

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Declare Surplus - City Owned Property
652 Elizabeth Street

Date: June 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, on the advice of the Director, Realty Services, with respect to a City owned property municipally known as 652 Elizabeth Street, being Part Lot 11, Concession 1, in the City of London, London Township, being part of PIN 08279-0210, and to be further described in a reference plan to be deposited (the "Subject Property"), the following actions **BE TAKEN**:

- a) the Subject Property **BE DECLARED SURPLUS**,
- b) the Civic Administration be **AUTHORIZED** to engage the Department of National Defence (DND) to release a restrictive covenant registered against the property, which limits the available uses with the property and complete any other duties as required by the Civic Administration in relation to the restrictive covenant, and
- b) the Subject Property **BE OFFERED** for sale in accordance with the City's Sale and Other Disposition of Land Policy.

Executive Summary

The Subject Property being 652 Elizabeth Street is an improved property with a three-storey heritage building commonly referred to as T-Block. This report is recommending to declare the Subject Property as surplus and offer it for sale in accordance with the City's Sale and Other Disposition of Land Policy.

Linkage to the Corporate Strategic Plan

Municipal Council's 2023-2027 Strategic Plan identifies with the area of focus being "Climate Action and Sustainable Growth" with strategic area of focus being London's infrastructure and systems are built, maintained, and operated to meet the long-term needs of the community.

The recommendation in this report will support the aforementioned strategic areas by declaring the Subject Property as surplus in accordance with the City's Sale of Other Disposition of Land Policy. The sale of surplus lands will generate revenue from the sale, eliminate maintenance and repair costs and liability risks associated with owning the building that is no longer required by the City.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Board of Control – October 2, 1996 – Transfer of Gloucestershire Hall
- Board of Control – July 2, 2002 – Acquisition of Wolseley Barracks Lands and Carling Heights Optimist Community Centre Lands
- Board of Control – December 11, 2002 – Carling Heights Optimist Community Centre
- Corporate Services Committee – September 25, 2018 – Asset Review: Class A – Vacant Land and Buildings & Class C – Major Venues, Non-Core Services And Assets

1.1 Summary

Brief History

The T-Block building was constructed in the early 1900's as a military stores building and residence as part of the military base known as Wolseley Barracks and later renamed to CFB London. The history of Wolseley Barracks itself dates back to the 1880s when the initial military facilities were constructed on the lands.

In 1995, the City acquired the T-Block building as part of the decommissioning of Canadian Forces Base (CFB) London. It is noted that due to the historical use of the lands as part of the military base, the lands occupied by the T-Block building have the potential to contain the presence of UXOs (Unexploded Explosive Ordnance). More on UXOs is detailed further in the report. It was designated by the City as a building of Cultural Heritage Value and Interest in 1999.

The T-Block building is a three-storey building with a basement, heated with hot water radiators throughout the building. There is no air circulation system (limited air conditioning in some of the spaces through the use of individual window type air conditioner units). Washrooms located on each floor (excluding the basement) are not compliant with current accessibility requirements. Access to the T-Block building for physically challenged persons is essentially limited to the main floor as there is no elevator servicing the building.

In 2020, the T-Block building was included and approved as a Business Case as part of the 2020-2023 Multi Year Budget to support the transition plan and subsequent disposition of the building.

In June 2021, an internal Property Inquiry Liaison Report (PILR) was circulated to determine if there was any existing or future municipal need for this portion of the land and there was no interest in this parcel, or any objections received.

The building previously served 6 community tenant organizations for office and/or storage needs in the building, all of which have relocated within the last two to three years. In addition, the building also served as providing utility services to a temporary winter response program, resulting in postponement to declaring the property surplus.

UXO's & Restrictive Land Covenant by the Department of National Defence

On July 2, 2002, Municipal Council authorized the Civic Administration to accept the transfer of the lands being Part 2, Plan 33R-14043, totalling approximately 14 acres and included the T-Block building, which is considered a remnant part of the overall property.

