



CITY OF HAMILTON

PUBLIC WORKS DEPARTMENT
Transportation, Energy & Facilities Division

TO: Chair and Members Public Works Committee	WARD(S) AFFECTED: WARD 2
COMMITTEE DATE: May 16, 2011	
SUBJECT/REPORT NO: West Harbour Property Demolition Funding and Interim Use (PW11039) - (Ward 2)	
SUBMITTED BY: Gerry Davis, CMA General Manager Public Works Department	PREPARED BY: Rom D'Angelo, C.E.T.; CFM Manager of Corporate Buildings & Technical Services (905) 546-2424, Extension 7006
SIGNATURE:	

RECOMMENDATION

That funding (\$775,000) for the cost of demolition and any additional expenses of the buildings identified in Report PW11039, be charged to the Unallocated Capital Reserve 108020.

EXECUTIVE SUMMARY

The properties in the “*West Harbour*” precinct were purchased for the specific purpose of housing the stadium, warm-up track, and velodrome, for the 2015 Pan Am Games. With Council’s decision to build the new Pan Am Stadium at the current Ivor Wynne Stadium site, and the subsequent site approval of Toronto 2015, the City of Hamilton needs to focus on a new plan for the proposed properties acquired within the “*West Harbour*” precinct, including initiating and implementing demolition and remediation efforts of existing buildings, as well as recommending specific re-development plans within short and medium term timeframes.

Council’s approval in February 2010 provided direction for staff to demolish the buildings identified in this report and to be funded from Project 3621054100. The source of funding is no longer available and was redirected to the Ivor Wynne Precinct. Staff is recommending the Unallocated Capital Reserve 108020 be utilized to fund the demolitions as identified in this report. Of note however, is that the Rheem property, known as 128 Barton Street West, is excluded from this specific recommendation. Staff is already in the process of issuing an additional tender that combines the demolition of

128 Barton Street West with the abandoned portion of the former *Firestone* building at 1579 Burlington Street East. Staff intends to issue the tender for Rheem and Firestone buildings in mid-May 2011. Based on the large amount of steel contained on these two sites, it is seen as being attractive to bidders for the City to bundle these specific facilities together. This bundling could have the effect of a “zero-cost” for the City and even possibly stand a chance of collecting shared revenue with the bidder, assuming that the scrap steel market trends continue to be relatively high during the demolition of the sites. These results will be known upon completion of the tender.

With respect to the land-use and planning regime of the “*West Harbour*” precinct, the long-term vision for the area was established by way of the “*Setting Sail*” West Harbour Secondary Plan, which was to transform this area from a mix of heavy industrial and low density residential, to medium density residential with an opportunity for limited commercial and residential mixed use at the intersection of Hess Street North and Barton Street West.

The “*Setting Sail*” West Harbour Secondary Plan is currently under appeal at the Ontario Municipal Board (OMB), but the City has been actively seeking a resolution through the OMB process, with a pre-hearing scheduled for July 12, 2011, and the hearing scheduled December 5, 2011, which is anticipated to last approximately three weeks. Understanding the desire for redevelopment to take place in a timely manner within this precinct, and the possibility of interim uses, staff will be working expeditiously on specific land uses/design and marketing of the lands, all subject to any implications resulting from the “*Setting Sail*” West Harbour Secondary Plan OMB hearing.

Alternatives for Consideration - See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

Information is available in part or in its entirety, for Phase 1 & Phase 2 Environmental Site Assessment as well as the Designated Substance Surveys for properties on the “*West Harbour*” precinct site, all of which will be helpful in the demolition of the structures on the subject site and minimizing additional cost during the demolition phase.

The current layout of the West Harbour Precinct stretches across four City blocks, comprising approximately 10.58 acres. The following structures are being proposed to be demolished:

- 4 properties - (3) auto garages and a small industrial warehouse; and (1) the auto garage at the south-west corner of Barton and Caroline which has a lease until the end of May 2011;
- 1 property as a former gas station and a variety store;
- 1 large industrial type use (B & M Metals);
- 1 office building and a gate/security house (B & M Metal’s ancillary buildings);

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- 13 residential properties.

