



REPORT

Report Date: December 10, 2021
Contact: Jason Olinek
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RTS No.: 14895
VanRIMS No.: 08-2000-20
Meeting Date: January 25, 2022
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design & Sustainability
SUBJECT: 2021 Heritage Incentive Program Update and Grant Recommendation

RECOMMENDATION

- A. THAT Council receive for information the 2021 update on the implementation of the Heritage Incentive Program.
- B. THAT Council approve a Heritage Incentive Program grant of up to \$991,700 for the heritage rehabilitation and seismic upgrade of the Edward Hotel located at 302 Water Street, as described in DP-2021-01001, the source of funding from the approved 2019-2022 multi-year capital budget for Heritage Incentive Program Grants.
- C. THAT Council authorize the City to enter into an agreement with the owner of 302 Water Street, to be registered in the Land Title Office as covenant under Section 219 of the *Land Title Act*, which agreement shall require the rehabilitation to be overseen by a qualified Heritage Consultant.
- D. THAT the agreement described above shall be prepared and registered to the satisfaction of the Director of Legal Services, in consultation with the General Manager of Planning, Urban Design and Sustainability.

The proposed grant in Recommendation B requires affirmative votes of 2/3 of all votes cast per Section 206(2) of the *Vancouver Charter*.

REPORT SUMMARY

The purpose of this report is to update Council on the 2021 implementation of the Heritage Incentive Program (HIP), and to seek Council's approval for an HIP grant for the Edward Hotel

at 302 Water Street (DP-2021-01001). The project is an active development permit application concurrently under staff review for permit issuance.

Staff recommend approval of a grant of up to \$991,700 to assist with eligible costs related to heritage rehabilitation and seismic upgrading of the heritage building. The recommended grant is subject to the project meeting the policy framework and requisite standards outlined in the *Heritage Incentive Programs Policies and Procedures*. The recommended grant would be made available through available funding in the Heritage Conservation Reserve, which is described below (Heritage Conservation Reserve Update).

COUNCIL AUTHORITY

Council may provide financial assistance for the conservation of protected heritage property by an affirmative vote of at least 2/3 of the votes cast, pursuant to Section 206(2) of the *Vancouver Charter*. Such financial assistance may be subject to any terms and conditions the Council considers appropriate, including provision of a covenant under section 219 of the *Land Title Act* that relates to the conservation of heritage property.

Relevant Council Policies applicable to the grant applications:

- Vancouver Heritage Program
- Heritage Incentive Program Policies and Procedures (September 2020)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The Heritage Incentive Program (HIP) encourages the conservation of designated heritage properties citywide. The grant program is available for a four-year period (2019-2022) to assist with the costs of heritage conservation. The HIP provides grants of \$100 per sq. ft. of the total floor area of the building, limited to a maximum of 50% of the eligible heritage conservation construction costs, not to exceed \$4,000,000 per property. High levels of retention, heritage conservation, and seismic upgrade are mandatory.

To date, the Heritage Incentive Program released the following grants approved by Council in 2019: \$2,965,900 for St. Andrew's-Wesley United Church and \$2,875,415 for Sun Tower (RTS 13474, December 10 2019). As per the HIP grant release procedure, all required documentation was reviewed and accepted by staff review groups, including site visits by Heritage Group to verify substantial completion of eligible heritage conservation work and seismic upgrading for each project.

In 2020, no applications were received or approved by Council, attributed primarily to the impact of the pandemic.

This approval is for the 2021 HIP grant application phase. Staff is seeking Council consideration and conditional approval of the HIP grant recommendation for the eligible applicant as described in subsequent sections. Should Council approve the application, the applicant will be required to enter into a legal agreement with the City to ensure completion of the heritage conservation work, and secure continued maintenance of the building. The agreement will be prepared by Legal Services and given priority registration on title of the property. All agreed upon work must be completed and verified by City staff prior to release of grant fund.

Strategic Analysis

The HIP 2021 applications were considered in two phases: pre-application (extended from June 1 until July 15) and application phase (starting October 1). Three pre-application packages were received for consideration:

1. 302 Water Street, Edward Hotel (eligible)
2. 510 West Hastings Street, Standard Building (deferred)
3. 304 Dunlevy Street, Armstrong Funeral Home (withdrawn)

The evaluation process deemed the project for 302 Water Street as eligible, and it is currently proceeding to application phase. The application for 510 West Hastings Street is also eligible, subject to enactment of a heritage designation by-law for the building, but has been temporarily deferred pending owner commitment to designation, including the provision of required documentation. The application for 304 Dunlevy Street was withdrawn due to insufficient information, but is eligible to resubmit for future consideration.

The outcomes of the evaluation process are provided in Table A: HIP 2021 Evaluation Summary, with details of the eligible application presented in subsequent sections. The preliminary summary of conservation scope of work is also outlined in **Appendix B** (for 302 Water Street, Edward Hotel).

