

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JUNE 20, 2016
FROM:	MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	APPROVAL TO DEMOLISH CITY OWNED PROPERTIES 189 GREY STREET, 5221 COOK ROAD, 76 EVERGREEN AVE, 80 EVERGREEN AVE, 280 YORK STREET, 340 WELLINGTON STREET, 1577 WILTON GROVE ROAD AND 3713 SCOTLAND DRIVE

RECOMMENDATION

That, on the recommendation of the Managing Director of Corporate Services and City Treasurer, Chief Financial Officer, with the advice of the Manager of Realty Services, with respect to the City owned properties at 189 Grey Street, 5221 Cook Road, 76 Evergreen Avenue, 80 Evergreen Avenue, 280 York Street, 340 Wellington Street, 1577 Wilton Grove Road, and 3713 Scotland Drive, as shown on Schedule "A" attached, the following actions be taken:

- a) the following properties **BE APPROVED** for demolition:

i. 189 Grey Street	v. 280 York Street
ii. 5221 Cook Road	vi. 340 Wellington Street
iii. 76 Evergreen Avenue	vii. 3713 Scotland Drive
iv. 80 Evergreen Avenue	viii. 1577 Wilton Grove Road

- b) the Civic Administration **BE DIRECTED** to take all necessary steps to demolish the buildings, including completing a request for quotation for work to be completed, obtaining a demolition permit, and any other activities to facilitate demolition of the improvements on the sites detailed in the report;

- c) the financing for the demolitions at 340 Wellington Street and 280 York Street **BE APPROVED** as set out in the Source of Financing Report attached as Appendix "A", noting the remaining demolitions will be funded from existing operating and capital accounts.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- Chair and Members Board of Control - June 14, 2000 – Acquisition of Dwelling and Outbuildings 5221 Cook Road

- Chair and Members Corporate Services Committee – October 19, 2013 – Property Acquisition 280 York Street

- Chair and Members Corporate Services Committee – October 19, 2013 – Property Acquisition 340 Wellington Street

- Chair and Members Corporate Services Committee – December 1, 2015 – Property Acquisition W12A Buffer 3713 Scotland Drive Report

BACKGROUND

The City of London owns and manages a number of residential properties throughout the City, including some properties owned by the Upper Thames River Conservation Authority (UTRCA) and cooperatively managed by the City of London. These properties have been conveyed to the City for different reasons over a number of years. Reasons for ownership by the City, or the UTRCA, include floodplain acquisition and protection, W12A Community Mitigative Measures Program, sanitary capacity expansion and the protection of Transportation Infrastructure.

The properties detailed in the report are now either beyond their useful economic life or required for another municipal purpose and are required to be demolished, with the lands to be retained for the purposes as originally stated at time of acquisition, as noted in the objective paragraphs below.

The City has obtained concurrence of the UTRCA in a co-operative effort for applicable properties to facilitate the demolition of the properties listed below.

None of the properties listed below were purchased with the intention of holding them for residential rental purposes. Residential rental was to be a limited time interim use of the property while the economic life of the property continued.

Pictures of the properties are attached as Schedule "B".

Properties managed by the City of London and owned by the UTRCA were co-operatively acquired under Scheme 43 which was developed to acquire flood plain lands. The original agreement between the City and the UTRCA dates to 1965 and provides for the ongoing management of lands owned by the UTRCA by the City of London. The most recent agreement is dated 1985 with a twenty (20) year term. The City Solicitor's Office is currently working on an update to the agreement.

Examples of Improvements Required relating to some but not all of the subject properties

- Roofing replacement
- Window replacement
- Insulation
- Structural Issues
- Electrical and Plumbing
- Heating System

Current rents being collected at the tenanted properties are below market and it will not be possible to raise the rents to a level necessary to recover costs.

189 Grey Street – Owned by the City of London – Currently Vacant

Purchased in 2016

This property was purchased with the intent of demolishing it in order to facilitate the Thames Valley trail along the Thames River for the City of London's Environmental and Parks Planning Department. The property is in very poor condition, showing signs of a leaking roof, broken windows, HVAC issues, etc. The house is currently a shell and its condition was reflected in the purchase price as determined by appraisal. The property is currently vacant and the demolition of the property would eliminate the need for the property to be monitored by Corporate Security.

The improvements to this property are well beyond their useful economic life.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

5221 Cook Road – Owned by the City of London – Currently Vacant

Purchased in 2000

This property was acquired for the future location of the Southside Pollution Control plant. The

property was used as a detached single family residential home for a number of years allowing the City to recover rental payments associated with the tenancy. In the Spring of 2016 the tenancy came to an end. The property was inspected subsequent to the departure of the tenant. At the time of inspection the required costs to update the property were determined to be prohibitive. The property was therefore secured and identified for demolition.

This is the second property in the area for which demolition is being sought. A review of the properties heritage attributes are being undertaken with the appropriate report coming before Council concurrent with this report. Until a heritage review is undertaken the demolition process will be held in abeyance.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

76 Evergreen Ave – Owned by the UTRCA – Currently Occupied

Purchased in 1992

This property was purchased as part of the Flood Plain Acquisition Program cooperatively acquired between the City of London and UTRCA. The property has been used as a detached single family residential home for a number of years allowing the City to recover rental payments associated with the tenancy.

The Environmental and Parks Planning Department has expressed an interest to close the western stretch of Evergreen Avenue and demolish the house at 76 Evergreen Avenue. The area will be grass seeded suitable for un-programmed recreation activities. New shade trees will be planted. A new circuitous path will be laid on the east side of the earthen dyke. Selected areas will have shrubs to provide habitat to song birds. Benches will be installed along the path. Having the houses demolished and the road closed will provide Environmental and Parks Planning with a safer and better programmed park space.

Demolition of this property will require an Application to Terminate a Tenancy and Evict a Tenant to be filed with the Landlord and Tenant Board. This process would be undertaken in cooperation with the UTRCA who is the registered owner of the property.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

80 Evergreen Ave – Owned by the UTRCA – Currently Occupied

Purchased in 1992

This property was purchased as part of the Flood Plain Acquisition Program cooperatively acquired between the City of London and UTRCA. The property was used as a detached single family residential home for a number of years allowing the City to recover rental payments associated with the tenancy.