Scope of work would include, but not be limited to, disconnection of all services/utilities; capping of services (i.e. water & sewers); designated substance abatement; demolition cost; removal of underground fuel tanks; clean backfill for foundations; engineering fees; decommissioning consulting services; permit fees and other administrative costs. Based on the scope of work, the estimated financial breakdown is as follows:

Estimated Financial Breakdown for Demolition		
Description	Estimated Unit Cost	Estimated Cost
13 Residential Properties	\$20,000 per property	\$260,000
6 Commercial Properties	\$35,000 per property	\$210,000
B&M Metal (all structures on site)	\$150,000 per property	\$150,000
Sub-Total:		\$620,000
25% Contingency		\$155,000
Total Estimated Cost:		\$775,000

It is estimated that the overall costs would be approximately \$775,000 which staff are recommending be funded from the Unallocated Capital Reserve 108020.

Staffing:

There are no additional staffing implications associated with the recommendations of this report.

Legal:

The "Setting Sail" West Harbour Secondary Plan is currently under appeal at the Ontario Municipal Board (OMB) and there is a scheduled hearing date of December 5, 2011.

HISTORICAL BACKGROUND

The 2015 Pan Am Games were awarded to Canada on November 6, 2009, providing Ontario with its first international multi-sport event since Hamilton hosted the 1930 British Empire Games. The Pan Am Games will be held in July, 2015 and the ParaPan Am Games will be hosted in August, 2015. From now until then, Hamilton will be part of a unique structure in preparing for, and staging, the Games, while also planning for the post-Games phase.

City Council's approval of CM09006 (c) "International Event Opportunities - 2015 Pan Am Games Update", held on February 24, 2010 approved the following recommendation, in part:

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2. (a) (iii) that the Director of Energy, Fleet and Facilities be authorized and directed to take all the necessary steps for the demolition of the subject buildings, and that the cost for the demolition and any additional ancillary expenses be charged to Project 3621054100”.

As per Council’s direction outlined above, staff is proceeding to take the necessary steps to initiate demolition of the noted buildings and are recommending that the cost for demolition and any additional expenses be charged to the Unallocated Capital Reserve 108020 (excluded is the Rheem Property at 128 Barton Street West);

POLICY IMPLICATIONS

Innovate Now - Supports the Public Works Business Plan in terms of being a leader in the greening and stewardship of the City and engaging people and staff to find solutions to systemic issues.

RELEVANT CONSULTATION

- Portfolio Management Committee
- City Manager’s Office
- Planning and Economic Development, Economic Development and Real-Estate
- Corporate Services, Risk Management and Financial Planning and Policy

ANALYSIS / RATIONALE FOR RECOMMENDATION

A source of funding is required for the demolition of the properties and associated works as identified in this report.

ALTERNATIVES FOR CONSIDERATION

A ‘do-nothing’ scenario is an option, but puts the City of Hamilton at the highest risk along with ongoing and increasing operating costs. This option is not recommended by staff.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative & Respectful Organization

- ◆ A culture of excellence
- ◆ More innovation, greater teamwork, better client focus
- ◆ An enabling work environment - respectful culture, well-being and safety, effective communication

- ◆ Opportunity for employee input in management decision making

Financial Sustainability

- ◆ Financially Sustainable City by 2020
- ◆ Effective and sustainable Growth Management
- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- ◆ Address infrastructure deficiencies and unfunded liabilities
- ◆ Generate assessment growth/non-tax revenues

Intergovernmental Relationships

- ◆ Maintain effective relationships with other public agencies

Growing Our Economy

- ◆ Newly created or revitalized employment sites
- ◆ Competitive business environment

Environmental Stewardship

- ◆ Natural resources are protected and enhanced
- ◆ Reduced impact of City activities on the environment
- ◆ Reduce the impact of Hamilton's industrial, commercial Private and Public operations on the environment
- ◆ Aspiring to the highest environmental standards

APPENDICES / SCHEDULES

None