

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Managing Director, Corporate Services
and City Treasurer, Chief Financial Officer

Subject: Demolition – City Owned Properties
92 Wellington Road, 686 Adelaide Street North,
and 688 Adelaide Street North

Date: March 1, 2021

Recommendation

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, with the concurrence of the Director, Major Projects and the Director, Roads and Transportation, on the advice of the Manager of Realty Services, with respect to the City owned properties at 92 Wellington Road, 686 Adelaide Street North and 688 Adelaide Street North, the following actions **BE TAKEN**:

- a) the subject properties **BE RECOMMENDED** for demolition; and
- 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.

It being noted that existing capital accounts and operating accounts will be drawn upon as a source of financing to carry out the subject demolitions.

Executive Summary

The purpose of this report is to seek approval to demolish the three properties in support of the Wellington Gateway and Adelaide Street CP Rail Grade Separation Projects.

These residential buildings are nearing the end of their economic life and will require significant investment on a short-term basis for their continued short-term viability. There are security concerns and the investment of capital into these buildings is not considered economically prudent.

The removal of these buildings will clear obstacles for the road widening and infrastructure improvement projects with future opportunity for assemblage with adjacent land for re-development.

Linkage to the Corporate Strategic Plan

The following report supports the Strategic Plan through the strategic focus area of Building a Sustainable City by building new transportation infrastructure as London grows. The demolition of the three properties will advance their respective project objectives and is required for the completion of the Wellington Gateway and Adelaide Street CP Rail Grade Separation projects.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee – November 16, 2020 Property Acquisition – 92 Wellington Road – Wellington Gateway Project

Corporate Services Committee – November 16, 2020 Property Acquisition – 688 Adelaide Street North Owners 1887197 Ontario Inc. Adelaide Street CP Rail Grade Separation Project

Corporate Services Committee – November 16, 2020 Property Acquisition – 682-686 Adelaide Street North Owners Frank & Gus Pizza Inc. Adelaide Street CP Rail Grade Separation Project

2.0 Discussion and Considerations

2.1 Background

The three subject properties were acquired as part of the Wellington Gateway Project and the Adelaide Street North CP Rail Grade Separation Project to accommodate the future transportation network improvements along Wellington Road and Adelaide Street North.

Two of the properties, 92 Wellington Road and 688 Adelaide Street North were available on a willing seller basis and purchased at fair market value. The property at 686 Adelaide Street North was subject to expropriation proceedings which has since been settled. All three properties were tenanted until recently and are now unoccupied and in need of investment and renovations to obtain a Residential Rental Unit Licence.

2.2 Property Description

Vacant buildings are less than ideal as they attract those intent to vandalize the property and remove any items of real or perceived value. Providing security to minimize the risk of potential liability to the organization is also an incremental cost. Removing non-rentable physical improvements from the existing property portfolio mitigates these risks.

688 Adelaide Street North

The subject property municipally known as 688 Adelaide Street North is located on the east side of Adelaide Street North between Piccadilly Street and north of McMahan Street.

Address:	688 Adelaide Street North
London Plan:	Urban Corridor
Zoning:	Arterial Commercial Four (AC4), h-5, h-11
Site Description & Area:	23.169 feet (7.062m) X 85.646 feet (26.105m)
Area of Acquisition:	184.3535m ² (1.984.36 ft ²) (entire site)
Buildings:	688 Adelaide Street North: duplex dwelling

The property is currently vacant. The building is in need of significant repairs to make it habitable and bring it up to property standards in the context of a residential tenancy. These repairs would include replacement of several windows, cleaning, updating, drywall repairs, near term installation of a new furnace and updates to both the plumbing and electrical system, along with numerous other minor repairs. A preliminary estimate of costs associated with remediation activities ranges between \$40,000 to \$50,000. This estimate includes current and near-term investment. The investment required is exasperated by the nature of the property being a duplex, with a larger scope of work, and repair elements specific to multiple units such as fire separation.

The property was toured with a property standards inspector in the context of seeking a residential tenancy license which aided in informing the above estimate.