The Environmental and Parks Planning Department has expressed an interest to close the western stretch of Evergreen Avenue and demolish the house at 80 Evergreen Ave. The area will be grass seeded suitable for un-programmed recreation activities. New shade trees will be planted. A new circuitous path will be laid on the east side of the earthen dyke. Selected areas will have shrubs to provide habitat to song birds. Benches will be installed along the path. Having the houses demolished and the road closed will provide Environmental and Parks Planning with a safer and better programmed park space.

Demolition of this property will require an Application to Terminate a Tenancy and Evict a Tenant to be filed with the Landlord and Tenant Board. This process would be undertaken in cooperation with the UTRCA who is the registered owner of the property.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

280 York St – Owned by the City of London – Currently Vacant

Purchased in 2013

The property was purchased for the potential expansion of the London Convention Centre. The current tenant has given the City notice that they will be vacating the property and upon inspection Realty Services has found that the Commercial HVAC system is in need of repair, as well as the flat roof. These repairs are estimated to cost approximately \$40,000.

In addition to repair costs significant leasehold improvements would be required to maintain the building in a commercial capacity. The building is currently configured for the specific uses of the current tenant.

Alternative uses for the building were examined and deemed not to be feasible. For example utilizing the building for storage was not an option to portions of the building only being accessible by stairs. Subsequent to demolition an interim use as a Parkette will be reviewed by Civic Administration.

A preliminary estimate of costs associated with demolition activities ranges between \$100,000 to \$150,000.

340 Wellington St – Owned by the City of London – Currently Vacant

Purchased in 2013

The property was purchased for the potential expansion of the London Convention Centre. The entire building is vacant and is in need of significant interior renovations prior to occupancy. The brick exterior is also showing signs of deterioration at the upper southeast corner of the building. The property has also experienced issues with break-ins, so the demolition of the building would eliminate the need for the property to be monitored by Corporate Security.

Facilities examined the building at the time of acquisition and determined that it would be cost prohibitive to renovate the building for its continuing use. Subsequent to demolition an interim use as a Parkette will be reviewed by Civic Administration.

A preliminary estimate of costs associated with demolition activities ranges between \$225,000 and \$275,000.

3713 Scotland Drive – Owned by the City of London – Currently Vacant

Purchased in 2016

This property is located in close proximity to the W12A landfill site and was purchased in consideration of the W12A Community Mitigative measures program. The house is currently vacant and is in need of repair to make it habitable in the context of a residential tenancy. Making the property habitable necessitates meeting all property standards elements. The land surrounding the house currently has an agricultural use. A portion of the lands are under contract to grow field crops. Another portion of the site is being considered for use as pasture lands until such time as the demolition is carried out. Retaining this structure increases the City's liability associated with its utilization.

If approval to seek demolition is granted a tender will be facilitated through the City of London's Purchasing service area to be awarded to the successful proponent.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

1577 Wilton Grove Road – Owned by the City of London – Currently Vacant

Purchased in 2015.

This property was purchased in support of the Industrial Land Development Strategy. As part of the future development of the land, improvements associated with the property are required to be cleared. There are currently a number of structures on the property including a residential house, barns and associated outbuildings. At this time demolition of the vacant residential house is being sought. The demolition process will respect any current environmental assessment considerations including species at risk.

A preliminary estimate of costs associated with demolition activities ranges between \$20,000 to \$30,000. This demolition will be funded from an existing operating / capital account.

Conclusion

The properties detailed in this report have exhausted their economic life, require repurposing for their intended use at time of purchase, or require repurposing for another municipal need. The structures located on the lands owned by both the UTRCA and the City of London should therefore be scheduled for demolition.

PREPARED BY:	SUBMITTED BY :
CAMERON BAZILLI PROPERTY APPRAISER & NEGOTIATOR	BILL WARNER MANAGER OF REALTY SERVICES
RECOMMENDED BY:	
MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

June 8, 2016
Attach.

- cc: Wesley Abbott, Division Manager, Solid Waste Management
- Kyle Gonyou, Heritage Planner
- Gary Irwin, Chief Surveyor
- David G. Munteer, Solicitor II
- Alex Shivas, Upper Thames River Conservation Authority
- Tim Wellhauser, Manager, Facilities

APPENDIX 'A'

Chair and Members
Corporate Services Committee

#16103
June 10, 2016
(Establish Budget)

RE: Demolition of 280 York Street and 340 Wellington
New Capital Budget Project No. PP204116 - Demolition of 280 York Street & 340 Wellington

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project, although not included in the approved Capital Budget, can be accommodated with a drawdown from the Misc. Land Acquisition Reserve Fund and a transfer of funds from the operating budget. The detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>This Submission</u>	<u>Revised Budget</u>
Construction-Demolition of 280 York Street	\$0	\$150,000	\$150,000
-Demolition of 340 Wellington		275,000	275,000
NET ESTIMATED EXPENDITURES	<u>\$0</u>	<u>\$425,000</u>	<u>\$425,000</u>
 <u>SOURCE OF FINANCING</u>			
Drawdown from Misc. Land Acquisition R.F. 1)	\$0	\$425,000	\$425,000
TOTAL FINANCING	<u>\$0</u>	<u>\$425,000</u>	<u>\$425,000</u>

