

Date: 2024-02-13

Subject: **Budget Amendment and Request to Begin Procurement for the Demolition of Downtown City Properties – Ward 1**

Contact: **Peter Gabor, Manager, Building Design and Construction**

Report Number: Public Works & Engineering-2024-124

Recommendations:

1. That the report from Peter Gabor, Manager, Building Design and Construction to Committee of Council Meeting of February 21st, 2024, re: **Budget Amendment and Request to Begin Procurement for the Demolition of Downtown City Owned Properties - Ward 1**, be received;
2. That Council direct staff to proceed with the demolition of vacant City-owned properties located at 30-46 and 54-60 Main Street North;
3. That Council direct staff to proceed with continued negotiations to acquire the properties located at 22–28, 48, and 52 Main Street North for demolition;
4. That the Purchasing Agent be authorized to commence the procurement of a demolition contracting firm to proceed with the demolition of the city-owned properties located at 30-46 and 54–60 Main Street North; and
5. That a budget amendment be approved to establish a new capital project in the amount of \$6,000,000 for the demolition of the Downtown City-owned properties, with funding of \$4,575,000 transferred from Reserve #110 – Community Investment Fund, and remaining funding of \$1,425,000 to be transferred from Project #191584 - Demolition of 14 and 21 Nelson Street.

Overview:

- **City-owned and private properties in Downtown Brampton are in poor condition and do not comply with Ontario Building Code requirements due in part to long-term deterioration and poses a risk being situated over the abandoned underground Etobicoke Creek channel.**

- **Staff advise that demolition of the properties is the best way to address the non-compliant building concerns and the risks identified by the engineering consultants retained by the City.**
- **Demolition would start with the vacant City-owned buildings along the east side of Main Street North. Demolition of the remaining buildings may take place after the City vacates the remaining City-owned buildings and acquires and vacates the affected private properties.**
- **On November 20, 2023, the Downtown Revitalization Division presented interim strategies for the City-owned Main Street North properties, which included the expansion of Garden Square.**
- **The Downtown Revitalization Division shall explore options for the ultimate master plan for the strategic redevelopment of the North-East quadrant of Main Street North and Queen Street East, and report back to Council at a future date.**
- **A budget amendment to the 2024 Public Works and Engineering capital budget of \$6,000,000 is needed, and a new capital project created for the demolition of the City-owned properties located at 30–46 and 54–60 Main Street North, which is subject to Council approval.**

Background:

Main Street Buildings

The City-owned properties located at 30, 36, 40, 42, 46, 54, 60, 63, 65, and 71 Main Street North, and the privately owned properties located at 22–28, 48, and 52 Main Street North are situated above the remnants of an abandoned underground water channel. The underground channel once conveyed the Etobicoke Creek through downtown Brampton. In the 1970's, the channel was remediated, and load-bearing walls were installed to support the front facades of the properties on the east side of Main Street North at the time. An Overview of Downtown Properties is provided in Attachment 1 to this report.

Assessment of Structural Conditions

From 2018 to 2020, HDR Inc. (HDR) was retained to locate the channel remnants and recommend remedial work that would be required should the Downtown Reimagined project proceed. The cost for this work was approximately \$1M.

At the beginning of 2023, HDR provided a proposal of \$701,782 (plus HST) for below-ground structural investigations of the City-owned properties located at 30, 36–40, 42, 46, 54, 60, 63, 65, and 71 Main Street North. HDR indicated that the structural assessments, including intrusive testing, would take between six months to one year to complete.

Visual Structural Assessments by WSP

In April 2023, WSP Canada Inc. (WSP) was engaged to conduct visual structural assessments of the above-ground building superstructures. This assessment included the non-City owned properties at 22–28, 48, and 52 Main Street North. Based on WSP's findings, most of these buildings were deemed not in compliance with the Ontario Building Code requirements and not suitable for occupancy without required remediation work. WSP recommended further structural investigation of the above-ground building structures that would require intrusive sampling and testing, at an estimated cost of \$400,000 (plus HST). Refer to the chart below for a summary of WSP's findings.

