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D. Menard

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING AND ENVIRONMENT COMMITTEE MONDAY, OCTOBER 15, 2012</b>
<b>FROM:</b>	<b>J. M. FLEMING DIRECTOR, LAND USE PLANNING AND CITY PLANNER</b>
<b>SUBJECT:</b>	<b>DEMOLITION REQUEST INFORMATION UPDATE 199 QUEENS AVENUE FARHI HOLDINGS CORPORATION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director, Land Use Planning and City Planner, with the advice of the Heritage Planner, with respect to a request for the demolition of 199 Queens Avenue, a listed, Priority 2, heritage property, this report **BE RECEIVED** for information.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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September 24, 2012: Report to Planning and Environment Committee – **Demolition Request for 199 Queens Avenue**

<b>BACKGROUND</b>
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Heritage Building Consideration

In September, Farhi Holdings submitted a request for the demolition of the Priority 2 listed heritage structure at 199 Queens Avenue within the proposed Downtown Heritage Conservation District. Mr. Farhi indicated that a demolition was required for a number of reasons both related to the condition of the building and the need for additional parking to support other heritage structures in the downtown. In response to this request, staff consulted with the London Advisory Committee on Heritage. From both perspectives, there was recognition of the value for the downtown of a comprehensive redevelopment opportunity on this portion of Queens Avenue. The Staff recommendation in response to the request for demolition was that designation under the Ontario Heritage Act not be recommended. The LACH also did not recommend designation and supported the request for demolition.

The applicant was asked by staff to withhold any demolition activity to provide an opportunity to assess a proposal for the redevelopment of the site, including properties adjacent to 199 Queens Avenue. Such a request was made recognizing that it could only be granted in good faith by the owner as no condition could be attached to the request unless Council supported a recommendation to issue a notice of its intent to designate the property under Section 29(3) of the Ontario Heritage Act.

In considering the staff report at a public participation meeting, September 24, 2012, Farhi Holdings presented a concept drawing prepared by ATRM, architectural firm, for a redevelopment of this site and a portion of the adjacent land owned by the City. The concept presented a multi-storey development containing residential condominium units and parking levels with retail space on the ground level. The concept included lands on both the applicant's holdings and the adjacent municipal parking lot to the west.

Following extensive discussion, the Planning and Environment Committee recommended to Municipal Council the following:

“That the application of S. Farhi relating to the demolition of the Priority 2 heritage property located at 199 Queens Avenue, **BE**



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**DEFERRED** to the November 26, 2012 Planning and Environment Committee meeting, to allow the Civic Administration, the applicant, and the applicant’s architects, to review opportunities to incorporate all, or portions, of the Priority 2 building, into the future redevelopment of the site; it being noted that the applicant has agreed to this deferral;”

Proposed Development

Since that meeting, Staff has met with Mr. Farhi and architect Tom Tillman from ATRM. In response to the committee request, Farhi Holdings has presented a revised concept drawing that illustrated a redevelopment proposal that could incorporate the original heritage structure on the site without its demolition, although it would require the removal of later, non-heritage, additions.

In presenting this to Staff, Mr. Farhi noted that the retention of the building would generate significant costs with respect to shoring adequately the foundations of the heritage property, removal of hazardous materials, renovating the remnant structure and the cost of the disposal of the building and the land as he had no future use for the building. He was unwilling to underwrite these costs. His preference would be to seek the immediate demolition of the building. He reiterated his offer to provide \$25 000 to assist in the costs of removal of the heritage structure to another location. Staff has not had an opportunity to explore costs and has no comment with respect to the costs arising from the retention of the building.

Farhi Holdings emphasized its need for a decision with respect to demolition or retention of the building as it has potential clients seeking parking spaces in the adjacent building at 201 Queens Avenue. With respect to any short term use of this site for parking it is noted that the Official Plan Policy 4.1.6 viii) states “The long term intent of the Plan is to improve the aesthetics of existing surface parking lots and to discourage new surface parking lots in the downtown, especially where they involve the removal of buildings.” With respect to the short term use for an accessory parking lot, Farhi Holdings may need to make application to Council for such a use, should the building be removed. This may require a rezoning/ site plan/ development agreement approval.

Proposed Development and City Lands: Unsolicited Proposal to Purchase

Planning and Environment Committee will need to consider matters related to the potential disposition of land with respect to municipal ownership of the parking lot which would be included in the proposed redevelopment. In that regard, comments have been provided that point out that the city has received an unsolicited request to purchase the municipal property located at 185 Queens Avenue from Farhi Holdings Corporation on October 3. Realty Services notes that the property sought for purchase comprises a site area of 21, 648 square feet and is used as a municipal surface parking facility with 74 parking spaces. The property was acquired by the City in 1990 and is subject to easements and rights-of –ways to other properties fronting along Dundas Street. For Municipal Council to consider the sale of this property, the following should be considered:

- As the subject property is used at present as a municipal surface parking lot, Council should consider the conclusions and recommendations of the Downtown Parking Study being completed by MMM Group. This study is expected to be finalized in October 2012;
- The City of London’s Sale and Other Disposition of Land Policy provides that the City will dispose of surplus land in an open and transparent process to ensure that the consideration for such disposal is fair, reasonable and in the best interest of the City;
- Although there is no current policy pertaining to Unsolicited Proposals, a new policy has been drafted and will be presented to Council that includes guidance on Unsolicited Proposals;
- Prior to the disposal of land by the City, the Municipal Council shall declare the land to be surplus and the Municipal Council will, in a meeting open to the public, pass a resolution declaring any such land surplus to the needs of the City;

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- In consideration of declaring the lands surplus, a municipal needs assessment should be completed including a Property Liaison to civic departments to canvass if there is any municipal need for the land;
- The City should obtain an appraisal of the fair market value of lands being disposed;
- A method of sale should be determined giving consideration of the methods of sale outlined in the City Disposal of Land policy including: Proposal Call Procedure (RFP) for lands that may be suitable for major redevelopment; Public Tender; Direct Negotiations and Public Auction.

Summary

With respect to the request to move forward on the matter of demolition or removal of the building at 199 Queens Avenue, the applicant has indicated that it is possible to retain the heritage building within a larger development at some expense to the applicant. Staff remains of the opinion that it is not advising designation of the building under the Ontario Heritage Act in the interests of proceeding with a redevelopment of the site as described. The previously expressed position of the London Advisory Committee on Heritage is consistent with the Staff recommendation.

Should Planning and Environment Committee recommend to Council that it will support the demolition request, notice of this should be given to the Chief Building Official, noting that further, major, steps need to be taken regarding the creation of a temporary surface parking area for accessory parking use on the site and for the possible sale of the city owned land that is contemplated for the site by the applicant.

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This information report was prepared with assistance from:

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<b>PREPARED BY:</b>	<b>SUBMITTED BY:</b>
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<b>RECOMMENDED BY:</b>	
<b>J. M. FLEMING, MCIP, RPP DIRECTOR, LAND USE PLANNING AND CITY PLANNER</b>	

October 4, 2012

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