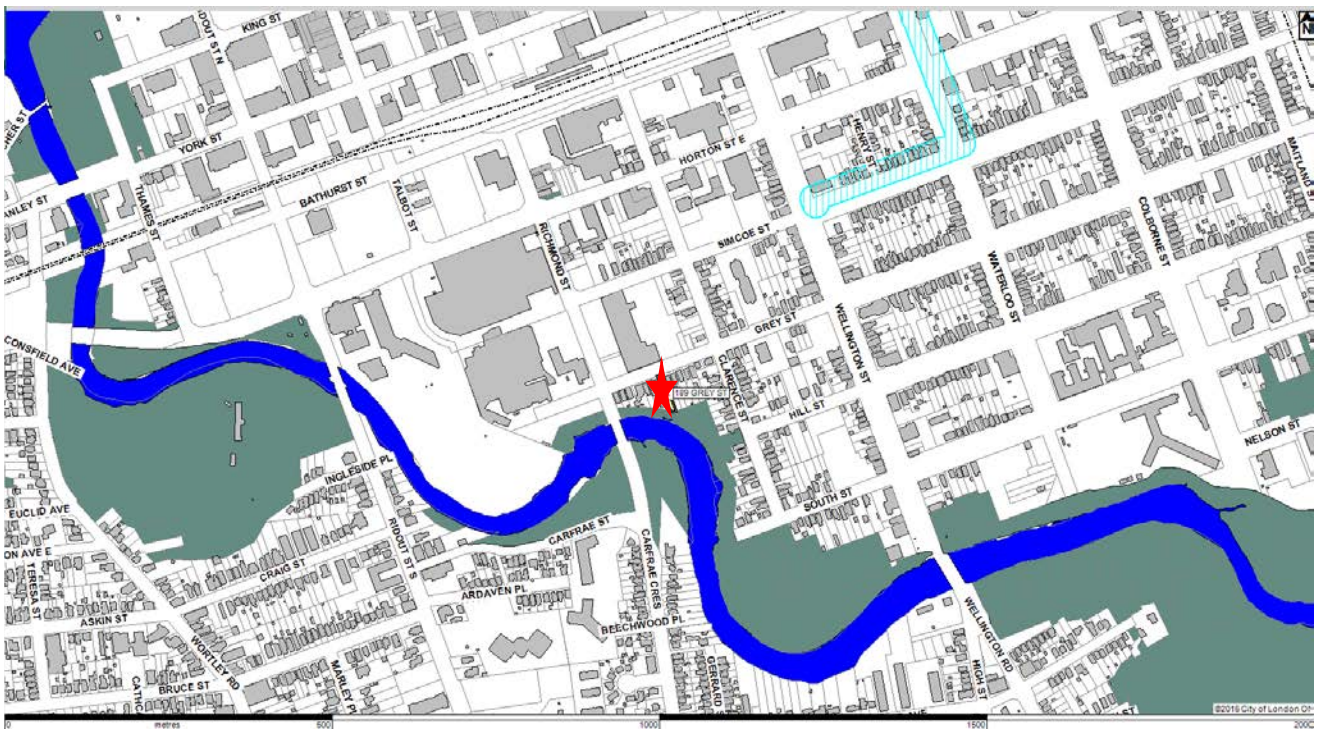
- 1) A drawdown of \$425,000 is available fro the Misc. Land Acquisition Reserve Fund. The uncommitted balance in this reserve fund will be approximately \$1,650,000 with the approval of this project.

EH

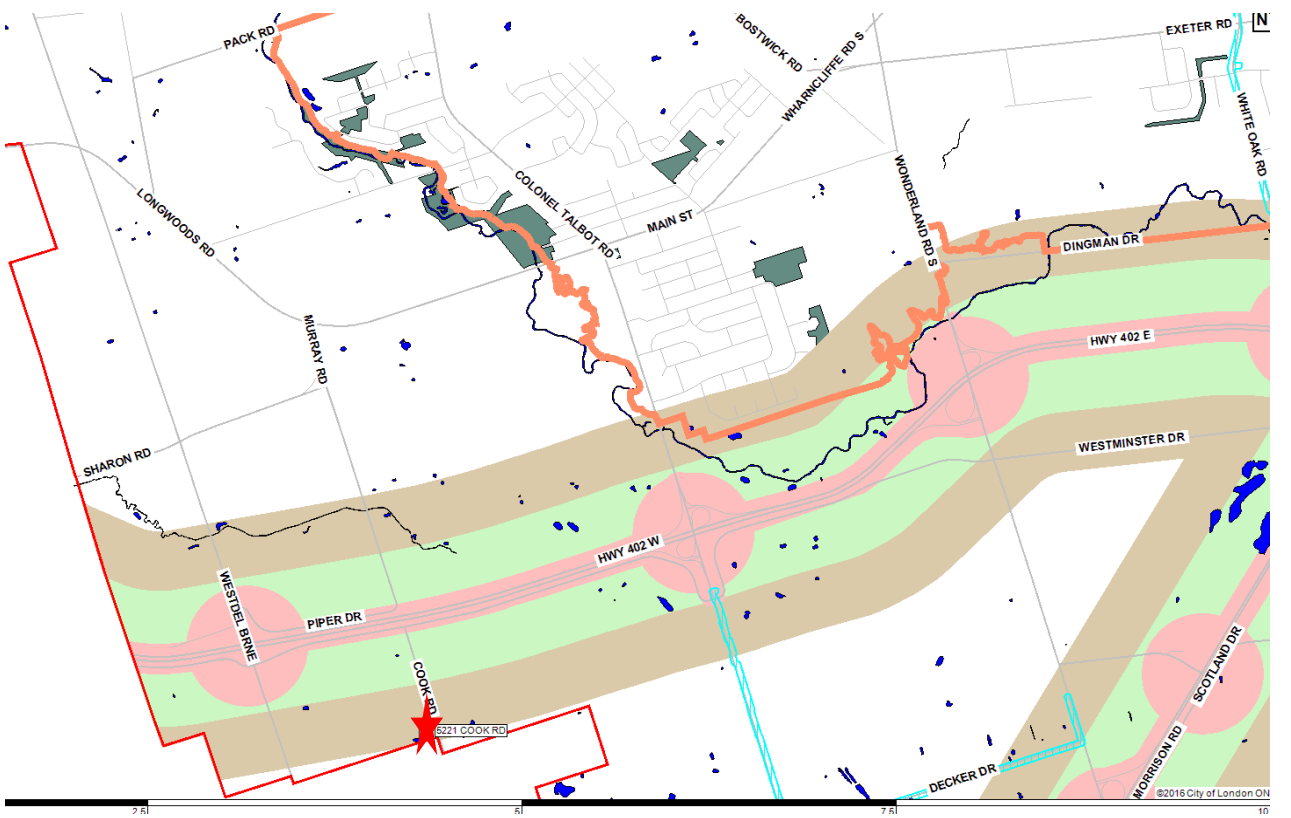
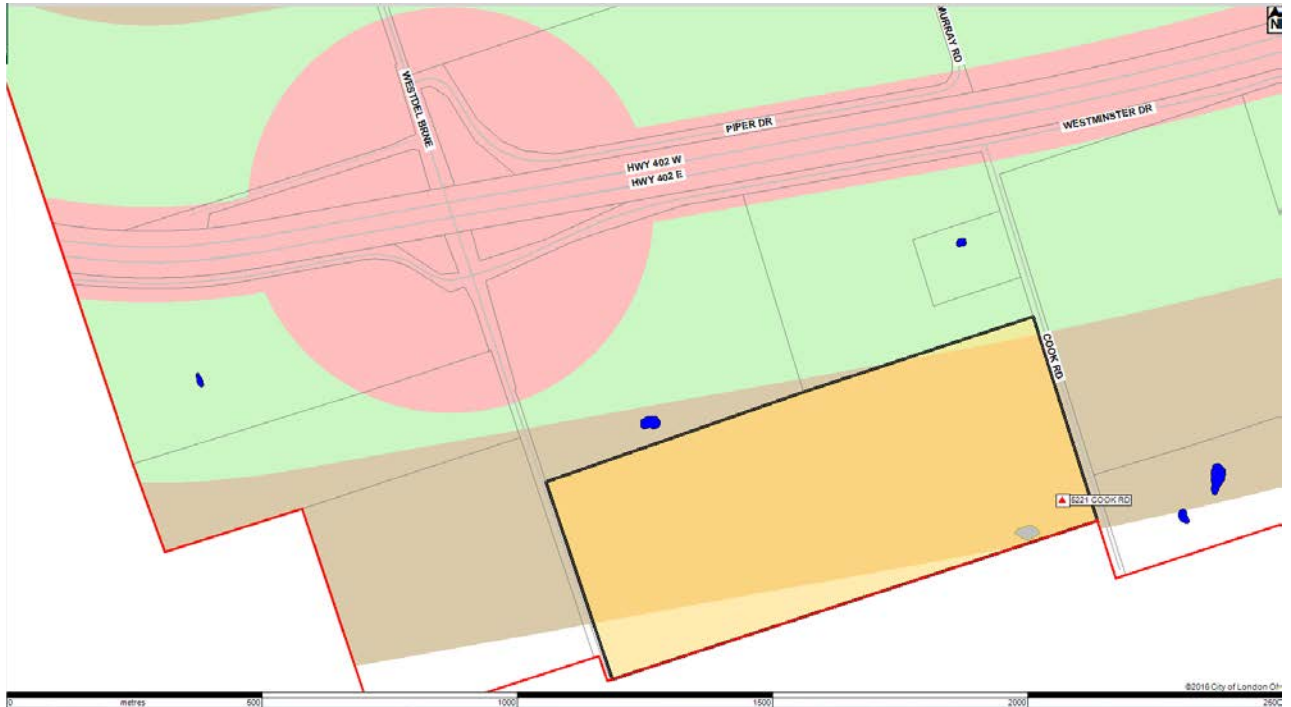
Larry Palarchio
Director of Financial Planning & Policy

