**REPORT**

**PLANNING AND DEVELOPMENT COUNCIL MEETING**

**MEETING DATE: JUNE 11, 2012**

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<th>FROM:</th>
<th>Planning Services Department</th>
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<tr>
<td>DATE:</td>
<td>May 30, 2012</td>
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<tr>
<td>SUBJECT:</td>
<td>Downtown Oakville Heritage Conservation District Study</td>
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<td>LOCATION:</td>
<td>Downtown Oakville</td>
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<td>WARD:</td>
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**RECOMMENDATION:**

1. That the proposed boundary for a potential heritage conservation district in Downtown Oakville as set out in the “Downtown Oakville Heritage Conservation District Study: Heritage Assessment Report” dated May 2012 be endorsed; and

2. That staff be directed to proceed to the next phase of the process to create a District Plan and Guidelines based on the report from MHBC consultants titled “Downtown Oakville Heritage Conservation District Study: Heritage Assessment Report” dated May 2012 and bring forward a heritage district designation by-law upon completion.

**KEY FACTS:**

The following are key points for consideration with respect to this report:

- The consultants for the Downtown Oakville Heritage Conservation District Study have concluded that a portion of the study area has merit for a heritage conservation district and have presented a recommended boundary area for a district;

- Staff and Heritage Oakville recommend that Council give direction to begin the preparation of a District Plan and Guidelines based on the proposed study boundary and findings of the consultant's report.

**BACKGROUND:**

In 2010 the Town completed the Downtown Oakville Strategic Review. This was part of the implementation program for the Livable Oakville Plan, the Town’s new official
plan. The Downtown Oakville Strategic Review included six months of research, analysis, consultation and community collaboration with diverse stakeholder groups, including business and residents’ associations, property owners, members of council, and the public.

The review produced the Downtown Oakville Strategic Action Plan. This document will help guide improvements in the downtown by building on the success of previous plans and building on the strengths of the area's existing features. The plan addresses critical factors including cultural heritage, urban design and streetscape, public facilities, economics, transportation, and sustainability. The Strategic Action Plan implements the vision for the downtown established by the Livable Oakville Plan. The Strategic Action Plan includes 12 different strategic initiatives, including:

- Development of urban design guidelines
- Revitalization of Centennial Square facilities
- Accessibility and safety audit
- Transportation strategy
- Retail strategy
- Re-evaluation of Town Square

Many of these initiatives have already been started and some are planned for the future, as outlined in the Downtown Oakville Strategic Action Plan - 2011 Update report to Planning and Development Council received at the November 28, 2011 meeting. They are all being carried out under Vision 2057 to ensure integration.

Another of the strategic initiatives identified in the action plan was to undertake the process to designate downtown Oakville as a heritage conservation district. Specifically, the action plan stated:

“This initiative will see the development of tools to identify and maintain the heritage importance of the downtown. The downtown Oakville heritage conservation district plan will celebrate and recognize the heritage character of the area. A plan may also include provisions for infrastructure, public works and the streetscape. This initiative will link directly to the urban design guidelines strategic initiative. Implementing such a plan will provide for consistent review and coordination of building improvements and redevelopment to retain and conserve cultural heritage resources, significant buildings and façades in downtown Oakville. While a heritage conservation district plan is regulatory in nature, it can also provide incentives and can be designed in a way that does not impede economic development initiatives.”

A Request for Proposals to lead the Study was issued by the Town of Oakville in the summer of 2011 and the selected consulting team for the project is MHBC Planning together with Megan Hobson Research and George Robb Architect.
The consulting team met with staff and the Heritage Oakville Advisory Committee in the fall of 2011 to initiate the Study. The first public meeting was held on November 8, 2011 and was well attended. A follow-up letter was sent on November 29, 2011 to attendees who had left their contact information thanking them for their participation and providing information regarding the next steps for the Study.

A significant number of concerns and questions were raised at the first public meeting about the proposed heritage conservation district designation and its potential effect on the downtown area. These concerns were noted and described in the Background Issues Identification Report which was published in December 2011. A follow up email was sent to notify participants in the initial public meeting that the Background Issues report was available for viewing online.

In order to allow for a more intimate discussion of the concerns and questions raised at the public meeting, staff met with smaller focus groups in January 2012. The focus groups were divided into the various interests that participated in the public meeting: business/commercial; residential; heritage, and professional. Persons included in the focus group sessions had volunteered to participate in the sessions at the initial public meeting on November 8, 2012.

