



DISTRICT OF WEST VANCOUVER
750 17TH STREET, WEST VANCOUVER BC V7V 3T3

COUNCIL REPORT

Date:	February 23, 2022
From:	Mark Chan
Subject:	Navvy Jack House – 2022 Update and Next Steps
File:	2100-01

RECOMMENDATION:

THAT Council allow up to March 31, 2024 for the Navvy Jack House Citizen Group and other private fundraisers to raise \$1.6 million towards a current estimated capital cost of \$2.6 million to restore the Navvy Jack House, on the basis that the House be operated as a Cottage Coffee operation (with an approximate 800 sf footprint and without the previously considered 1,400 sf addition to the building) at the existing location but raised to address sea level rise, as set out in the report dated February 23, 2022.

1.0 Purpose

This report provides an update on the Navvy Jack House project and recommended next steps.

2.0 Legislation/Bylaw/Policy

The Navvy Jack House (“the House”) is listed in the District’s Community Heritage Register as one of 171 buildings formally recognized for its heritage value and character.

3.0 Council Strategic Objective(s)/Official Community Plan

The Project is not part of Council’s Strategic Plan. The District’s Official Community Plan contains supporting language for the Project in areas relating to heritage preservation, natural environment, local economy and enhancement of parks and recreation spaces (see sections 2.1, 2.3, 2.6 and 2.7 of the Official Community Plan).

4.0 Financial Implications

The estimated capital cost to restore the House for the Cottage Coffee scenario (see Analysis section for more information) is estimated to be approximately \$2.6 million (in 2022 dollars), with an additional \$300,000 to \$500,000 in tenant improvements depending on the quality and scale of operation desired by a future operator. Typically the tenant improvements would be paid for by the operator; however, often landlords will provide a tenant improvement allowance as part of the lease. Council has previously committed \$1 million towards the Project from the Community Amenity Contribution Fund. Accordingly, the balance of \$1.6 million to

restore the House would need to be raised by private fundraising. More information is set out in the Analysis section of this Report.

5.0 Background

The detailed background and history for the Navy Jack House are set out in: (1) the report dated June 30, 2020 titled “Navy Jack Nature Centre – Community Consultation Results”; (2) the report dated September 22, 2020, titled “Navy Jack House – Next Steps”; and (3) the report dated March 2, 2021, titled “Navy Jack House Update”.

5.1 Previous Decisions

The most recent Council Meeting when the Project was discussed was the July 26, 2021, Council Meeting. In summary, at that meeting, Council passed a resolution to:

- proceed with public engagement on the Lawson Creek Restoration Project;
- approve the Guiding Principles for the House Restoration Project as attached to the report dated July 14, 2021;
- have Staff conduct more financial analysis on the Bistro and Cottage Coffee scenarios (including cost and commercial interest to confirm financial viability) and no longer pursue the Mixed Use scenario; and
- continue to engage with the First Nations on both the Creek Restoration Project and House Restoration Project.

6.0 Analysis

6.1 Discussion

The Project initially consisted of two projects, the Creek Restoration Project which was to be completed together with the Streamkeepers, and the House Restoration Project.

The Creek Restoration Project

In late September 2021, the Streamkeepers informed the District that due to feasibility issues with the design concept, Streamkeepers would not be proceeding with the Creek Restoration Project at Lawson Creek.

The Creek Restoration Project was anticipated to be located at the existing site of the House, and therefore required that the House be relocated eastward, closer to John Lawson Park.

Now that the Creek Restoration Project is not proceeding, there is no longer a strict requirement to move the House.

The House Restoration Project

At the July 26, 2021, Council Meeting, Council directed Staff to conduct more detailed financial analysis on only two options for the House:

1. the Bistro scenario; and

2. the Cottage Coffee scenario.

The Bistro scenario is a small food and beverage establishment / restaurant that would comprise the 800 sf original ground floor footprint of the House plus the addition of a newly constructed 1,400 sf building.

The Cottage Coffee scenario is a much smaller footprint with only the 800 sf original ground floor footprint of the House and would be used for a coffee shop style use which could include a liquor licence.

Council has consistently emphasized that the House must generate sufficient revenue “*so as to not create a revenue deficit for the District*” (excerpt from October 5, 2020, Council Resolution).

At the July 26, 2021, Council Meeting, Council eliminated the Mixed Use scenario due to concerns including that the mixed use would not generate sufficient revenue.