Schedule "A" – Location Maps

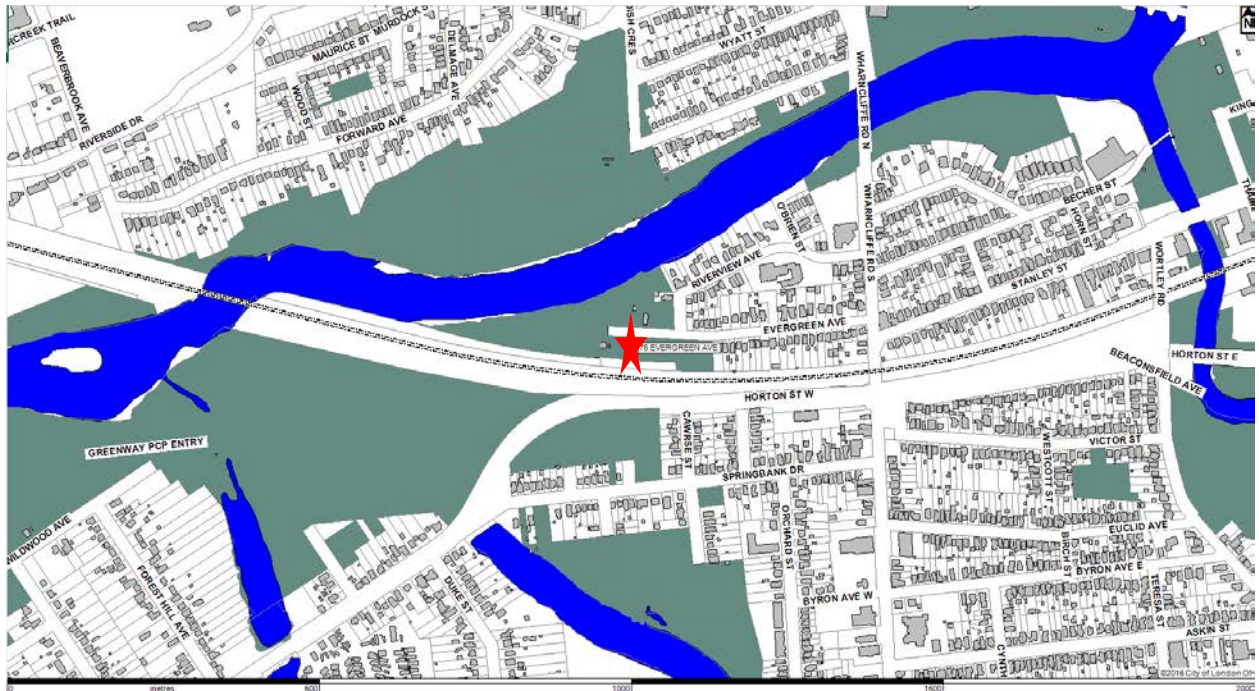
189 Grey Street



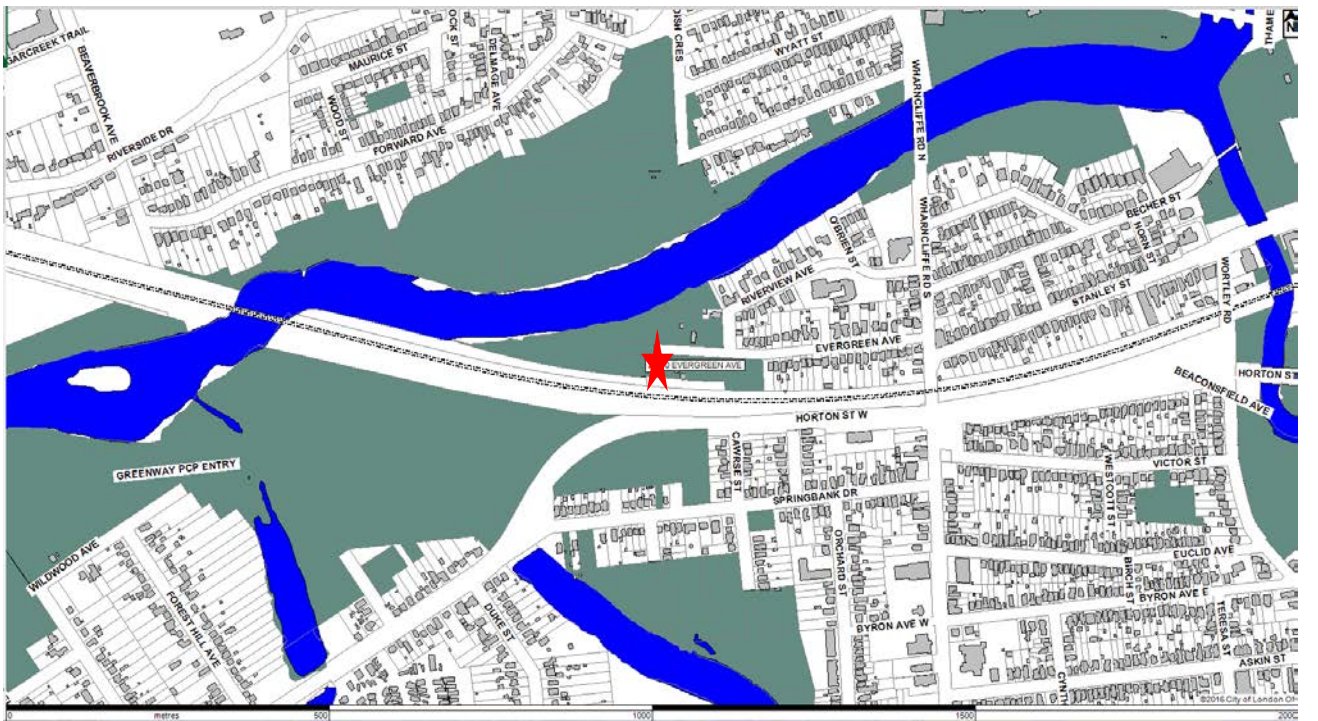
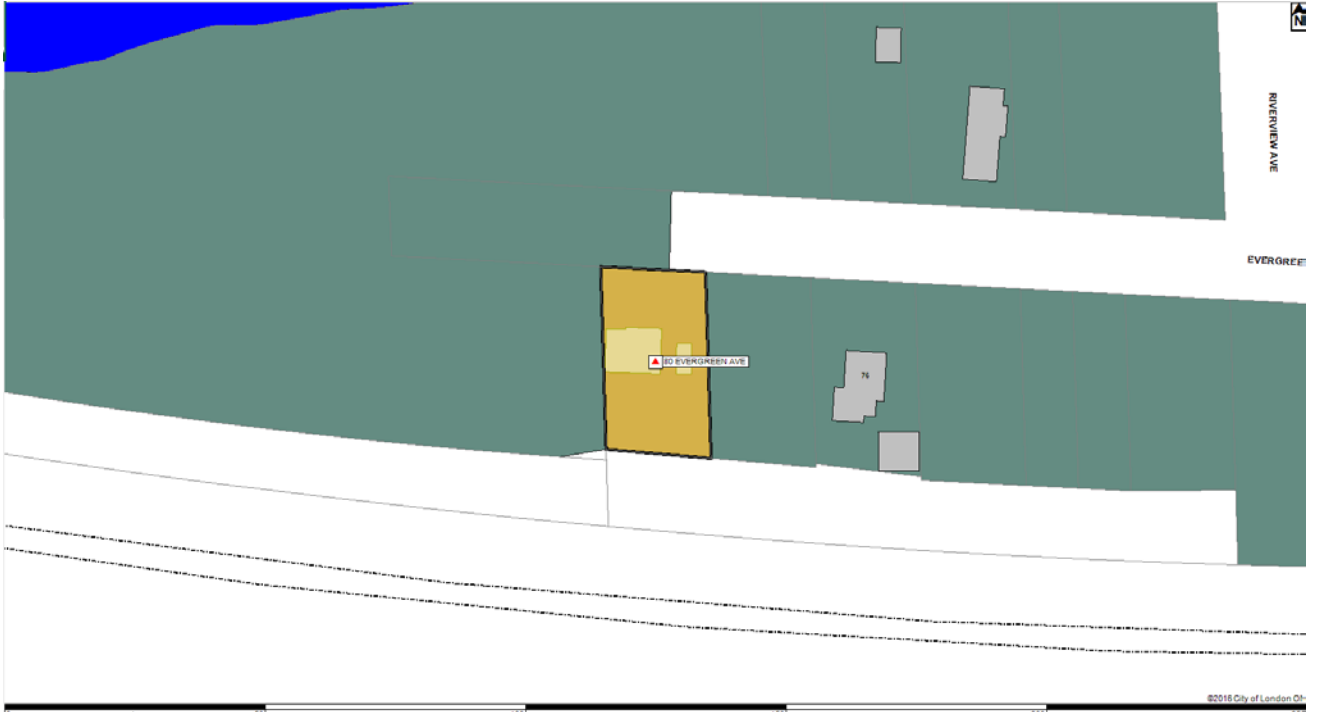
5221 Cook Road



