

Date: August 16, 2019

Urban Form and Corporate Strategic Development | City Planning  
City of Edmonton  
Edmonton Tower  
7th Floor, 10111 - 104 Avenue NW  
Edmonton AB T5J 0J4

Attention: Peter Ohm

Re: Strathcona Hotel

We wanted to take this time to provide the City with some background on our acquisition and restoration of the Strathcona Hotel.

The Strathcona Hotel has been a fixture on Whyte Avenue for generations of Edmontonians. It has welcomed many visitors and patrons to our City and in many ways serves as the point where people know they have arrived in Edmonton. It is one, of a handful of buildings, that have defined the city and is integral to the history of Edmonton.

As a development company that focuses on preserving and restoring heritage buildings, this was a crown jewel of a project for our group. We have been fortunate to acquire and designate a number of important buildings in our city, but to have the opportunity to help reshape and bring back this special building to its original glory was an honour and a blessing. We knew that the building had been primarily neglected for the last few decades and it had fallen into disrepair. But we felt a duty to find a way to make this all work as these projects only come around once in a lifetime.

One of our original goals with this building was to bring it back to what it was; a boutique hotel. Our program started by understanding what it would take for the Strathcona Hotel to be competitive in today's market and evaluated numerous approaches with that in mind. Through our research, we came to further understand that the building had many inherent issues for it to work financially:

- Wood frame building would create issues related to sound transfer and occupant comfort. A critical item to compete with other hotels.
- Floor layout was not optimal for modern day suite designs.
- Thermal temperatures would be an issue.
- Small windows result in a lack of natural light.
- No parking on site.
- No loading/valet zone.
- Over supply of hotel spaces versus demand currently in Edmonton.

We concluded that operating a hotel in this building was not a financially viable option and it needed to be repositioned to a new use. With Whyte Avenue being a prime main street, the highest and best use was to create a new commercial/community

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hub that would consist of space for retail and entertainment uses over three floors. We believe that this new approach complimented the buildings heritage characteristics and would reactivate the energy that corner had generations ago.

Changing the use to commercial is both a blessing and a curse. The benefit associated with this change is that we are now developing a building using todays modern building code requirements. The downside is that this uncovered a significant number of deficiencies which we are now obligated to address.

- Architectural items:
  - o Proper floor and wall ratings
  - o Proper insulation to the exterior walls and roof
  - o Proper exiting
  - o Proper corridors
  - o Rated stairwells
  - o Handicap accessibility (adding an elevator)
  
- Structural items:
  - o Floor capacity had to be increased to support proper live and dead loading
  - o Building to accommodate snow load which it previously had not
  
- Mechanical items:
  - o An energy model assessment
  - o New sprinkler system
  - o Upgrade all servicing to the building (water, sanitary, storm)
  - o New mechanical system to ASHRAE standards
  
- Electrical items:
  - o New service to the building
  - o New fire alarm system
  - o Code compliant electrical system

Through our investigation we gained a real understanding of how vulnerable this building was and how fortunate it was to still be standing given that it did not have any proper fire ratings, insulation, exiting, or sprinkler systems. As fate would have it, on the night of March 31, 2019, the building caught fire. The impact this fire had on the City was widespread; it was truly devastating. Seeing it first hand, I couldn't help to think that if measures were made to protect this building we wouldn't be looking at its potential destruction. But, thanks to the hard work of the Edmonton Fire Department and first responders, the building survived and we now have a chance to correct all that is wrong with the building and ensure it stands for another 100 plus years.

We have spent a significant amount of time evaluating the costs associated with bringing this building back up to code. We understand that in many cases there is no true economic benefit to tenants or a financial proforma to achieve this. The cost to upgrade the building to code (not including the investment we are making overall to the building) total over \$3.165 million dollars. Furthermore, when it comes to the heritage specific items that would qualify under the Maintenance Incentive Program, our total budget is \$1,405,477.74. If we were at the stage the previous owner was (prior to the municipal historic resource designation in 2007) there would be funding available from the City to help us deal with these items. As the new owners we feel that it is unfair that we are unable to take advantage of the funding that the previous owners chose not to pursue. We are doing what should have been done years ago and regardless of timing, the City's Heritage and Maintenance program should be available to those that are restoring and preserving important buildings such as the Strathcona Hotel. As a company that focuses primarily on heritage building restoration projects, having access to these funds is the only way we can continue to do what we do. These are extremely difficult and risky projects to make financial sense of but it's the strength and support of our key partnerships with the City that truly make it happen.

This building – this project – is bigger than anyone of us. It is our history. It is the story of our Edmonton. And together we can continue to preserve and maintain these buildings for generations to come. We came close to losing this building and no one wants to ever see that happen again. Given significant financial investment we are making on this building, we request that the City support this project through the Heritage Incentive Grant so that we can ensure this important heritage asset can remain for decades to come.

Regards,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Ivan Beljan  
Beljan Development

cc: Scott Ashe, Principal Heritage Planner