

Heritage Reserve Fund Status Background

The Heritage Reserve Fund has proven an effective tool to encourage the designation of small-scale residential and commercial buildings, but it is being challenged to sustainably support the designation of large-scale commercial and institutional historic resources. The eligible costs associated with a single large-scale project can easily exceed the existing capacity of the Heritage Reserve Fund. For example, the restoration costs for the Kelly Ramsey Building, designated in 2013, were \$3.5 million, and those for First Presbyterian Church, designated in 2013, were \$1.2 million.

The current balance in the Heritage Reserve as of July 10, 2015, is \$3 million. The projections for the reserve using current commitments show an anticipated reserve balance of \$2.4 million at the end of 2018. However, Administration has discussed a number of potential heritage designations with respective owners for which funds have been earmarked in the reserve. Should all such projects be implemented, the Heritage Reserve will have a limited capacity to support the designation of new, or unanticipated, historic projects. Even with the additional annual \$500,000 allotment City Council has provided for the Reserve Fund, at projected participation rates and funding levels, the Heritage Reserve Fund is projected to experience a funding shortfall by 2018.

Providing adequate incentive to designate and restore large-scale commercial or institutional historic resources is a challenge. As outlined above, the costs associated with the rehabilitation of such structures can be significant, and these projects are typically much more complex and involve a broader range of stakeholders than individual residential buildings. The adaptive re-use of such buildings can pose challenging issues from a land use perspective, but also in terms of how architectural upgrades support or compromise the historic integrity of the building. These projects often have a much higher community profile than the average residential site, as they tend to be located in prominent locations in central neighbourhoods. The sensitive redevelopment of such sites can be of major concern to surrounding property owners and community groups, and involve complex land use, urban design, servicing and transportation issues.

The Molson Brewery site and the associated rehabilitation of the Edmonton Brewing & Malting Company Ltd. Building is one of these examples. The total heritage-related rehabilitation costs for the building are projected at \$8,350,999. As outlined in the report, a 50 percent grant from the City to assist in the rehabilitation costs would amount to \$4,175,500. The Edmonton Brewing and Malting Company Ltd. Building is part of the larger redevelopment project on the former Molson Brewery and Crosstown Motors lands, known as the Edmonton Brewery District. Until recently, the site was vacant and significantly underutilized. The property owner is moving forward with a comprehensive site redevelopment plan to introduce a mix of uses to the site, using the existing historic resources as a key element of development character.