

Program Background

Introduction

Over the past several years, the City has faced a number of challenges in maintaining the historic resources it owns, and deciding whether it should retain and rehabilitate, or dispose of these structures. Some of these challenges resulted in buildings falling into disrepair, and in rare cases, being demolished. Other buildings or structures were demolished to accommodate new capital projects, such as LRT expansion, or due to damage, such as fire.

Many of these issues resulted from an uncoordinated approach between relevant Administration business units that involved historic structures owned by the City. Repairs or replacements are, at times, completed only as necessary to resolve immediate issues and at the expense of planned spending on other facilities. Continued deterioration of historic buildings jeopardizes their integrity and longevity. As lifecycle maintenance is deferred, the magnitude of required work and future costs escalate, resulting in difficult decisions for City Council and Administration. Heritage conservation stakeholders have been urging the City to improve its approach to the management of the historic buildings it owns.

Administration determined that a focused and coordinated approach is needed to properly preserve and manage the City's historic resource assets, and to demonstrate leadership in utilizing these resources appropriately, and this approach was supported by Executive Committee in 2019.

Funding for City-owned Historic Buildings

There is funding in place for the renewal of City-owned buildings as part of the Facility Renewal Capital Program. With respect to the prioritization and funding of City-owned historic building renewal within the program, there are a few unique considerations :

- Capital renewal funding is prioritized based on criticality of function, starting with facilities that support City services. As an outcome, assets that are retained or acquired for their historic value and do not support a City service rarely receive renewal funding.
- Preservation of historical elements within facilities by itself does not necessitate inclusion in facility renewal scope. Historical preservation is performed on asset elements within a facility renewal scope that meet other renewal objectives like risk mitigation, greenhouse gas reduction

- opportunities or asset end of life scenarios. Opportunistic preservation is sometimes scoped into a renewal project, but can be hard to justify when other life safety or critical failure prevention scope is considered.
- In the absence of defined historical resource objectives and in an environment of limited renewal funding with many competing needs, it can be difficult to find the correct balance of historical preservation in renewal scope when the additional dollars spent on that preservation could be used to fund work that reduces risk or has better asset management utility.

The City's existing Historic Resource Management Program previously provided some funding for the rehabilitation of City-owned historic buildings from the Heritage Resources Reserve. Between 2011 and 2019, over \$1.2 million was allocated from the Reserve to eight City-owned buildings that were being designated and rehabilitated. Any future funding from the Reserve was suspended in 2019 as a means to manage the Reserve balance, and focus on providing financial support to the rehabilitation of privately-owned historic buildings. The suspension of funding from the Heritage Resource Reserve has resulted in added pressure to capital budgets to adequately capture costs related to City-owned heritage rehabilitation projects.

Administration presented a report outlining an initial action plan on the potential program to Executive Committee in October 2018, and a subsequent report on the potential implementation program framework in December 2019. Executive Committee endorsed the framework of the program, and directed Administration to return with a report outlining the administrative and financial requirements and the program priorities.

The framework identified key questions and decisions relating to historic resources the City owns that an implementation program needed to address. This includes the following:

- How should considerations pertaining to historic significance, lifecycle management and usage be balanced?
- How should day-to-day maintenance and medium- to long-term rehabilitation of historic assets be prioritized?
- How should funding to meet the ongoing needs of historic assets be sourced and allocated?
- How should the best return be obtained from owning and operating a historic asset?

Attachment 2

- How should leasing arrangements to both non-profit and for-profit entities best support the sustainability of a historic asset?
- Under what circumstances should the City consider the:
 - sale of a historic resource it owns?
 - the targeted purchase of a specific historic resource that may be supported by other City objectives?
 - the emergency purchase of a privately-owned historic resource under immediate threat of demolition?