Table A: HIP 2021 Evaluation Summary

2021 APPLICATIONS	PRIVATELY-OWNED OR LONG-TERM LEASE	HERITAGE STATUS (M = designated)	UNREINFORCED MASONRY	SEISMIC CONDITION		LEVEL OF CONSERVATION WORK (AND OTHER VOLUNTARY UPGRADES)	RECOMMENDATION
				CURRENT	PROPOSED		
302 Water St <i>Edward Hotel</i>	YES	B-M	YES	BELOW S3	S4	HIGH (N4,E5,F4,A4)	PROCEED
304 Dunlevy St <i>Armstrong Funeral Home</i>	YES	B-M	YES	BEYOND S3	S4	INSUFFICIENT INFORMATION	WITHDRAWN
510 West Hastings St <i>Standard Building</i>	YES	B	YES	S3	ENHANCED S3	HIGH (N3,E4,F2)	DEFERRED; WILL REQUIRE DESIGNATION

Eligible Application

1. Edward Hotel (302 Water Street)

Heritage Value – The Edward Hotel (VHR-B) is a municipally designated heritage building within the Gastown Historic District National Historic Site (HA-2). It was built in 1906 featuring Classical Revival and Romanesque Revival architecture. It is valued for its association with Charles Edward Beckman, and its early use as a Gastown hotel, with commercial services on the ground level and lodging rooms on the upper levels, that served the area's seasonal population in the early twentieth century (**Appendix A**).

Scope of Work – The verifiable heritage rehabilitation and seismic upgrading that were assessed as eligible for a grant under the HIP are set out within the Development Permit DP-2021-01001, currently under staff review prior to issuance.

The eligible scope of conservation work includes the following:

- structural and seismic upgrading (under Major Vertical Addition) to stabilize unreinforced exterior masonry, and to support proposed two-storey addition above roofline;
- cleaning and repair of sandstone, brick and concrete masonry elements;
- preservation and rehabilitation of wood window and storefront assemblies;
- preservation and in-kind repair of metalwork elements along the storefront (cast iron columns and iron I-beam headers with rosettes) and parapet level (projecting sheet metal cornice); and,
- abatement of hazardous materials related to work above.

Eligible Grant – Staff is recommending a maximum HIP grant of up to \$991,700 for Council approval based on the formula of \$100 per square foot of the total floor area of the building. Since 50% of the eligible cost related to the heritage conservation work described above is determined as \$1,450,000, the eligible grant is limited to the maximum HIP grant calculation based on the floor area of the building.

The cost estimate and maximum grant were reviewed by Real Estate Facilities Management (REFM), and deemed reasonable.

Comments of the Vancouver Heritage Commission

The Vancouver Heritage Commission was presented with the Edward Hotel project, scope of work, and eligible grant on December 13, 2021. The Vancouver Heritage Commission supported the grant application with resolutions outlined in **Appendix C**.

Comments of the Gastown Historic Area Planning Committee

The Gastown Historic Area Planning Committee was presented with the Edward Hotel project, scope of work, and eligible grant for the Edward Hotel on December 15, 2021, and supported the grant application with resolutions outlined in **Appendix D**.

Heritage Conservation Reserve Update

As of December 2021, the following Council-approved 2019 HIP grants have been released: \$2,965,900 for St. Andrew's-Wesley United Church and \$2,875,415 for Sun Tower (RTS 13474, December 10 2019). With the release of these grants, the remaining balance of the Heritage Conservation Reserve is \$12,005,501.

Should Council approve the recommended grant sum of up to \$991,700, a balance of \$11,013,801 will remain available to support future heritage conservation projects. The capacity for future grants will be based on funding available in the Heritage Conservation Reserve, and will depend on citywide development activities like rezoning.

Financial Analysis

The primary funding source for the HIP are allocations from Community Amenity Contributions (CACs) mainly collected from Downtown District and West End rezoning projects (10% allocation) and Cambie Corridor rezoning projects (5% allocation). Another source of funding is through the purchase of Heritage Amenity Shares from Zoning Districts C-3A, C-5, C-5A, C-6, RM-5, RM-5A, RM-5B, RM-5C, RM-5D, and the Downtown Official Development Plan, which allow an increase to the permitted floor area up to a maximum of 10% through the purchase of amenity shares for heritage conservation.

This report seeks Council approval of a HIP grant of up to \$991,700 for the heritage rehabilitation and seismic upgrade of the Edward Hotel. Source of funding for this grant is the approved 2019-2022 multi-year capital budget for Heritage Incentive Grants.