The adjacent properties at 682-684 Adelaide Street North are being demolished in support of the Adelaide Street Underpass. The remnant land will ultimately be disposed of as surplus to the municipality at a future date. Assemblage of the 686 Adelaide Street North property with the adjacent lands at 688 Adelaide Street to the north and 682-684 Adelaide Street North to the south will support absorption of the surplus parcel in the short to medium term and provide a re-development opportunity.

686 Adelaide Street North

The subject property municipally known as 686 Adelaide Street North is located on the east side of Adelaide Street North between Piccadilly Street and north of McMahan Street.

Address:	686 Adelaide Street North
London Plan:	Urban Corridor
Zoning:	Arterial Commercial Four (AC4), h-5, h-11
Site Description & Area:	Approximately 23.169 feet (7.062m) X 85.646 feet (26.105m)
Area of Acquisition:	184.3535m ² (1.984.36 ft ²) (an estimate portion of the overall parent parcel)
Buildings:	686 Adelaide Street North: duplex dwelling

The property is currently vacant. The building is in need of repairs to make it habitable and bring it up to property standards in the context of a residential tenancy. These repairs would include replacement of several windows, cleaning, updating, drywall repairs, near term installation of elements of electrical and plumbing systems along with numerous other minor repairs. Proper fire separation walls between units will also be required. A preliminary estimate of costs associated with remediation activities ranges between \$10,000 to \$20,000. This estimate includes current and near-term investment. Investment in the property is not recommend given its location in between properties that are being demolished and/or recommended for demolition.

The adjacent properties are being demolished in support of the Adelaide Street Underpass on either side. The remnant land will ultimately be disposed of as surplus to the municipality at a future date. Assemblage of the 686 Adelaide Street North property with the adjacent lands at 688 Adelaide Street to the north and 682-684 Adelaide Street North to the south will support absorption of the surplus parcel in the short to medium term and provide a re-development opportunity.

92 Wellington Road

The subject property municipally known as 92 Wellington Road is located on the east side of Wellington Road between Watson Street and north of Weston Street.

Address:	92 Wellington Road, London, Ontario
Official Plan:	Multi Family High Density Residential
London Plan:	Rapid Transit Corridor
Zoning:	R3-2, Low-Medium Density Residential
Site Description:	37' x 145 (5,365 square feet)
Building:	Improved with a 1 storey bungalow detached dwelling. The building was constructed circa 1949.

The property is currently vacant. The building is in need of repairs to make it habitable and bring it up to property standards in the context of a residential tenancy. These repairs would include replacement of several windows, cleaning, updating, near term installation of a new furnace and the purchase of a new water heater, along with numerous other minor repairs. A preliminary estimate of costs associated with

remediation activities ranges between \$10,000 to \$20,000. This estimate includes current and near-term investment. The property was toured with a property standards inspector in the context of seeking a residential tenancy license which aided in informing the above estimate.

Realty Services sought input from a community partner as it relates to the assumption of this property for an interim tenanted use. Unfortunately, the community partner was not able to utilize the property on a short term basis due to resource and capacity issues.

The property was acquired in support of the Wellington Gateway Project with the intention of demolishing the property as it is fully impacted by the project. This report seeks to accelerate this ultimate intended demolition given the current state of the property, realizing its ultimate higher and better use for a portion of the site as potential surplus property at the conclusion of the project.

Conclusion

The three subject properties detailed in this report were acquired to support the Wellington Gateway Project and the Adelaide Street CP Rail Grade Separation Project as they will be fully or partially impacted by the design and construction of the projects.

Given their current condition, project needs, and future disposition opportunities, the properties are recommended for demolition at this time.

The demolitions will be funded from an existing operating / capital account.

Prepared by: Scott Van Schyndel, Property Coordinator / Negotiator

Submitted by: Bill Warner, AACI, Papp., Manager of Realty Services

Concurred by: Jennie Dann, Director, Major Projects

Concurred by: Doug MacRae, P. Eng., Director Roads and Transportation

Recommended by: Anna Lisa Barbon, CPA, CGA, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

Appendix B Location Map

92 Wellington Road



686 Adelaide Street North