As part of the original transfer, The City and the Federal government entered into arrangements to cover the cost and clean-up of unexploded ordinances. In August 2002, the lands have been cleaned up from UXO's based on the advice of professional UXO consultants. However, the presence of uncovered UXO's may still remain during future grading or excavating. As such, any future owner of the property would need to be made aware of the potential presence of UXO's and would need to consult with a qualified UXO consultant prior to any grading or excavation on site.

In addition to the UXO matter and as per review with City Legal Services, the property is also subject to a restrictive covenant condition which would restrict the Subject property from the following uses:

A food supermarket or retail store which carries on in its premises, as a principal business, the business of a grocer, or of a dealer of meats, fruits, dry groceries, bulk foods, vegetables, fish, poultry, bakery or delicatessen products, or as a drug store requiring the supervision of a licensed pharmacist under the applicable legislation.

As part of seeking the Surplus Declaration for the Subject Property, the Civic Administration is also seeking authorization to permit engaging the Department of National Defence (DND) to release the restrictive covenant in order to improve the overall marketability and saleability of the Subject Property. The restrictive covenant noted above would still hold in effect despite any current or future zoning and/or future land use changes. The unique restrictive covenant noted above may have been associated with the sale of other lands by the Federal Government to Choice Properties where the current Real Canadian Superstore is located at 805 Oxford Street East.

Additional property details are provided below.

1.2 Salient Subject Property Details

| | |
|------------------------|--|
| Approximate Land Size: | ~35,000 sq. ft / ~0.325 Ha / ~0.80 Ac (subject to final survey) |
| Building Size: | ~2,879 sq. ft (as per MPAC & subject to new floor plan) |
| Storeys: | 3 levels plus basement |
| Shape: | Rectangular |
| Topography: | Generally flat lot improved with a 3-storey heritage building |
| Zoning: | h-5*R5-4, h-5*R10-1*H36, h-5*CF2(1), h-5*R5-3/R9-7(6)*H20 |
| London Plan: | Greenspace |
| Current Use: | Vacant Building referred to as the T-block building |
| Location Attributes: | This building is located in a prime location, along a major transit corridor which may generate interest and opportunities for private sector investment |

2.0 Discussion

As noted earlier, the Subject Property is improved with a three-storey heritage building.

As part of the 2020-2023 Multiyear Budget, a Business Case was submitted pertaining to the rationale of disposing the asset which included the high life cycle renewal costs and building not meeting today's current accessibility standards. The potential to contain the presence of UXOs (Unexploded Explosive Ordnance) is another constraint with the

property. Any future owner of the property would need to be made aware of the potential presence of UXO's and would need to consult with a qualified UXO consultant prior to any excavation on the site.

An internal Property Inquiry Liaison Report (PILR) was circulated to stakeholders to determine if there was any existing or future municipal need for this property. No municipal or other agency interest has been identified, including the use for affordable housing.

3.0 Benefits to the City

The benefits in declaring the lands surplus include eliminating ongoing maintenance and repair costs, eliminating future life cycle renewal costs, reducing security costs and liability, and lastly would generate revenue and future property taxes (once assessed) as part of a sale.

4.0 Financial Impact

There are no significant cost implications to the City to declare the property surplus and the terms of any sale will be the subject to approval through a separate report to the Corporate Services Committee and Council.

Conclusion

The Subject Property is an improved three-storey heritage building. An internal Property Inquiry Liaison Report (PILR) was circulated and it was deemed to have no municipal stakeholder interest nor any objections were received with the disposition of the property.

The Civic Administration is recommending to Municipal Council to declare the Subject Property as surplus and be sold in accordance with the City's Sale and Other Disposition of Land Policy.

A Location Map and Aerial of the subject property is attached as Appendix A.