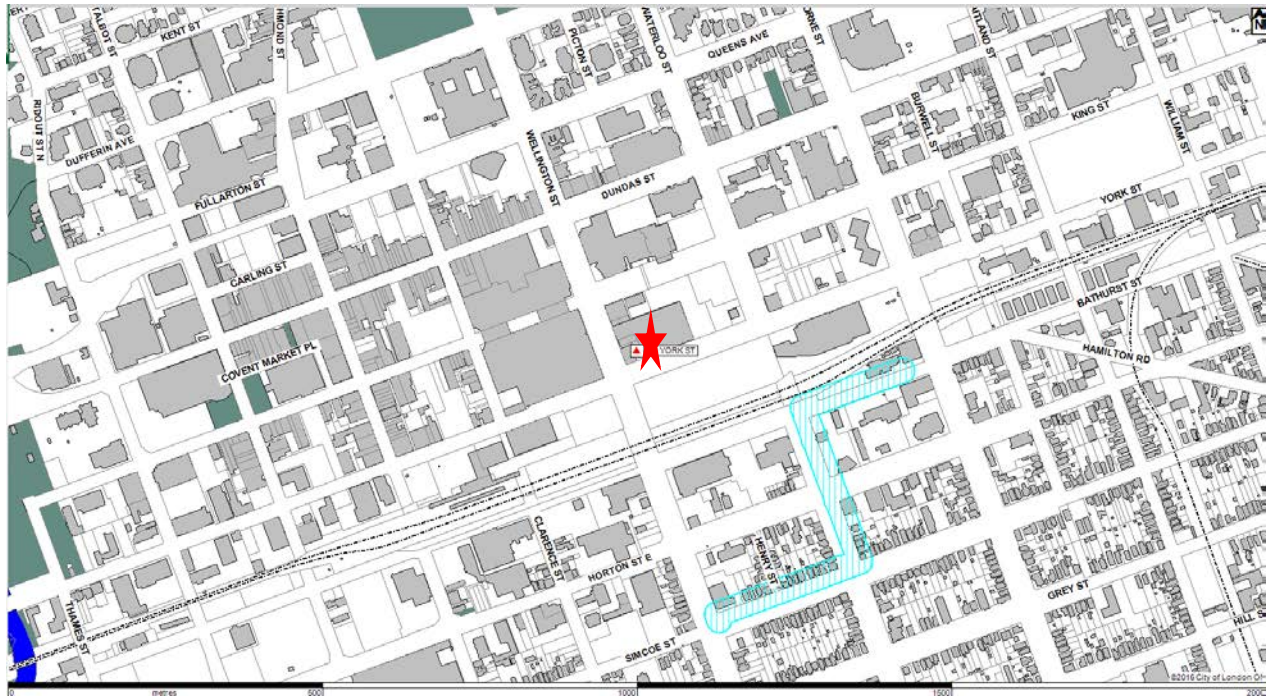
76 Evergreen Avenue



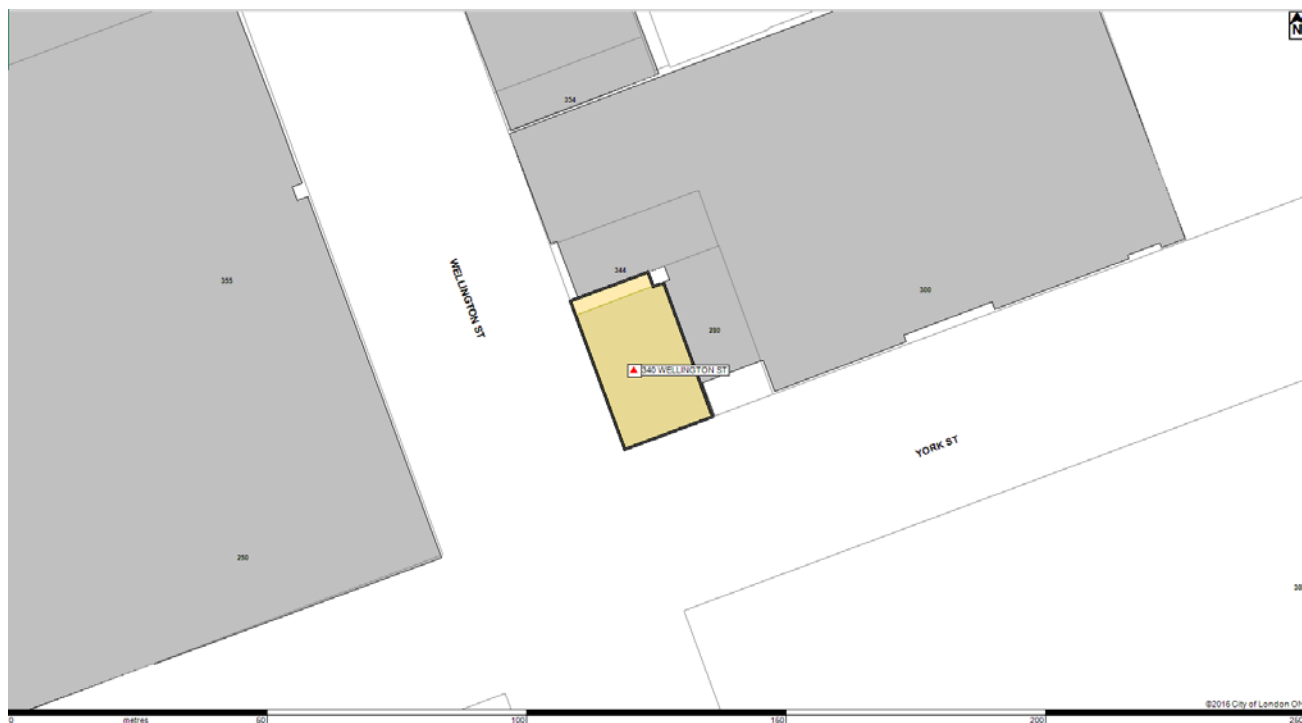