Legal

Should Council approve the proposed HIP grant, the applicant will be required to enter into a legal agreement with the City. The agreement will be prepared by Legal Services and, once finalized with the applicant, will be registered against title of the property as a covenant under Section 219 of the *Land Title Act*. The agreement will require that the conservation work (including seismic upgrades) be supervised by a qualified heritage consultant and will contain the terms and conditions upon which the grant is to be paid once the conservation work is complete. It will also require the owner of the property to keep the heritage building in good appearance and good repair after completion of the conservation work.

Should the owner decide to further develop the property in respect of which the HIP grant was provided, and by doing so potentially diminish the historic integrity of the designated heritage property, or if the property is subject to a major redevelopment proposal within the period of fifteen years after completion of the conservation work, the full refund of the grant may be required.

CONCLUSION

In 2019, Council approved Heritage Incentive Program grants totalling \$5,841,315 for St. Andrew's-Wesley United Church and Sun Tower, which have been released as of December 2021, upon completion of required heritage conservation work and verifiable seismic upgrading. No applications were deemed eligible in the 2020 HIP application cycle.

This year's application cycle received three pre-applications for HIP grants. At this time, only one has met eligibility requirements: 302 Water Street, Edward Hotel (DP-2021-01001). The project demonstrated a high level of conservation work, with verifiable seismic and structural upgrading.

Staff recommend that Council support the allocation of up to \$991,700 from approved 2019-2022 multi-year capital budget for Heritage Incentive Grants to the eligible HIP applicant as outlined in this report, and authorize Staff proceed with preparing a legal agreement between the applicant and the City to ensure the continued maintenance of the heritage property.

* * * * *

STATEMENT OF SIGNIFICANCE: EDWARD HOTEL, 302 WATER STREET, VANCOUVER

STATEMENT OF SIGNIFICANCE: EDWARD HOTEL
PREPARED BY COMMONWEALTH HISTORIC RESOURCE MANAGEMENT, 2003-2004



Name: Edward Hotel
Address: 302 Water Street, Vancouver, British Columbia
Original Owner: Charles Edward Beckman
Date of Construction: 1906

Description of the Historic Place

The Edward Hotel is a four-storey stone-clad Edwardian era commercial building located at the corner of Cambie and Water Streets in the historic district of Gastown.

Heritage Value of the Historic Place

Gastown is the historic core of Vancouver, and is the city's earliest, most historic area of commercial buildings and warehouses. The Edward Hotel is valued as an early Gastown hotel, representative of the area's seasonal population in the early twentieth century, as Vancouver emerged as western Canada's predominant commercial centre. Hotels such as this provided both short and long-term lodging, serving primarily those who worked in the seasonal resource trades such as fishing and logging. Many of these hotels had combined functions of commercial services on the ground floor and lodging rooms on the upper floors, which contributed to the lively street life in Gastown. Businesses such as the Edward Hotel prospered in this vital economy, and the substantial size and

STATEMENT OF SIGNIFICANCE: EDWARD HOTEL, 302 WATER STREET, VANCOUVER

detailing of this hotel attest to the commercial prosperity of the area in the early twentieth century. Additionally, it illustrates the rapid construction of a number of hotels in the area, in response to a change in liquor licensing laws that abolished free-standing saloons on July 1, 1906.

The Edward Hotel is valued for its design attributes, illustrating how popular architectural styles were used by the hotel business to market a progressive image. The Edward Hotel, built in 1906, is one of few stone-clad commercial buildings in Gastown. The elegant design, with its simple lines and grid-like geometry, illustrates the growing popularity of the Classical Revival style during the Edwardian era, while its decorative finishes and rough-dressed masonry demonstrate the persistence of the influence of the Romanesque Revival.

Character-Defining Elements

Key elements that define the heritage character of the Edward Hotel include its:

- prominent corner location, in close proximity to the waterfront of Burrard Inlet and the CPR yard
- siting on the property lines, with no setbacks
- form, scale and massing, as expressed in its four-storey height, flat roof and rectangular plan
- Edwardian era design, with tripartite articulation into base, shaft and capital
- rough-dressed sandstone cladding, with horizontal floral bands on the upper storeys
- concrete rear and west side facades
- projecting sheet metal cornice
- rectangular storefront openings with transom windows, cast iron columns and iron I-beam headers with rosettes
- fenestration, including double-hung 1-over-1 wood-sash windows with transoms on the upper floors of the two main facades; and double-hung 1-over-1 wood-sash windows on the rear facade
- original interior features such as wood floors



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June 8, 2021

City of Vancouver
Heritage Grants, Heritage Incentive Program (HIP)
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Re: **302 WATER STREET, VANCOUVER, BC
HERITAGE INCENTIVE PROGRAM (HIP)
OUR PROJECT NUMBER – 221012 – 11.0
PROJECT RATIONALE TO SUMMARIZE SCOPE OF WORK**

SITE, CONTEXT AND PROJECT INTRODUCTION:

The site for 302 Water Street covers the northeast corner of the block with principal facades facing Water and Cambie Street. Lot dimensions are 100' x 25' producing a site area of 2,500 sq ft. The existing site is occupied by a 4-storey heritage building which currently contains two tenants, a restaurant at grade and office above. The buildings gross square footage is approximately 10,000 sq ft. The allowed height for the site per the zoning is 75' (22.9m), currently, the building is roughly 48' (14.6m) high. FSR for the site is not applicable and at the City's discretion.