A Site Plan is attached as Appendix B

A Reference Plan being Part 2, Plan 33R-14043 is attached as Appendix C

Photos of the Subject Property are attached as Appendix D

Prepared by: Adam Ostrowski, Manager II, Realty Services

Submitted by: Bill Warner, AACI, Papp, Director, Realty Services

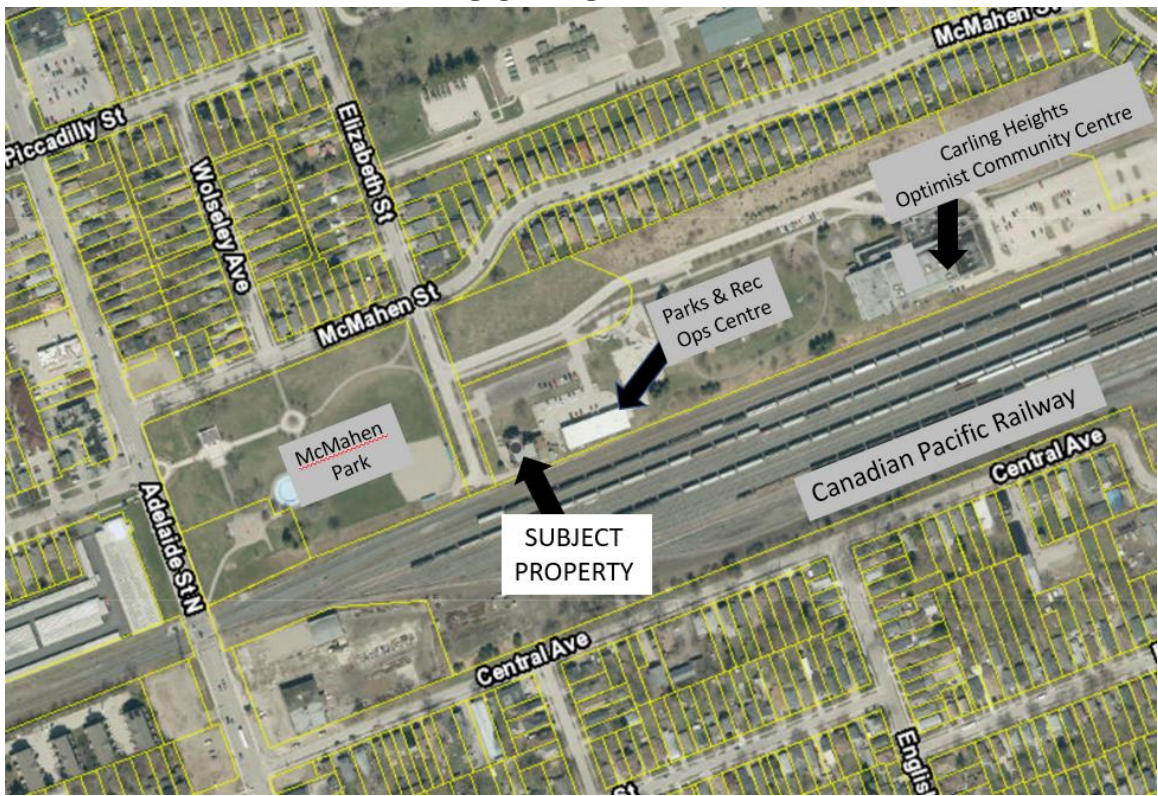
Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager,
Finance Supports

cc: Gary Irwin, Division Manager and Chief Surveyor, Geomatics
Sachit Tatavarti, Solicitor