80 Evergreen Avenue



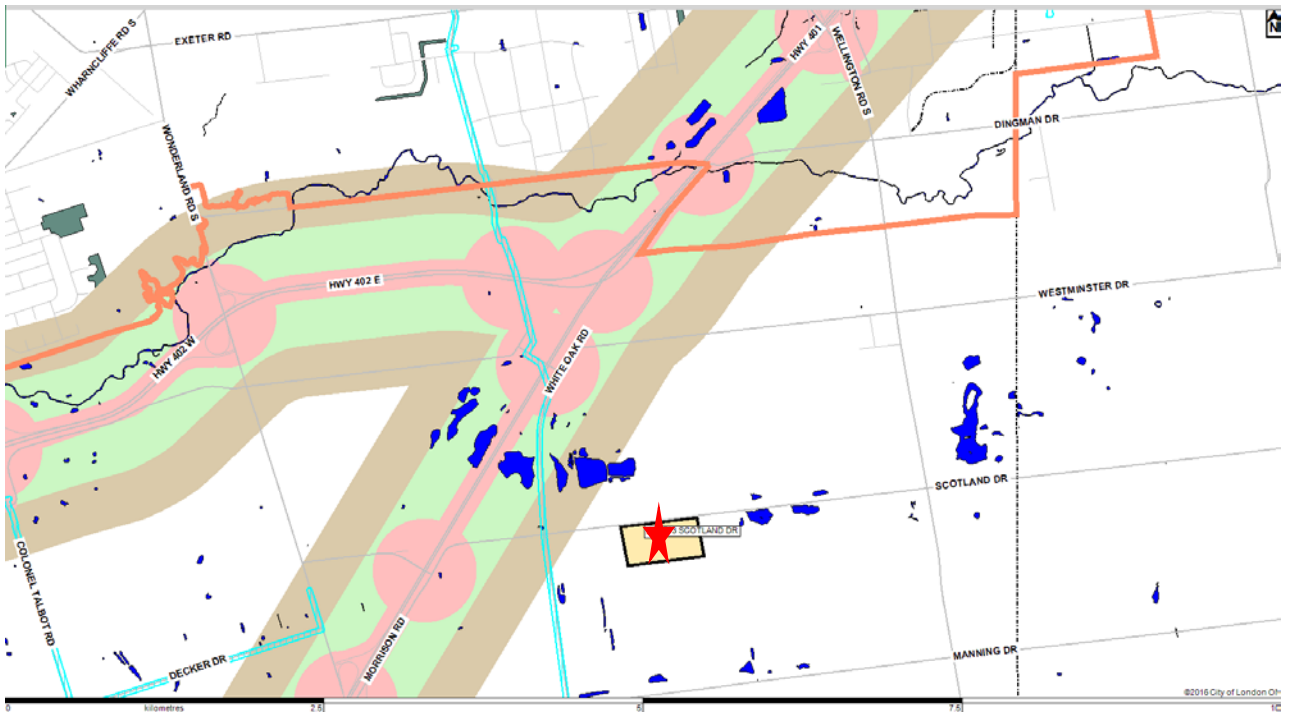
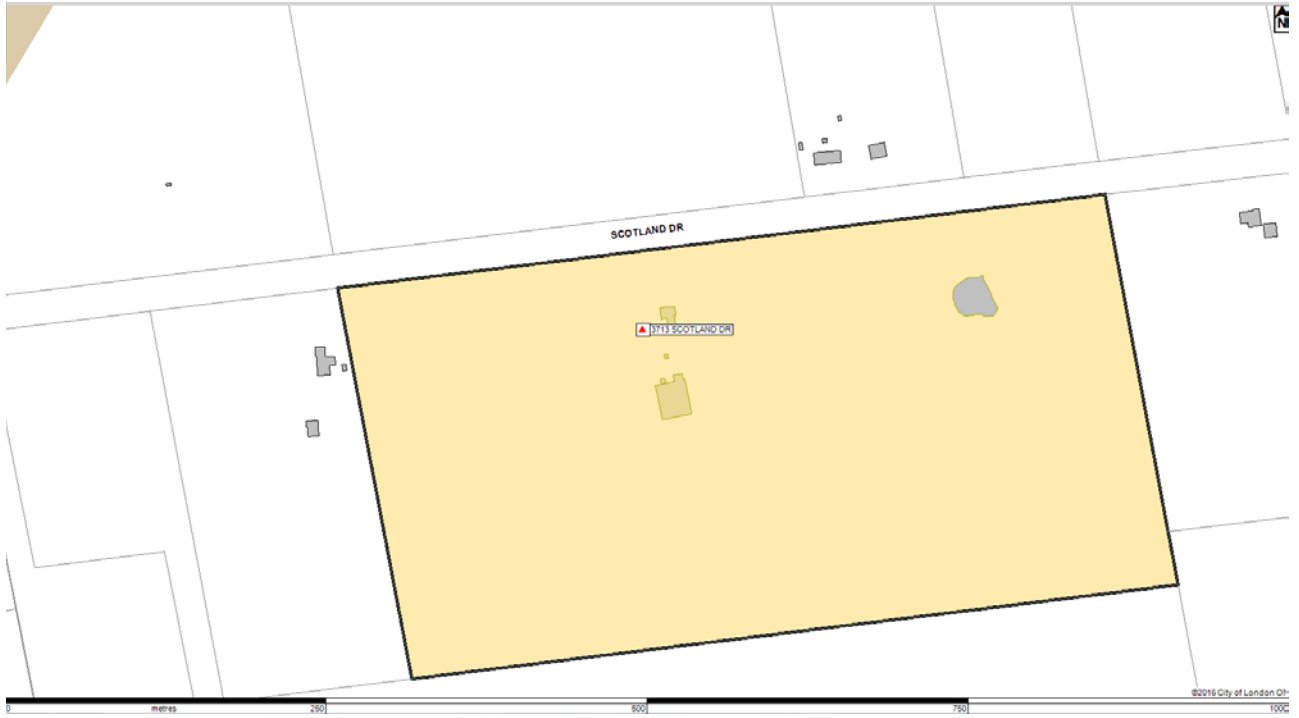
280 York Street