Three common themes were identified regardless of the particular interests of each group:

- The need for an effective and speedy heritage permit approval process should a district be created.
- The potential for designation to adversely affect property values and discourage investment.
- The need to maintain a vibrant, healthy and economically viable downtown Oakville.

The preliminary draft of the Heritage Assessment Report for the Downtown Oakville Heritage Conservation District Study was released to the public on April 4, 2012 (see Appendix A for the Draft Heritage Assessment). On April 18, all focus group participants from all four of the interest groups were invited to a meeting to discuss the draft study together as a whole. The purpose of the session was to receive feedback on the study and to look at three questions:

1. Does the draft study show there is merit for a heritage conservation district?
2. What do you think about the proposed boundary?
3. If a district plan and guidelines are created, what should they include?
There was no consensus on any of the questions; however, most of the focus group participants at the meeting indicated that the study did show there was merit for a heritage district. Discussion of the proposed boundary prompted many questions about how to avoid fragmenting the downtown, why particular sites weren’t included, and what the impact was for properties outside the proposed boundary.

The preliminary draft study was also discussed at a public meeting held on Wednesday, April 25, 2012 at St. John’s Church. A presentation was made to explain the findings of the draft study and to provide information on the public consultation to date, including the role and input of the focus groups. Following the presentation, the audience discussed the merits of a district and interested parties were able to ask questions from staff and the project consultants. There were a number of concerns raised which have been addressed in the Comments section below and in Appendix B – Questions and Answers. The majority of participants at the public meeting indicated that they were not in favour of a heritage conservation district with the reasons ranging from uncertainty about the plan and guidelines which have not been created yet and the potential for a negative effect on property values. Staff have also received several formal responses on the preliminary draft report which are attached as Appendix C.

Staff also presented the findings of the preliminary draft heritage assessment report to the Oakville Lakeside Residents Association meeting on May 10, 2012. Feedback received from the audience indicated support for a heritage conservation district, possibly expanded from the proposed boundaries and concern about not recognizing the cultural heritage value of the entire study area.

This report was presented to the Heritage Oakville Advisory Committee on May 29, 2012. The committee heard from several delegations regarding the draft report and there was a comprehensive discussion regarding the proposed boundary, the long-term vision for the downtown and the impact of heritage district designation. The Heritage Oakville Advisory Committee endorsed the staff recommendations.

**COMMENT/OPTIONS:**

**Merit for a Heritage Conservation District**

The research undertaken over the past several months has focused on four main components: historical settlement and context; built heritage character (architecture and building integrity); streetscape and landscape survey, and a policy review of various Town and Regional planning policies. The consultants have created an inventory of each building within the study area and have examined the surrounding landscape to provide inventory and analysis. Their researcher has used primary source documents including historic maps, fire insurance plans and building property files, as well as secondary source documents such as “Oakville and the
Sixteen” and other local history books to present the historical narrative of the development of the study area over the past two hundred years.

The project consultants have concluded that there is merit for a portion of the downtown study area to be considered for a heritage conservation district. The guidelines provided in the Ontario Heritage Toolkit states that a heritage conservation district should meet four basic criteria: a concentration of heritage resources, a framework of structured elements, a sense of visual coherence and distinctiveness (see Appendix A – Draft Heritage Assessment Report). Their proposed boundary is based around a portion of the study area where all of the four criteria are fulfilled.

The framework of structuring elements is described by the historic street grid pattern that was historically defined by the Sixteen Mile Creek at the west and north and the lake further to the south. Lakeshore Road (formerly Colborne Street) served as a spine, with businesses fronting on to the main commercial street in the historic village.

Concentration of heritage resources are shown through the existing groupings of listed and individually designated properties in three main nodes: along Lakeshore Road East from Navy Street to mid-block between George and Dunn streets; the vernacular frame buildings and former post office along George Street; and Thomas Street at Randall Street which includes the Scout hut and radial railway station.

Visual coherence of the area is shown through the layering of human activities and construction of built form over time. The built form of Lakeshore Road and surrounding streetscape has cohesiveness in building height and form. Pedestrian amenities such as the stone wall along George Street beside the former post office, the sidewalks along the commercial storefronts on Lakeshore and landscaping and walkway on George Street through Town Square all contribute to the visual coherence of the downtown. Visual coherence is also demonstrated in the preserved viewscapes to surrounding landscapes: the commercial streetwall along Lakeshore Road, looking south along Navy, Thomas, George and Dunn streets to Lake Ontario and the view north to the Sixteen Mile Creek along Randall Street.

