelopment Lands. This relocation strategy is intended to facilitate the creation of a unified cluster of heritage homes along Michigan Street complementing and reinforcing the heritage context of the two adjacent heritage houses that front on to Government Street that are owned by the Province. The Developer is proposing to relocate the two heritage houses which currently are sited on Michigan Street elsewhere within the James Bay community in a location which reinforces their heritage value. We believe that this relocation strategy will improve the context of all of the heritage homes and further facilitate the execution of a comprehensive and high quality redevelopment of the South Block lands showcasing high quality residential, office and retail premises, leading edge sustainable design, and a well-appointed and accommodating public realm.

Since the mid-1990s, the South Block lands and a number of adjacent provincially owned land parcels (most notably Q-Lot) were subject to a land use and redevelopment strategy outlined in the existing CD-2 zone and the Victoria Accord. Immediately prior to the disposition of the Redevelopment Lands by the Province to the Developer in early 2014, the overall Victoria Accord was disassembled and its provisions allocated to the resulting subdivided parcels. The provisions allocable to each land parcel (including the Redevelopment Lands) were secured by way of a section 219 covenant on title so as to confirm that the key provisions and objectives of the Victoria Accord would survive the land sale. Within the section 219 covenant related to the Redevelopment Lands, Section 9.0 relates to the five heritage registered homes currently situated on the site. This section reads as follows:

9.0 Heritage Buildings

9.1 *The Transferor must include the extent of restoration of the Heritage Houses in future development proposal guidelines.*

9.2 *Concurrently with the application for a development permit for the first office building to be constructed on the Lands, the Transferor must submit to the Transferee for its approval a plan for the restoration and relocation of the Heritage Houses, the relocations to be at locations within the Lands, or at alternative off-site locations, that are acceptable to the Transferee. The*

Transferor must restore the Heritage Houses (or in the event of relocation and restoration of one or more of the Heritage Houses at an off-site location, must ensure the restoration of the Heritage Houses on terms and conditions that are acceptable to the Transferee, acting reasonably) in the agreed upon locations in accordance with the approved phasing plan.

Through this application the Developer is seeking confirmation that the measures outlined in the enclosed Conservation Plan and the proposed relocation of the Superior Street houses within the South Block parcel and the relocation criteria outlined in the respective Conservation Plans for the Michigan Street houses, when executed, are acceptable to the City of Victoria and compliant with the requirements described in the covenant.

In discussions with Planning Staff, it was deemed acceptable to submit applications for the heritage houses at this juncture as it will facilitate a number of objectives:

- As described in the attached Conservation Plans, the intent is to relocate the two Michigan Street houses within James Bay. In order to identify potential recipient sites it is necessary to confirm site criteria and conservation requirements. Approval of the conservation plan in principle will facilitate the ability of the Developer to begin the process of identifying and securing receiver sites.
- The Developer is in favour of identifying and relocating the two Michigan Street houses in a timely manner for a number of reasons:
 - Community consultation completed to date has revealed a strong interest in seeing these houses revitalized as soon as possible as opposed to waiting until the development of the first office building on the Redevelopment Lands.
 - The Developer would like to be able to provide the community and City with a higher degree of confidence and certainty regarding the future of these two houses which will be achieved by securing acceptable receiver sites for the houses.
 - The houses are very much in need of maintenance work, painting in particular, and it would be beneficial to get this work done in a timely manner so as to avoid further deterioration of the structures. This work will occur subsequent to relocation.

The material presented in the Conservation Plan was informed by the team of professionals engaged to oversee the revitalization of this special heritage resource which includes a heritage consultant, heritage architect, structural engineer, trades specializing in heritage conservation, Nickel Brothers and in-house expertise.

We recognize the value this house has to the community and look forward to seeing it revitalized to a condition that we can all be proud of. If you have any questions regarding this application or would like a tour of the house please feel free to contact the undersigned at (250) 414-4172 or karen.jawl@jawlproperties.com.

Sincerely,

South Block Development Corporation



Per:
Karen Jawl