

Designation of the Fairey Terrace as a Municipal Historic Resource

EXECUTIVE SUMMARY

Fairey Terrace is proposed for designation as a Municipal Historic Resource under Section 26 of the Alberta Historical Resources Act; the property owner has requested this designation.

Designation offers legal protection to an evaluated historic resource, preserving it for the future and making the owners eligible for financial assistance in maintaining the property through existing Municipal and Provincial incentive programs.

ADMINISTRATION RECOMMENDATION:

That the SPC on Planning and Urban Development recommends that Council give three readings to the proposed bylaw to designate Fairey Terrace as a Municipal Historic Resource.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2008 February 4 Combined Meeting of Council, through LPT2007-64, Council adopted the Calgary Heritage Strategy. The approved content of the Strategy states that significant historic resources “can and should be protected through designation bylaws”.

BACKGROUND

Conserving historic buildings through legal protection is an internationally recognized best-practice in heritage planning, and is supported by the Calgary Heritage Strategy and Calgary Municipal Development Plan (see Strategic Alignment). Legal protection in Alberta is achieved through designating sites as Municipal and/or Provincial Historic Resources, enabled by the Alberta Historical Resources Act. The subject of this report concerns Municipal-level designation.

Prior to being designated, a property must be included on Calgary’s Inventory of Evaluated Historic Resources, a growing list of significant local heritage sites that merit conservation, where possible. The Inventory is maintained by the Calgary Heritage Authority, a Council-appointed advisory board comprised of members of the public, which evaluates potential Inventory sites and advises Council on heritage-related matters. Properties suggested for inclusion on the Inventory are researched and evaluated according to the Calgary Historic Resource Evaluation System. To date, there are over 800 sites on the Inventory of Evaluated Historic Resources, ranging in age from the pre-contact period to 1987.

As part of the designation process, the Alberta Historical Resources Act (Section 28[1]) specifies that Municipalities must compensate property owners for any decreased economic value related to designation. To avoid incurring this cost, City of Calgary Heritage Planning only recommends the designation of sites as Municipal Historic Resources if the property owner consents and waives any compensation associated with the Act, or if Council has otherwise directed the designation.

Property owners may choose to designate for a variety of reasons, including an interest in preservation. Additionally, a variety of incentives for designation are offered at the Municipal and Provincial level, including heritage conservation grant programs, and incentives through the planning approvals process.

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The Beltline Area Redevelopment Plan contains heritage conservation incentive policy that supports the transfer unused development rights (density) from properties which are designated as Municipal Historic Resources. The designation of Fairey Terrace would allow the property owner the opportunity to take advantage of this incentive.

The City of Calgary also operates a heritage conservation grant program, offering matching funds for projects to restore, preserve or rehabilitate character-defining elements of a privately-owned, designated historic resource. The grant program is funded through an existing reserve receiving \$225,000 per year from the Planning & Development budget. Sites designated as Municipal Historic Resources, or those in the process of designation are eligible to apply for grant funding through this program. As of the writing of this report, there are 86 Municipal Historic Resources – 62 of which are privately owned, and given priority for grant funds. Applicants can apply for up to 50% of a project cost, once every five years. Total grants received cannot exceed 15% of the assessed value of the property, determined at the time of application, for a period of 15 years. Additional information is included in Financial Capacity of this report, and full terms and conditions are available through www.calgary.ca/heritage.

Alberta Culture and Tourism operates a Provincial-level grant program, providing matching funds to owners of historic sites under terms and conditions established by the Alberta Historical Resources Foundation (available online through www.culturetourism.alberta.ca). The designation of a property as a Municipal Historic Resource qualifies a property owner to apply for up to \$50,000 per year in Provincial matching funds, as opposed to a one-time grant of \$5000 available to non-designated sites.

It is unknown when, or if, a property owner will apply for incentives. Administration provides owners with information about all applicable incentive programs for their properties, and does not guarantee grant funds prior to approving a funding application. Furthermore, owners are made aware that both grant programs are commonly fully-subscribed, and funds may not be available at the time of application.

In the 2017 year, 11 sites were designated as Municipal Historic Resources – exceeding the target established in the 2015-2018 Action Plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Built in 1906, and now 112 years old, Fairey Terrace, located at 1111 3 Street SE, is being proposed for designation as a Municipal Historic Resource. Using the framework of the Council-approved Historic Resource Evaluation System, the heritage value of Fairey Terrace includes:

- *Design Value* – Being a rare example of early terraced housing in Calgary.
- *Style Value* – For its high-quality, well-crafted Classical Revival style architecture.
- *Symbolic Value* – Built for professionals, Fairey Terrace is symbolic of Victoria Park, one of Calgary's earliest communities, where a rich variety of building types were developed to serve a varied socioeconomic population and land uses.
- *Landmark Value* – As a distinctive building with a prominent corner location across from the busy Stampede Park, convention centre and Saddledome arena, and along the 12th Avenue transportation corridor.

Fairey Terrace has been designated as a Provincial Historic Resource since 1987, with existing access to grants at the Provincial level through the Alberta Historical Resources Foundation.

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The property was first added to Calgary's Inventory of Evaluated Historic Resources in October 1992, and has been determined as a property of City-wide significance. Per the "Identify" principle of the Council-approved Calgary Heritage Strategy (2008), sites included on the Inventory "have been determined to have significant heritage value and are worthy of preservation."

