

HALIFAX MISSES THE BOAT



Image Credit: Turner Drake & Partners Ltd. (Photographed from the slopes of Citadel Hill)

Every year about 1.8 million tourists descend on Halifax intent on visiting its Citadel, harbour, and wealth of historic buildings redolent of a city so steeped in history. They may be disappointed: the magnificent harbour still exists as does The Citadel, albeit hemmed in now by modern structures, but the rich heritage of old buildings that gave the city its character is now largely gone. Most that remain have been trivialised, over powered and rendered impotent by the development boom that has blossomed over the past ten years. This rump too now faces extinction. Municipal greed and incompetence have accomplished what three centuries of war failed to achieve. Generations, as yet unborn, will question how the HRM (Halifax Regional Municipality) Council could have been so short sighted...to squander an asset that other cities on this continent rush to preserve because they can never be re-created. Halifax, funky old town, survived many world wars, but its enemy was within. It took centuries to create the city; just a decade to destroy it.

It would be tempting to point the finger at “greedy” developers but the reality is very different. Developers have to maximise the value of their properties to survive. Many do in fact attempt to preserve our built heritage though this often requires the input of public funds to mitigate the financial burden for what is, after all, an external social, rather than property specific, benefit. Heritage buildings are a cultural asset; the physical manifestation of our history, they speak to who we are, where we have been and how far we have come. History grounds society, gives it roots, a sense of belonging and ownership. Without history we are doomed to repeat our mistakes and to lack confidence in our future. Pride (and occasionally shame) of our past helps bind us together and shape the community in which we live. It frames who we have been and usually who we are today. To eradicate our history, by commission or omission, is cultural genocide. Heritage properties are not just “nice” tourist attractions, or unique environments in which to eat, drink, make merry and shop, they bear witness in a very physical sense to our roots. They benefit society at large because they are visible and frequently open to the public. By extension, the failure of the municipality and province to protect and nurture them speaks to a lack of pride in our past. Yet despite all of the evidence HRM Council still doesn’t “get it”. Instead of demonstrating leadership and accepting responsibility it prefers to pretend that its role is limited to that of referee between the two “protagonists”, the developers (the “bad guys”) and the heritage groups (“geriatric do gooders”). HRM’s feeble response beyond the foregoing has been to establish the Barrington Street Heritage District...and then to promptly disavow responsibility for the high rise condominiums and rental apartments

which make a mockery of it by protesting that they were grandfathered under the zoning by-law...rather than taking a leadership role and purchasing the air rights to obviate the necessity for their construction. Only recently have HRM hired a new heritage planner and indicated an interest in adding new conservation districts: a classic case of closing the door after the horse has bolted. Nor has the Provincial Government shown any interest in preserving our built heritage. They have allowed heritage properties they own, such as the Dennis Building opposite the Legislature, to fall into disrepair and have given municipalities very limited legislative tools (and virtually no financial support) to help preserve our built heritage. And only recently the Waterfront Development Corporation (WDC), a provincial body, refused to participate in monitoring heritage property impacted by the development of the Queen's Marque on the Halifax waterfront, advising the owners that this was their sole responsibility and to "sue the developer" if their property suffered damage...despite the fact that the construction was being undertaken on land owned by WDC.

Today, as office vacancy rises and market values fall in Halifax's Central Business District, HRM continues to gouge landlords and tenants. Realty taxes per square foot continue to rise, forcing landlords already fighting to retain tenants, to absorb more of the municipality's overhead (about two thirds of which goes to pay salaries). Office vacancy will soar to a record 25% later this year; a sad tribute to two decades of neglect and mismanagement by HRM since it was created by the amalgamation of four municipal bodies in 1996. Realty taxes per square foot have risen by 60% over the past ten years, while net rents (out of which the property owner has to pay their mortgage) by just 12%. Office building owners face the perfect storm: as their financial assets deteriorate in value they have to meet the challenges of funding increased property taxes ... while also paying for them on their (increasing) vacant space ... out of declining rents on the space they have been able to lease. Nor is this a temporary situation in which their vacant space will be absorbed by expanding demand. Over the past ten years office demand in downtown Halifax has decreased by an average of 15,200 ft.² per year ... during a period in which the working age population was increasing. Unfortunately the latter peaked in 2016 so aggregate office demand in HRM will now contract more rapidly. The 5% supply/demand equilibrium will only be reached by taking existing space out of service through demolition, repurposing or abandonment. This will take several decades. The present situation is largely of HRM's making. Their policies of promoting their "industrial" parks for office development at the expense of Halifax and Dartmouth CBDs, subsidising office construction, and coercing developers to add office space to a market already flooded with it, have helped create the present crisis. Given that the Halifax CBD is a major property tax generator, these policies are now expected to be counterproductive. HRM has killed the goose that laid its golden egg. (HRM recently insisted that it has now abandoned its policy of promoting its industrial parks for office development thus attempting to wash its hands of lasting culpability; however the supply of land already allocated for office space renders this action meaningless). Any office building which is not yet appealing its property assessment should consider doing so: but this will not address the tax rate, and it is a combination of the two that will ultimately determine the owner's tax load. Last year HRM successfully prevailed upon the Province to amend its Charter to allow it to levy different commercial tax rates in different areas of the municipality. The amendments are not flexible enough to address the crisis in the CBD office market and its continued decline as the region's commercial centre. The municipality was advised of the danger in 2009 and chose to ignore it. They took the downtown for granted, treating it with comfortable contempt. It is now too late. The situation is dire for the older buildings, particularly the city's built heritage. Virtually every heritage office building outside the designated Barrington Street Heritage District will be swept away within the next decade, unable to survive this perfect storm of high taxes and vacancy.