All of these elements combine to form an area with a distinctive character that the consulting team has concluded should be protected and managed by a heritage conservation district designation.

Proposed Boundary
Many comments have been made by the public in relation to the proposed boundary. Some people felt that the boundary, despite the description in the Heritage Assessment Report, was too arbitrary and included properties that may not
have heritage significance. Others felt that the boundary should encompass a longer stretch of Lakeshore Road to Allan Street and possibly the public portion of Trafalgar Road, as both are important gateways to the downtown historic commercial area. Several others have stated their opinion that the boundary should encompass the entire study area, as they felt that, despite alterations to the historic fabric, the area has retained its cultural heritage importance. There was also concern raised about the impact of a heritage district on adjacent properties just outside the designated area.

Based on feedback received, staff are proposing a boundary that is slightly different from the preliminary draft. Appendix D identifies the revised boundary recommended by staff, along with the boundary proposed in the preliminary draft. The proposed easternmost boundary on the recommended draft has been scaled back to Lakeshore Road at the intersection of Dunn Street instead of covering an extended portion of street along Lakeshore and north and south on Dunn Street. Staff felt that the heritage character of Lakeshore Road could be maintained without including this portion in a heritage district designation.

Questions, Process and Issues
Throughout the study process, staff and the consulting team have recorded a number of questions and issues regarding the creation of a heritage conservation district for all, or a portion, of the study area. These questions and concerns have been received at the two public meetings (November 8, 2011 and April 25, 2012), as part of the focus group sessions (January 2012 and April 18, 2012) and more recently as formal responses to the preliminary draft study (see correspondence attached as Appendix C). Many of the questions and concerns fall into general topic areas including:

- Existing planning tools (why are they not sufficient?)
- Heritage approval process
- Impact on Property values
- Benefits and drawbacks on commercial owners and tenants

In response, staff has created a detailed spreadsheet attached as Appendix B, which lists the specific questions under the topic areas (where possible) along with a staff response to all of the questions and comments received.

Tools
At the focus group sessions, participants discussed the possibility of using other planning tools that could promote the conservation of the character of Downtown Oakville. There are several existing planning tools that play a role in the review of new development. These include site plan control, zoning, individually designated properties (Part IV of the Ontario Heritage Act) and listed properties.
Site plan control applies only to new buildings or additions and alterations that increase size or usability. Many facade improvements and building renovations that can have drastic effects on the conservation of existing buildings would not be subject to site plan control, nor would applications for building demolition or removal. Basic matters such as a building’s height, size, and placement on its lot are covered under the zoning by-law. These development standards are helpful, but very limited, in their ability to integrate new buildings into the street’s existing historical context.

About two-thirds of the buildings in the proposed Downtown Oakville heritage conservation district are classified as heritage buildings – either listed or designated under Part IV of the Ontario Heritage Act. Council prefers to designate individual properties with the owner’s consent, as designation can be appealed. Listed buildings have no protection against unsympathetic changes to the exterior of the property, they only require a 60 day waiting period for a demolition application.

A heritage conservation district plan does more than protect individual historic buildings. District designation takes a comprehensive approach to preservation and enhancement on a district-wide basis. It provides a policy framework not only for the district’s historic buildings but also for the public realm. The significance of a heritage conservation district extends beyond the district’s historic buildings to embrace the setting and surroundings for those buildings – buildings that are not historic, streets, landscapes and views. A heritage conservation district covers all the district’s buildings and its important spaces. The heritage conservation district plan ensures that development activity across the district is reviewed consistently to ensure that changes contribute to the district’s historic character.

Methods other than district designation can only partially meet the goal of enhancing Downtown Oakville while preserving its historic character. None of the alternate methods – individual property designation, Section 27 listing, site plan control or zoning – can protect Downtown Oakville in a comprehensive manner as a heritage conservation district plan is meant to do. Please see Appendix B for further discussion on these items.

Discussion at the focus groups also suggested comparison with other communities with commercial heritage conservation districts as one way of identifying those things that worked well. Information on other commercial heritage conservation districts is discussed below in ‘Property Values’ and also in Appendix F.