Building Properties and WSP's Findings

Address	Condition	Heritage	Vacant
22, 28	Structurally sound	No	No – privately owned / Algoma
30	Not Structurally sound	No	Yes
36, 38, 40	Not Structurally sound	No	Yes
42	Not Structurally sound	Listed	Yes
46	Structurally sound	Listed	Yes
48	Not Structurally sound	Listed	No – privately owned
52	No access	Listed	Yes – privately owned
54	Not Structurally sound	No	Yes
60	Not Structurally sound	No	Yes
63, 69	Not Structurally sound	Listed	No
65, 67	Not Structurally sound	Listed	Yes
71	Structurally sound	Listed	No
<i>Structurally sound means "...elements reviewed are structurally sound with no evidence of damage or defects that may impair its function. The existing building is assumed to be in sound condition, with no evidence of structural damage or distress."</i>			
<i>Not Structurally sound means "Overall building performance does not comply to the Code requirements or original intent and is deemed not suitable for occupancy without remedial work."</i>			

The total estimated cost of structural investigations alone, including the below ground investigations of the City owned properties and channel remnants by HDR at (\$701,782) and the above ground, intrusive investigations by WSP at (\$400,000) total approximately \$1.1M.

The additional cost required to remediate the above and below ground, building structures would be subject to the findings of the detailed intrusive investigations but are anticipated to be substantial. Furthermore, many of the buildings require additional state-of-good repair and building code upgrades to address mechanical, electrical, and building envelope issues at further additional cost.

Current Situation:

Demolition of Downtown City-Owned Properties

Due to the prohibitive cost of the recommended intrusive structural investigations of the Main Street properties, estimated at \$1.1M, plus the required remediation costs and additional mechanical, electrical, and building envelope state-of-good-repair costs yet to be determined, it is not considered good value for money to conduct further investigations. BDC recommends the demolition of these properties, as soon as possible.

To demolish the non-compliant buildings as cost-effectively as possible, staff recommends that the City-owned buildings located at 30–46 and 54–60 Main Street North be deconstructed using a combination of heavy machinery and selective disassembly adjacent to private property at an estimated cost of \$6.0M. Since all the buildings share common demising and load-bearing walls, the most cost-effective method for their demolition is to demolish all buildings at the same time.

The demolition of 30 Main Street North specifically, is a high priority. This is due not only to the concerns raised by WSP regarding its non-compliance with the Ontario Building Code, but also due to ongoing concerns with its mechanical and electrical systems, building envelope, and roof, which exhibits a pronounced sag, and general state of disrepair.

Non-City Owned Buildings

The City does not own the properties at 22–28, 48, and 52 Main Street North, and the properties at 63 and 71 Main Street North are now leased.

As there are cost efficiencies that may be realized in the demolition of more properties as a single project where selective deconstruction and disassembly of fewer properties and the stabilizing of demising walls can be avoided, it is advisable that Realty expedite efforts to acquire the remaining properties located at 22–28, 48, and 52 Main Street North.

Leased Buildings

While the City-owned property at 65 Main Street North is vacant, the properties at 63 and 71 Main Street North are now leased. It is not feasible to remove only one of the three buildings. The three properties together form a separate contiguous block on the street's west side, and 71 Main Street North has been deemed by WSP to be structurally sound for now. As such, it is advisable not to demolish 65 - 71 Main Street North currently. Once all the buildings are vacated, the buildings may be removed as a block of properties.

Heritage Buildings

It should be noted that while none of the properties are Designated Heritage buildings, the properties located at 42, 46, 48 52 and 63-71 Main Street North are Listed Heritage

Properties. The removal of the buildings will require the City to prepare a Heritage Impact Assessment that will be reviewed by the Heritage Board.