The property owner has requested designation of the property as a Municipal Historic Resource to protect the property in perpetuity and to make the property eligible for municipal conservation incentives. This is aligned with the 'Protect' principle of the Calgary Heritage Strategy: "Once identified, Calgary's significant historic resources can and should be protected through Designation Bylaws as set out in the Alberta Historical Resources Act.

Designation of Fairey Terrace at the Municipal level offers an additional layer of protection to a significant Historic Resource, and provides the owners with access to another funding source when making repairs and rehabilitations as required. Beyond its existing status as a Provincial Historic Resource, Municipal Designation grants Administration a decision-making role in future changes and conservation, working alongside Provincial Conservation Advisors. 18 sites on Calgary's Heritage Inventory have both Municipal and Provincial protection.

The proposed bylaw (Attachment 1) provides conditions for treatment of the property. Schedule A visually clarifies the location; Schedule B includes the Statement of Significance from the property's heritage evaluation, and outlines specific 'Regulated Portions' that cannot be removed, altered, or destroyed without approval from the City of Calgary; Schedule C compiles key standards from the *Standards and Guidelines for the Conservation of Historic Places in Canada*, a national best-practice document.

Stakeholder Engagement, Research and Communication

The owner of Fairey Terrace requested Municipal Historic Resource designation 2017 September 28. Per the Alberta Historical Resources Act, a 'Notice of Intention' to designate the property was received by the property owner 2017 November 23 – satisfying the 60-day notice requirement of the Act.

The owners of Fairey Terrace reviewed the proposed designation bylaw and have expressed in writing that they are in agreement with it being presented to the SPC on Planning and Urban Development, and Council (Attachment 2).

The Calgary Heritage Authority has expressed support of this proposed designation as outlined in Attachment 3 to this report.

Strategic Alignment

Council priorities outlined in The City's *2015 – 2018 Action Plan* include the fostering of "A city of inspiring neighbourhoods". Historic resources are an integral component of such neighbourhoods and their retention contributes to the diversity and character of their surroundings.

The City of Calgary *Municipal Development Plan* supports the conservation and protection of Calgary's historic resources. The plan identifies historic preservation as part of good city building and community identity, and encourages property owners to conserve Calgary's historic resources.

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The City of Calgary *2020 Sustainability Direction* includes an objective for Calgary to become a “diverse and socially inclusive city that respects its heritage and the arts,” as well as a strategy to “support the preservation of Calgary’s historic resources”.

The City’s *Calgary Heritage Strategy* (2008) recommends that identified historic resources should be protected by designation bylaws, when possible, to ensure their preservation. This protection prevents demolition, provides appropriate management of physical interventions and is critical to ensuring effective management of historic resources.

Social, Environmental, Economic (External)

Social

Historic resources connect us to our past, our future, and to each other. They provide places of learning and places of understanding for all Canadians. Historic resources are integral to the identity of our community and help to strengthen its distinctiveness. Historic resources add to the beauty, character and visual interest of our urban environment, which contribute to the city’s liveability and are sources of community pride.

Environmental

The preservation of historic places capitalizes on their embodied energy. Re-using existing resources requires a much smaller expenditure of materials and energy than demolishing and reconstructing a city’s building stock.

Economic (External)

Historic resources add character and visual interest to a streetscape, increasing the attractiveness of the area to investors. Designation of historic resources ensures these attributes are protected, and the resulting certainty promotes high-quality investment. Additionally, tourists and residents are attracted to areas with historic resources.

Financial Capacity

Current and Future Operating Budget:

Designation of Fairey Terrace will have no operating budget implications for The City of Calgary.

Designation will make the property eligible to apply to The City of Calgary’s Heritage Conservation Grant Program, funded through an existing reserve administered by Heritage Planning, which receives \$225,000 per year from the Planning & Development budget. Until 2022, \$85,000 of this total is allocated to an existing grant agreement with the Lougheed Building (FCS2004-20, approved 2004 March 22). The unsubscribed balance is available to eligible applicants on a ‘first-come/first-serve’ basis. Designated heritage resources may apply to the grant program once every five years (as needed), for matching funds up to 50% of a conservation project cost. Total grants received cannot exceed 15% of the assessed value of the property, determined at the time of application, for a period of 15 years. As of the writing of this report, the grant program reserve is fully subscribed. Applicants may still submit grant requests at any time, which will be held in queue until such time as grant funds become available.

Current and Future Capital Budget:

Designation of Fairey Terrace will have no capital budget implications for The City of Calgary.

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Risk Assessment

No risks have been identified in designating Fairey Terrace as a Municipal Historic Resource. The property owner is in agreement with the proposed designation, which does not affect activities in the building or on the property, allows the owner to retain all rights to the individual enjoyment of their property, and does not prevent the property from being sold.

The Heritage Conservation Grant Program reserve fund is limited. If the funding does not increase in some proportion to the number of designated properties, this may discourage some owners from applying for designation.

REASON(S) FOR RECOMMENDATION(S):

The property is identified on Calgary's Inventory of Evaluated Historic Resources, making it eligible for designation as a Municipal Historic Resource.

The owners of the property have formally requested designation. Protecting Calgary's historic resources is an identified objective of The City.

ATTACHMENT(S)

1. Attachment 1 – Proposed Wording for a Bylaw to Designate the Fairey Terrace as a Municipal Historic Resource
2. Attachment 2 – Bylaw Agreement from Owners
3. Attachment 3 – Calgary Heritage Authority Letter of Support