Process
Many questions and issues have been raised related to the heritage permit process and the uncertainty and lack of information about the plan and guidelines because
they do not exist yet and will only be created if Council endorses the move to the
next step. Several comments from stakeholders have stated that Council should not
move to pass a district by-law while there is uncertainty and lack of information
about what the policies and process requirements will be. Staff notes that the next
step in the establishment of a district is the preparation of a plan and guidelines.
Should Council direct staff to proceed to the next phase, staff will be undertaking an
extensive public engagement strategy to ensure that the public is involved in the
creation of the plan and guidelines to ensure that the uncertainty surrounding them
is resolved. Following the preparation of the plan and guidelines, the heritage district
designation by-law would be brought forward.

The need for heritage conservation policies and guidelines that provide clarity as
well as opportunities for transparent and accountable decision making was also
seen as being beneficial by all groups. The design professional group also posed
questions about the role of existing contemporary buildings and the importance of
new modern design.

Additionally, staff will address the issue of adjacent properties to the proposed
heritage conservation district to provide clear and concise guidelines on when a
heritage impact assessment would be required to determine the impact of
development applications on the heritage character of the district. The draft report
recommends that “in the District Plan and Guidelines it will be clearly stated that
property owners with street addresses east of 216 and 217 Lakeshore Road East to
Dunn Street will not be required to submit heritage impact analysis or assessments
for development proposed for their property as it pertains to effects upon the public
road right-of-way”. Please refer to Appendix A, Section 2.6.3.8 of the Heritage

Property Value
Staff have completed additional research to address the impact of district
designation on property value. The Heritage Resources Centre at the University of
Waterloo has completed two projects that discuss property value and heritage
designation. While much of the research for these two studies addresses residential
areas, there is some valuable information provided on commercial heritage districts.

The first of these studies is “Heritage Designation and Property Values: Is there an
Effect?” and was completed in 2000 by Dr. Robert Shipley. The report collected
information on five heritage conservation districts: Kitchener (Upper Doon Village),
Mississauga (Meadowvale Village), Brantford (Brant Avenue) and Bayfield (main
street) and Ottawa. Of the five districts, Bayfield is predominantly commercial.
However, real estate sales history in the Bayfield district was so low that value
trends were not established for this district. The conclusions from the report were
that the property value of designated heritage properties were generally not
negatively affected and that heritage properties tended to hold their property value better than non-designation properties in times of market downturns. The study has been attached as Appendix E.

The second of the two studies was the ‘Heritage Districts Work’, a report which examined the question ‘have heritage conservation districts in Ontario been successful heritage planning initiatives over a period of time’. Individual reports were published on the results for each of Ontario’s heritage conservation districts designated prior to 1992, which included the following commercial heritage conservation districts: Markham Village, Thornhill Village, Bayfield, Cobourg, Downtown Galt, Goderich, Seaforth Main Street, Kingston’s Market Square, Bath Main Street, Niagara on the Lake, Ottawa’s Byward Market and New Hamburg. These individual reports and the Summary Report are available online at: http://www.environment.uwaterloo.ca/research/hrc/projects/index.html

While this study was not solely concerned with examining property values, sales history was researched for each of the districts studied. The study examined if the objectives of the district plan had been met, what was the degree of property owner’s satisfaction with the district and what were the key issues in the district. After researching and analyzing 32 heritage conservation districts, the key findings of the study were:

- By and large the goals set for individual Heritage Conservation Districts have been achieved;
- Satisfaction with living and owning property in districts is overwhelming;
- It is not difficult or time consuming to make appropriate alterations to properties in districts but municipalities should keep better records;
- Real estate values in Heritage Conservation Districts generally rise more consistently than surrounding areas;
- Strong real estate performance and resident satisfaction are most pronounced where district guidelines are enforced; and
- There are issues in many districts such as the possibility for expansion and the need for clearer goals which provide the opportunity for improvements.

Staff have attached the executive summary of the Findings report and the executive summary of a sample report (Markham Village) as Appendix F.

Benefits and Drawbacks
Heritage conservation districts mean recognition of property as an important heritage resource. Designation helps to conserve irreplaceable resources, protects our most visible cultural assets and strengthens our community’s identity and distinctiveness. As noted urban theorist Jane Jacobs said: “Cities need old buildings so badly it is probably impossible for vigorous streets and districts to grow without them…Old ideas can sometimes use new buildings. New ideas must use old buildings.” Heritage conservation districts manage change so that the existing
historic fabric of a community is preserved, while still encouraging new growth. Within a heritage conservation district, businesses would be protected from having neighbouring properties demolished and inappropriate in-fills will not be allowed.