THE PROPOSED PROJECT WILL:

- Retain the existing heritage building and structure.
- Rehabilitate and restore the three (3) façades, and character defining elements.
- Convert the use back to its original function as a hotel (built as The Hotel Edward in 1906).
- Activate the street by retaining a café/restaurant at grade.
- Upgrade the structure to meet code and seismic requirements.
- Upgrade the mechanical, electrical, fire and life safety systems to meet code/regulations.
- Increase the height and density of the building by adding two (2) additional storey's on top with an accessible rooftop deck. The addition of new construction would be set back from Water Street. The additional height and density would be required to accommodate the new program.

EXTERIOR CONSERVATION WORK ON CHARACTER-DEFINING ELEMENTS:

Stone Cladding: (on two main facades):

- Rehabilitation
- Seismic anchoring
- Careful paint removal, repair as required, re-coat with mineral paint

Rear Concrete Elevation:

- Rehabilitation
- Review for condition



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City of Vancouver
302 Water Street, Vancouver, BC
Project Rationale to Summarize Scope of Work
June 8, 2021

- Cleaning and repair as required

Wooden Windows:

- Rehabilitation as required

Wooden Storefront Elements:

- Rehabilitation as required

Metal Storefront Elements (exposed iron and rosettes):

- Review condition
- Repair as required

Cast Iron Columns:

- Review condition
- Repair as required

Sheet Metal Cornice:

- Rehabilitation
- Review condition and anchoring
- Preserve and rehabilitate as required
- Repaint

STRUCTURAL SCOPE OF INTERIOR REHABILITATION WORK:

- Review condition of all structural elements and repair if required.
- Investigate and diagnose cause of existing sloping floors.
- Seismic upgrade including installation of new lateral load resisting system and seismic restraint of non-structural elements.
- Addition of new and upgrading of existing columns and footings to support the two storey addition.

Yours truly,

**MUSSON CATTELL MACKEY PARTNERSHIP
ARCHITECTS DESIGNERS PLANNERS**

A handwritten signature in black ink, appearing to read 'G. Brennen'.

Gillian Brennen, Associate
ARCHITECT AIBC, M.ARCH, B.ARCH

GB:wm

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Vancouver Heritage Commission (December 13, 2021)

**1. 302 Water Street – Edward Hotel
VHR-B (M), Heritage Incentive Program Grant Application
DP-2021-01001**

MOVED by Commissioner Gordon
SECONDED by Commissioner Kashif-Khan

WHEREAS

The Edward Hotel is an historic 1906 building listed on the Vancouver Heritage Register as a “B”, and is a municipally designated heritage building within the Gastown Historic Area District (HA-2)

THEREFORE BE IT RESOLVED THAT

1. The Vancouver Heritage Commission supports the Development Permit application to seismically upgrade and rehabilitate the exterior and interior of the Edward Hotel building; and
2. The Vancouver Heritage Commission supports the Heritage Conservation Plan prepared by Donald Luxton and Associates as presented at the Vancouver Heritage Commission December 13th, 2021 meeting: 1) the extent of proposed structural, life safety, and building systems upgrades; 2) the proposed two-story addition and rooftop garden above the roof line; and 3) the storefront rehabilitation; and
3. The Vancouver Heritage Commission recommends that the project receive a grant of up to \$991,700 under the Heritage Incentive Program (HIP) because it demonstrates a high level of retention and conservation, verifiable seismic upgrades, and life-safety upgrades.

Furthermore, it requests further design development on the following matters

- Consideration of single-glazing option for the rehabilitated storefronts on Water and Cambie Streets
- Encourage the continuity of community involvement with Gastown

CARRIED UNANIMOUSLY

Gastown Historic Area Planning Committee (December 15, 2021)

**1. 302 Water Street – Edward Hotel
VHR-B (M), Heritage Incentive Program Grant Application
DP-2021-01001**

MOVED by Jeremy Cutler
SECONDED by Alyssa Myshok

THAT the Gastown Historic Area Planning Committee supports the financial incentive (up to \$991,700) through the Heritage Incentive Program, and the conservation strategy as presented for 302 Water Street (DP-2021-01001), in principle, and recommends the following for further consideration:

1. Exploration of the curved corners and materiality of the two-storey addition above the roof line;
2. Exploration of future upgrades for expanded use of restaurant space; and
3. Encourage year-round street, laneway and rooftop activation.

CARRIED