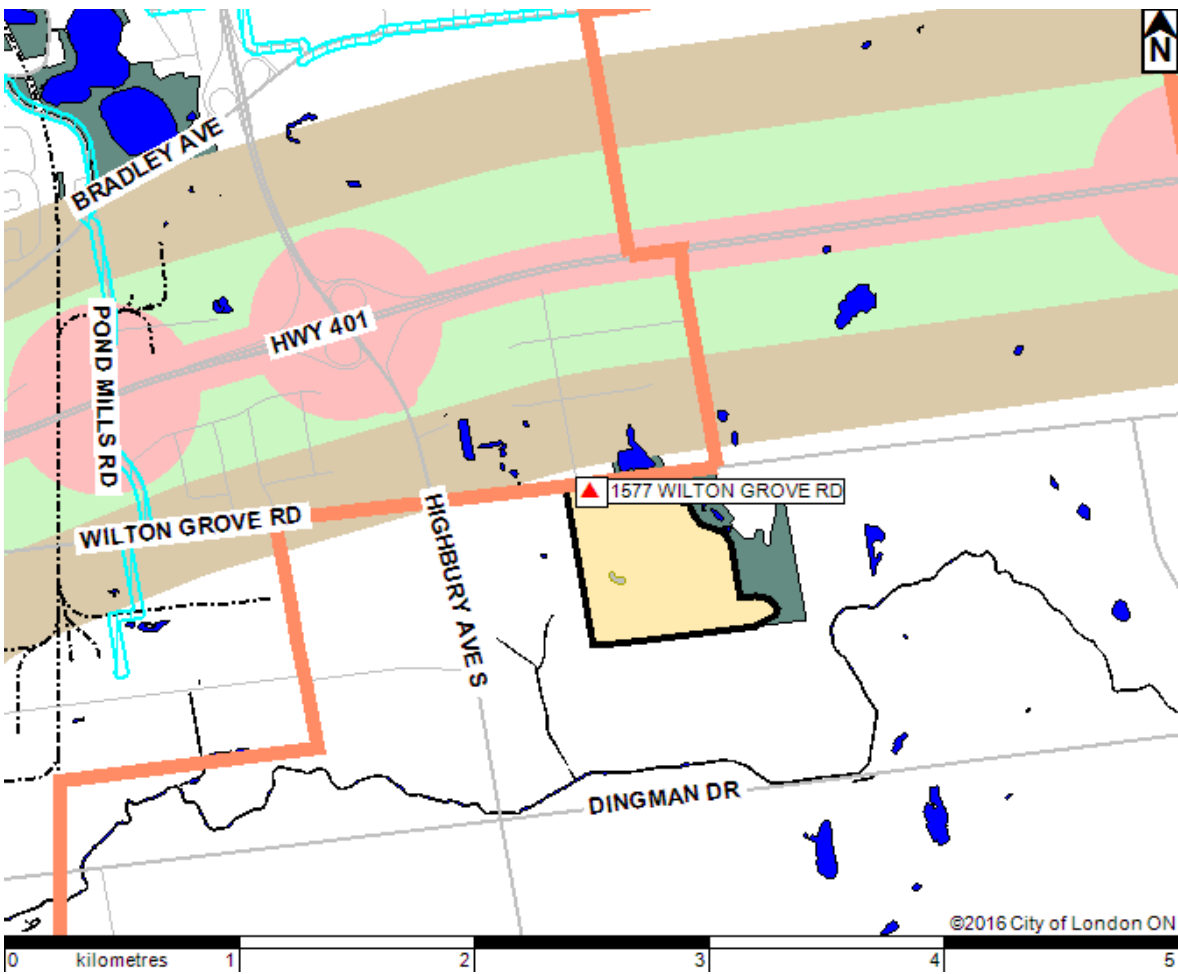
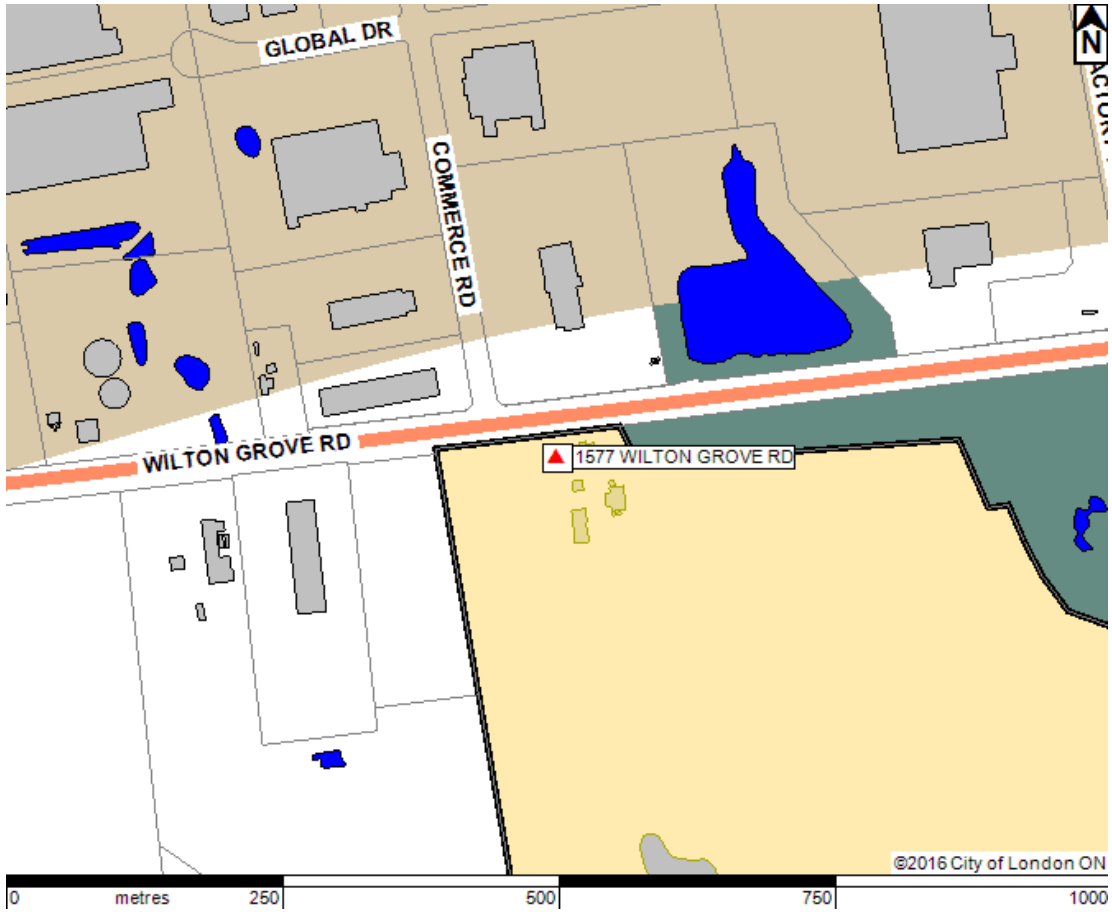
340 Wellington Street



3713 Scotland Drive



1577 Wilton Grove Road



Schedule "B" Pictures

189 Grey St



5221 Cook Road





76 Evergreen Ave



80 Evergreen Ave



280 York St





340 Wellington St

EXTERIOR VIEWS



SOUTHWEST ELEVATION



SOUTHWEST ELEVATION



SOUTHWEST ELEVATION



NORTHWEST ELEVATION



SOUTH ELEVATION



SOUTHEAST ELEVATION

INTERIOR VIEWS



3713 Scotland Drive



INTERIOR PHOTOS



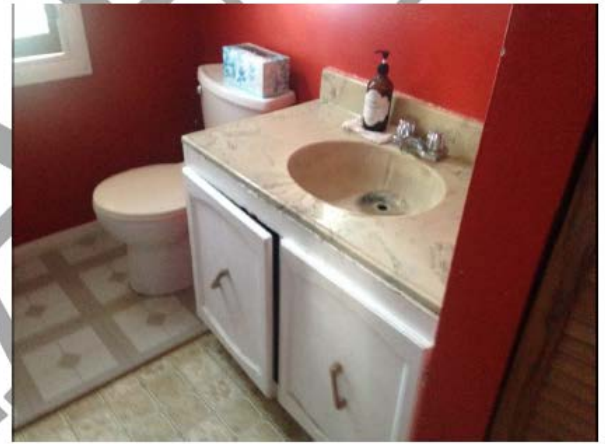
Kitchen



Living Room



Family Room



4 Piece Bathroom