The project consultants have provided a recommendation for a future incentive program. The draft study recommends that the Town consider a grant program, which would assist property owners and business owners with proposed alterations. Grant programs are considered a complimentary program to the heritage permit process, giving property owners the opportunity to receive financial assistance as they make improvements to their properties.

Potential drawbacks to the heritage conservation district include additional time required to process heritage permit applications; the length of time depending on the scope of proposed work. Although the heritage permit process does not have an associated cost, there may be an increase in the cost of materials for proposed work in order to protect the heritage character of the district. The recommendation for an incentive program would assist in addressing this issue. Staff would also note that the heritage permit process for minor alterations has been delegated to staff for approval, significantly decreasing the time it takes to receive a permit.

Dr. Robert Shipley of the Heritage Resources Centre at the University of Waterloo and his associate, Marcie Snider, have recently completed another study regarding heritage district designation and the resulting impact on economic development. This study, which is due for publication in 2013, is attached as Appendix G - The Role of Heritage Conservation Districts in Achieving Community Economic Development Goals. The results of the study indicate that “physical, economic, and social improvement may be achieved through appropriate, comprehensive district management that recognizes the importance of addressing heritage values. Markham Village and Unionville are recognized for their business opportunities, and the heritage assets of the HCD have added to the commercial success of both districts. Analysis of these findings has confirmed that HCD designation serves as an effective mechanism for supporting and enhancing the urban fabric of these areas, in turn supporting local economic development that contributes to generating a higher level of quality of life for its residents. Interviews, surveys, and researcher observation indicated that by and large economic revitalization has been sustained.” (Shipley, R. and Snider M. Conservation Districts and Economic Development. International Journal of Heritage Studies, 19 (3) 2013 (in press), p 12-13).

Next Steps
The final commitment from staff is to continue to engage in consultation with the public and various stakeholder interests. Should Council direct staff to move forward with the next phase of the process, there will be additional opportunities for public participation and input. It is important that the majority of the community is
involved with the creation of a district plan and guidelines. Staff will also invite business/property owners within heritage conservation districts in other municipalities to provide stakeholders an opportunity to hear from those with applicable experiences.

If Council accepts the staff recommendations, staff will ensure that additional focus group sessions and public meetings resume in the fall. Following the public input on the draft plan and guidelines, staff will bring forward a recommendation with a heritage conservation district by-law for downtown Oakville by the end of 2012 or early 2013.

Conclusion
Staff supports the boundary recommendation presented in the Downtown Oakville Heritage Conservation District Study: Heritage Assessment Report” dated May 2012. Staff agree with the Heritage Assessment Report’s analysis of the four criteria necessary to create a district and believe that the area has shown merit for a heritage conservation district. Staff recommend that Council move to the next phase of the process to create a draft heritage conservation district plan and guidelines. When that work is complete and public engagement has completed, staff will return to Council with a recommendation to adopt a heritage district plan and guidelines.

CONSIDERATIONS:

(A) PUBLIC
The Ontario Heritage Act, Section 41(6) states that a municipality must hold at least one public meeting before adopting a heritage conservation district by-law and plan and that copies of the plan must be made available to the public. If Council supports the recommendation to create a Heritage District Plan and Guidelines for Downtown Oakville, staff will ensure that the public consultation requirements of the Ontario Heritage Act are satisfied and exceeded in terms of engagement with the public.

(B) FINANCIAL
The Downtown Oakville Heritage Conservation District Study Plan and Guidelines has been budgeted for in the Capital Operating Budget for 2012.

(C) IMPACT ON OTHER DEPARTMENTS & USERS
The proposed boundary for the Downtown Oakville Heritage Conservation District includes town owned properties. Planning staff will work with staff
from Parks and Open Spaces, Development and Engineering, and Engineering and Construction.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS
This report addresses the corporate strategic goal to:
• continuously improve our programs and services
• enhance our cultural environment
• be the most livable town in Canada

(E) COMMUNITY SUSTAINABILITY
This report generally complies with the sustainability objectives of the Livable Oakville Plan in regards to preservation of cultural heritage resources.

APPENDICES:
Appendix A – Downtown Oakville Heritage Conservation District Study
Appendix B – Questions and Answers
Appendix C – Correspondence
Appendix D – Proposed Boundary Maps
Appendix E – Heritage Designation and Property Values
Appendix F – Heritage Districts Work Excerpts
Appendix G – The Role of Heritage Conservation Districts in Achieving Community Economic Development Goals

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