June 2, 2023

Appendix A - Location Map and Aerial

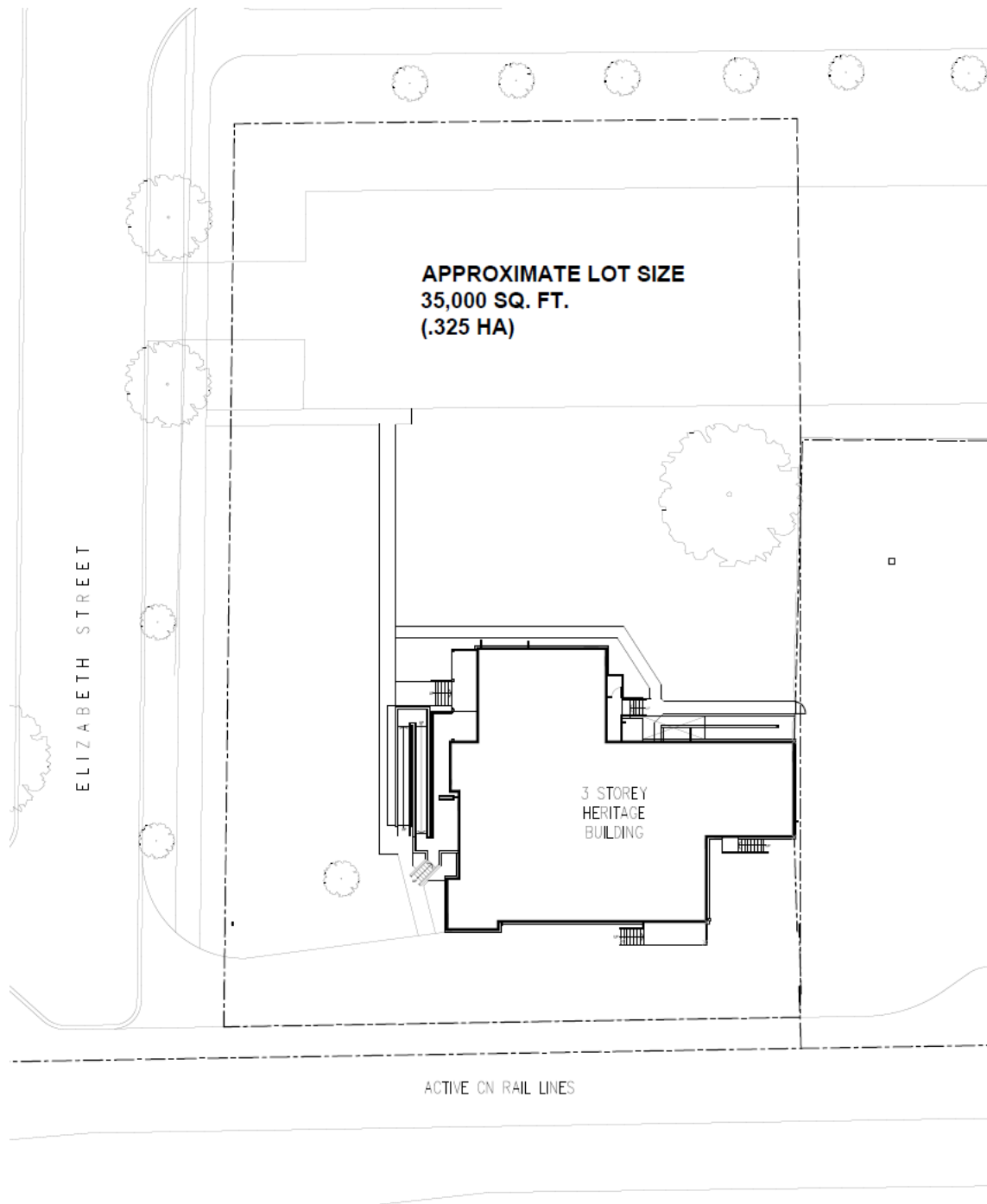
LOCATION MAP



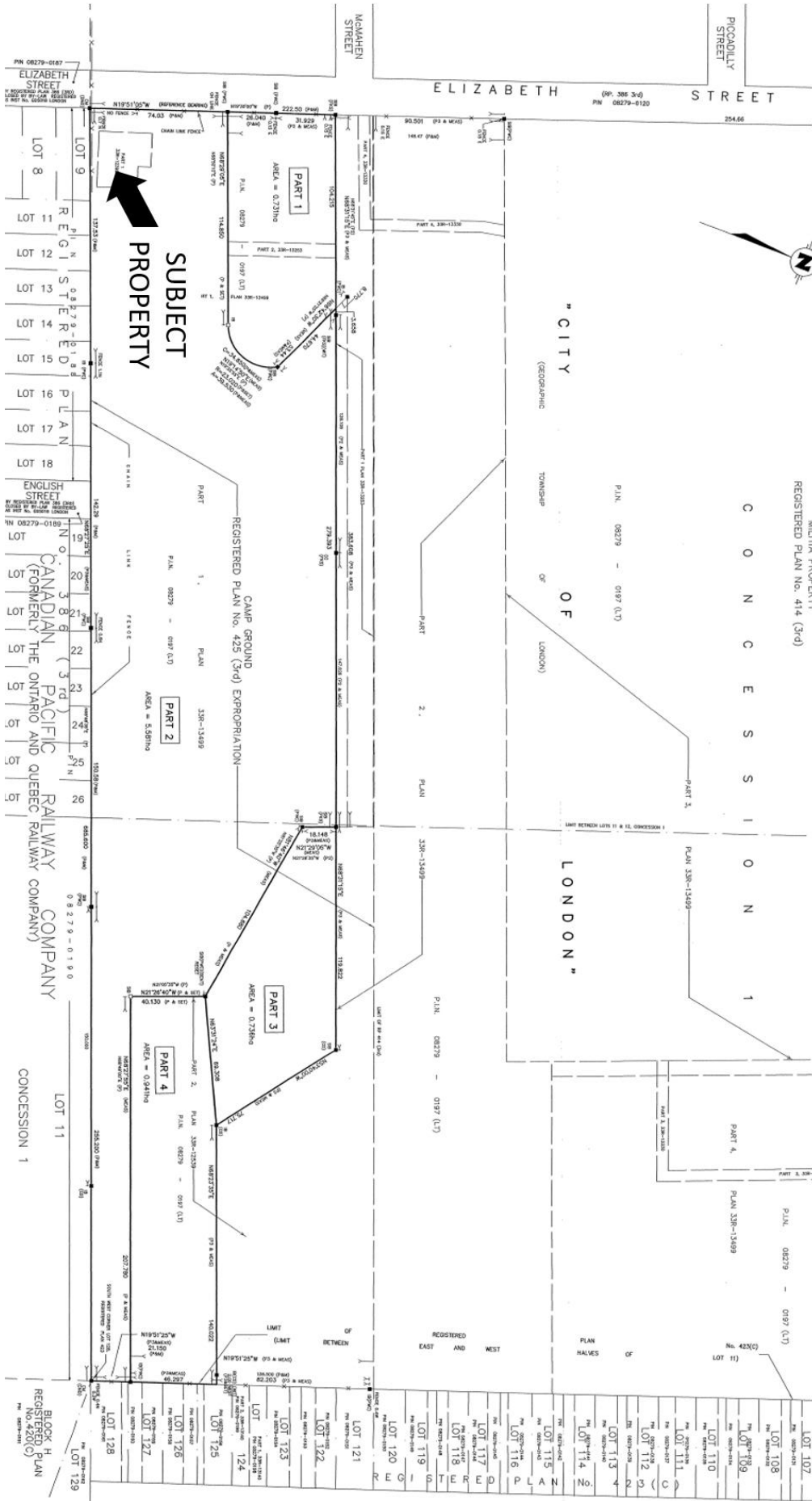
AERIAL



Appendix B – Site Plan



Appendix C – Reference Plan 33R-14043



Subject Property (T-Block Building) is located in a portion of Part 2 in 33R-14043

Appendix D – Photos of Subject Property

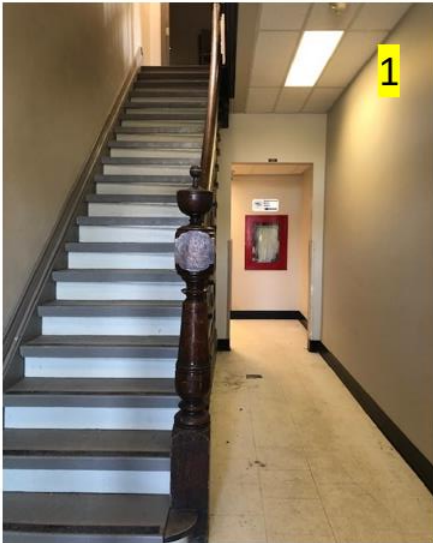


Photo 1: Ground floor hallway / Photo 2: Ground floor office / Photo 3: Ground floor kitchenette / Photo 4: Basement Storage / Photo 5: Outside of building looking north-east / Photo 6: Outside of building looking south-east