Getting it Right: The Little City That Did



The Central Business District of Charlottetown and its environs were a depressing place in the early 1970s. The little development that had occurred downtown was uninspiring; cheaply built low rise office buildings and a retail sector waiting for the final curtain. Department stores Eatons, a national chain, and Holmans, a local enterprise, still survived but the writing was clearly on the wall. The area adjacent to the CBD, between it and the waterfront, was no better. Populated with low rise wood framed residential uses interspersed with the occasional stone warehouse and office structure, it exuded an air of genteel decay, slumbering in the summer sun like an old cat waiting for its final meal. The waterfront too was in terminal decline, transitioning to a waste land of decaying

wharves, abandoned industrial sites and a tank farm. Business called us here, but little else ...only one decent restaurant where you could enjoy a wine with your meal, so long as the window shutters were firmly closed to shield the evil sight from the street. Yet the area had good bones thanks to two visionary surveyors two centuries ago.

The settlement was named the capital of the fledgling province in 1765 after Princess Charlotte of Mecklenburg-Strelitz, the happily married wife of King George III. Captain Samuel Holland immediately set to work surveying the first five hundred lots fronting the harbour, encompassing the present downtown. In 1768 Charles Morris, a Nova Scotian surveyor, started to lay out the streets. His work was continued by Thomas Wright whose 1771 plan detailed the 500 lots adjacent to the harbour, complete with a central square for public buildings and four large green squares. Wright thus bequeathed the city core a garden ambience; its signature feature today. He also decided that streets stretching to the water should be 100 ft. wide to endow future generations with views of the harbour. Although later alterations allowed encroachments, reducing the width to 60 ft., and some lots were consolidated, the street pattern affords stately vistas framed by a canopy of mature oak, linden and elm trees. The Confederation Centre for the Performing Arts was opened in 1964 funded by a thirty cent per capita contribution from Canadians coast to coast but by 1970 this capital city was decidedly down at heel and its centre looked set to sleep its way into the next century. Today however, 1.5 million tourists visit Charlottetown each year, almost as many as Halifax. Where there was decline, there is revival. In summer the waterfront sparkles, vibrating with life, marinas have replaced decaying wharves; restaurants, coffee shops, pubs and retail stores the decrepit warehouses; the former Texaco tank farm now hosts outdoor concerts, a cruise ship terminal and rose gardens. The neighbourhood between the waterfront and the downtown now greets the future with confidence and pride: heritage and other buildings tastefully, colourfully and lovingly restored, flower lined streets under that wonderful hardwood canopy. The area flows seamlessly into the downtown, restored masonry warehouses now repurposed to accommodate restaurants, vibrant pubs, coffee shops, funky stores, taking advantage of the ambience that only heritage buildings exude. So what happened, how did this little capital of a tiny province turn it around?



Lieutenant-Governor Edmund Fanning's residence once stood.

A lot of the credit has to go to the efforts of the Charlottetown Area Development Corporation (CADC), a crown corporation created in 1974 to kick start revitalisation of the downtown, the waterfront and the area in between. In our experience, CADC has been a rarity, a publicly created body that actually fulfilled its mandate, changed things for the better and acted as a catalyst for the area within which it worked. Its initial thrust was to restore heritage buildings and to demonstrate the impact this would have on the immediate neighbourhood. One of their first projects, in 1976, was the restoration, in conjunction with the owner the Heritage Canada Foundation, of three Georgian brick buildings on Great George Street where



Also that year CADC completed the restoration of a string of historic buildings on Water Street. We were fortunate to visit the buildings during and after restoration and were blown away at their transformation. Both projects demonstrated to the community and other property owners the benefit of restoration rather than demolition and were instrumental in initiating similar private sector endeavours.



The year following, CADC completed streetscape projects on Great George and Water Street moving wiring below ground, installing historic street lighting, new curbs, sidewalks and street paving. Great George Street would go on to be declared a heritage street and is now one of the most heavily pedestrian trafficked streets in the City. (Later, private entrepreneurs purchased a row of Georgian buildings, including an hotel, and restored them to create The Inns on Great George, a boutique hotel. It opened in 1996, is unique and well worth the stay).



CADC continued the momentum with a major development on the waterfront in the late 1970s early 1980s: Harbourside is a multi-use complex comprising 91 rental apartments and 104,000 ft.² of commercial space built over an underground parking garage and incorporates, around its periphery, restored brick heritage buildings used as offices and a pub. This project kick started redevelopment of the waterfront and CADC have since continued that process restoring masonry buildings and erecting new retail and office space and in 2013, a convention centre. CADC has had a major impact on the waterfront, the adjoining neighbourhood and the Central Business District. Initially their efforts spurred a revitalisation too of the downtown by providing multi-level parking and in

1981, the creation of the Confederation Court Mall which took advantage of the inner core of four retail blocks and tied into the Holmans Department Store. That initiative has now been mitigated by the growth of suburban shopping and big box centres which have taken their toll on city centre retail.

Charlottetown has cleverly married the restoration of its heritage buildings with new structures which are in scale with and complementary to them in order to revitalise and repurpose its waterfront and downtown. Sitting where once stood a tank farm, breathing in the heady aroma of the roses, seeing the light dance and sparkle on the harbour while the restored heritage buildings soak up the sun, watching cruise ship passengers disembark and look appreciatively around...this is a city whose boat has come in.

🌐 Mike Turner is Chairman of Turner Drake & Partners Ltd. An Atlantic Canadian by choice, he likes heritage buildings (and dogs), thinks both have a lot to offer, believes we have a lot to learn from them, and is convinced the world would be a less interesting place without them. He can be reached at 1-800-567-3033 Ext. 312 or by email mturner@turnerdrake.com.