Interim Strategies and Ultimate Vision for the North-East Quadrant of Main Street North and Queen Street East

The Downtown Revitalization Division presented at the Council Workshop on November 20, 2023, which outlined opportunities for interim strategies for the City-owned Main Street North properties. Staff shall align the implementation of an interim strategy for vacant lands resulting from the proposed demolition. The interim strategy will include the temporary expansion of Garden Square including elements of an urban square, park, and an improved public realm through the addition of benches, patio seating, planters, gazebo, and more. The revitalization of the downtown shall consider how property renewal and public realm transformation are critical to the success of the downtown. The City is committed to downtown revitalization and unlocking the downtown's potential, by addressing the deterioration and structural condition of the buildings on the eastern side of Main Street North.

As part of the ultimate vision, the City will continue work on the Request for Proposal for the Heritage Theatre Block within the North-East Quadrant of Main Street and Queen Street to achieve the long-term strategic redevelopment of the lands (per Council direction provided on February 7, 2024) and also proceed with the detailed design and construction for Garden Square improvements.

Impact on Downtown Area

The demolition and removal of the buildings and the preparation of the sites for the implementation of interim strategies will require an area beyond the subject sites to accommodate the staging of equipment and materials for the duration of the project. To minimize impact to the Downtown area, it is advised that a portion of Garden Square to the rear of the subject properties be utilized to accommodate site access, equipment movements and material laydown and staging space. Events that are planned to occur in Garden Square during this time will be taken into consideration in the design of hoarding, staging, and phasing plans of the work to minimize any potential disruption to planned events.

In consultation with events planning staff, it is recommended that the demolition activity take place after the summer events schedule to minimize operational impacts to Garden Square and The Rose Theatre.

Corporate Implications:

Purchasing Implications

A public Procurement Process will be conducted, and the lowest compliant Bid will be eligible for contract award. Purchase approval shall be obtained in accordance with the Purchasing By-law.

All communication with Bidders involved in the procurement must occur formally, through the contact person identified in the Bid Document.

Financial Implications:

As per recommendations in this report, a budget amendment and a new Capital Project are required in the amount of \$6,000,000 for the demolition of the City-owned properties located at 30–46 and 54–60 Main Street North, with funding of \$4,575,000 transferred from Reserve #110 – Community Investment Fund, and remaining funding of \$1,425,000 to be transferred from Project #191584 - Demolition of 14 and 21 Nelson Street, subject to council approval.

There is currently sufficient funding available in Reserve #110 – Community Investment Fund to approve this amendment.

Realty Implications:

The City-owned properties located at 63–71 Main Street North will need leases to be pre-terminated and vacated before demolition.

Based on Council direction, Realty will support the acquisition/expropriation of adjacent properties located at 22 - 28, 48, and 52 Main Street North.

Legal Implications:

The properties located at 22 - 28, 42, 48, and 52 Main Street North are not City owned and will require acquisition or expropriation. Further confidential discussion and communications necessary for expropriation of these properties and for dismantling of City-owned properties that are abutting privately owned properties may be required.

Strategic Focus Area:

Brampton is a Healthy and Safe City focusing on community safety, improving mental health support, and encouraging active and healthy lifestyles. Demolition of the existing Main Street North properties removes a potential risk to public safety, improves the security of the property of the municipality, and may provide opportunities for the redevelopment of these properties that provide a better public use for the land.

Conclusion:

The deconstruction of 30–46 and 54–60 Main Street North improves the security of the property of the municipality and reduces the potential litigation risk arising from the continued deterioration of the buildings.

Demolition and subsequent redevelopment of the properties at 22–28, 30, 36–40, 42, 46, 48, 52, 54, 60, and 63–71 Main Street North would provide value to the public and small businesses and would help revitalize downtown Brampton.

The Purchasing Agent be authorized to commence the Procurement as described in this report.

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Attachments:

Attachment 1 – Overview of Downtown Properties