Staff have conducted additional financial analysis on both the Bistro and Cottage Coffee scenarios.

Bistro Scenario

The anticipated cost of the Bistro (restoration of the original House and the new 1,400 sf addition) is estimated to be in the order of \$7 million (in 2022 dollars) including tenant improvements. The District’s intent was to enter into a long term lease (20+ years) in exchange for a restaurant operator agreeing to restore the House and construct an addition entirely at the operator’s cost. In exchange, the District would agree to a significant rent free period (10+ years or more) to allow the operator to recoup its investment.

After numerous confidential discussions with several potential restaurant operators, and after consulting with an independent cost consultant and an independent commercial rent expert, Staff have concluded that the Bistro option is not financially feasible at this time. The limited size of the restaurant even with an addition was a significant factor. Staff also considered the following factors:

- opposition and strong concerns with a bistro/restaurant expressed from the residents of the nearby apartment building at the foot of 18th Street;
- anticipated concerns from users of the busy John Lawson Park if the House was relocated eastward towards the park; and
- potential parking and traffic issues from additional traffic generated by the Bistro.

Staff briefed Council on the confidential discussions with restaurant operators at the November 8, 2021, Closed Council Meeting. At that meeting, Council passed a resolution to not pursue the Bistro scenario, and directed Staff to instead pursue the remaining Cottage Coffee scenario that would include a patio but does not require relocating the House.

Cottage Coffee Scenario

As the Creek Restoration Project is no longer proceeding, there is no longer a strict requirement to relocate the House. In the Cottage Coffee scenario the House could remain in its existing location, though would need to be raised due to sea level rise and to meet Flood Construction Levels. The District recently raised the Ferry Building Gallery for similar reasons, and as a result the Ferry Building Gallery was not impacted by the recent January 7 storm surge. The unfinished crawlspace below the Navy Jack House was flooded but there was no long term damage.

Due to the small size of the Cottage Coffee building (i.e. 800 sf original footprint only and no building addition), and the reduced scale of the operation (i.e. coffee shop not a full restaurant), there will be less traffic, parking and noise issues than with the Bistro scenario. Keeping the House at its existing location also allows John Lawson Park to stay unaltered.

Heritage Advisory Committee and Citizen Group

During 2021, Staff met multiple times with the District's Heritage Advisory Committee and Navy Jack House Citizen Group. Both the Committee and the Citizen Group expressed support for the Cottage Coffee scenario and believe it is an appropriate use for the House.

First Nations

Staff have had discussions with First Nations and there were no significant concerns raised with the Cottage Coffee scenario. Archaeological issues related to ground disturbance will need to be discussed further with the First Nations with respect to raising the House and associated landscaping. The First Nations have also said that once the House is restored, they would like to discuss possible educational opportunities. Following Council's consideration of this Report, Staff will provide an update to the First Nations but no formal referrals / applications will need to proceed at this time.

Concerns raised by Apartment Building at Foot of 18th Street

Staff have liaised with representatives of the residents of the nearby apartment building at the foot of 18th Street. In summary, they have expressed significant concerns with the Cottage Coffee scenario relating to noise and increased motor vehicle congestion with deliveries and garbage collection, and potential safety issues for pedestrians and cyclists in the area. The representatives have also expressed strong opposition to wrapping the House with a plastic protective wrap (see Analysis section below for more information about the wrap), and have stated that their preferred option is to have the House taken down and the land turned into park land with a commemorative plaque installed at the site.

Discussions with Possible Operators

Staff approached numerous potential operators about the Cottage Coffee scenario, and there has been interest from several operators. One

significant factor relating to the Cottage Coffee scenario is that due to the small 800 sf size and limited revenue generation, it would not be feasible for an operator to pay for the capital cost of restoration and tenant improvements in exchange for a long term lease.

Potential operators have stated that they would be able to pay tenant improvements and the rent and usual costs associated with a typical commercial lease of this nature. Accordingly, proceeding with the Cottage Coffee scenario means that funding for the capital restoration costs will need to be a combination of District funding and private fundraising.

Estimated Cost and Private Fundraising

The estimated capital cost for restoring the House in the Cottage Coffee scenario is currently estimated to be approximately \$2.6 million (in 2022 dollars), with an additional \$300,000 to \$500,000 in tenant improvements depending on the quality and scale of operation desired by a future operator. Typically the tenant improvements would be paid for by the operator; however, often landlords will provide a tenant improvement allowance as part of the lease.

Council has already passed a resolution committing up to \$1 million of funding for the Project. At the March 8, 2021, Council Meeting, Council committed up to \$1 million from the Community Amenity Contribution Fund to match funds raised by the Navvy Jack House Citizen Group, other privately raised funds and grants for the purpose of conserving and repurposing the House.

Assuming Council agrees to continue its \$1 million commitment for the Project from the Community Amenity Contribution Fund, \$1.6 million will need to be raised by private fundraising to make up the current total estimated cost to restore the House.

Staff have met with representatives of the Navvy Jack House Citizen Group. The Citizen Group has been preparing for fundraising, and is willing to take on this challenge. The Citizen Group has requested that the District allow them two years to raise \$1.6 million. Staff believe that the Citizen Group will need sufficient time to raise this substantial amount of funds, particularly given the current uncertain economy and Covid pandemic. Staff recommend that after the first year, an updated costing be obtained due to the significant construction cost escalation and general inflation currently being experienced.

Protective Plastic Wrap for the House

Staff have received some requests (including from the Citizen Group) for the House to be wrapped with a waterproof plastic shrink wrap. This type of wrap is often seen in white colour as temporary waterproofing for roofs or buildings. The requests have been made on the basis of weather protection, and also for cosmetic reasons to improve the current appearance of the House.

After considering with potential vendors, the Facilities & Assets Department, and the Fire & Rescue Services Department, Staff do not recommend wrapping the House for the following reasons.

- The wrap does not appear to be required to protect the House. The roof of the House is in newer satisfactory condition. The walls of the House are also in adequate condition. In any event, when the House is restored some of the existing outer surfaces including the roof and some walls will be removed to restore the House to its original structure.
- The vendors have informed that the wrap has a lifespan of around two to five years depending on weather and location. Repairs to the wrap will likely be required each year due to wear and tear, wind and storms, at additional cost. For example, the wrap is only guaranteed for winds up to 50 km/h.
- The wrap may attract additional graffiti which will need to be replaced with new shrink wrap panels at additional cost.
- Periodic cleaning at additional cost will also be required given that the House will be wrapped for at least two and possibly more years.
- Scaffolding is likely to be required during installation, and may also need to remain under the wrap due to the unconventional shape of the House. The monthly rental costs for the scaffolding would be substantial.
- Wrapping the House creates additional fire risks: the plastic wrap material even if fire retardant is likely to be more flammable than a typical wood frame house; if a fire is started inside the House, the fire and smoke will not be visible, meaning that it will likely be reported later to the Fire Department; fighting a fire inside a wrapped House will be more complicated as the wrap is designed to keep water out, there is no line of sight into the House, and maneuvering through the House will be more difficult due to the interior scaffolding and exterior wrap.
- Based on estimates from vendors, the cost to wrap the House would be around \$40,000 before considering monthly rental costs for scaffolding, and before considering the required annual maintenance and repair costs.

If Council approves the recommended motion, the Citizen Group would have two years to raise the required \$1.6 million in funds. While the funds are being raised, Staff who have been involved in this Project will be reallocated to other Council Strategic Objectives, but a member of Staff will meet periodically (say around every 2 months or so) with the Citizen Group to ensure that messaging is coordinated with the District's messaging, and, for example, to vet public materials and vet possible grant applications.

6.2 Sustainability

The Project has the potential to deliver social sustainability goals of enhanced park amenities and heritage preservation, while also raising important issues that need to be resolved relating to financial sustainability (cost and funding).

6.3 Public Engagement and Outreach

Public engagement and outreach was conducted in the earlier stages of the Project, and is summarized in the Council Reports dated June 30 and September 22, 2020.

7.0 Options

7.1 Recommended Option

This Report recommends that the Navy Jack House Citizen Group and other private fundraisers be allowed up to March 31, 2024 to raise \$1.6 million towards the total cost of restoring the House based on the Cottage Coffee scenario.

7.2 Other Options

Council may choose to allow more time or less time to the Navy Jack House Citizen Group or other private fundraisers to raise the \$1.6 million.

8.0 Conclusion

The Project has the potential to restore a historic heritage property, share an important history and story with the public, provide vitality through an accessory Cottage Coffee use to the park, and provide park enhancements and educational opportunities. By approving the recommended motion, Council will allow the Navy Jack House Citizen Group and other private fundraisers to raise the necessary \$1.6 million in funds to proceed with this Project.



Author:

Mark Chan

This page intentionally left blank

This page intentionally left blank