

Kensington Manor Status Update

RECOMMENDATION(S):

That the Priorities and Finance Committee recommend that Council receive this report for the Corporate Record.

HIGHLIGHTS

- This report is to provide an update on the demolition of the Kensington Manor residential building located at 321 10 Street NW.
- What this means to Calgarians is increased public safety as Administration has taken an active role overseeing the demolition of an unsafe building.
- This matters to Calgarians because the demolition of the structurally compromised building will remove safety risk to people and property near the building.
- In June 2019, Council approved a budget request of \$3 million for the demolition.
- Administration projects coming within budget when the demolition is completed.
- Demolition completion is anticipated at the end of September 2020.
- On 2019 June 17, Council directed Administration to report back to Council through the Priorities and Finance Committee, six months after demolition is complete, or if there is a material change on site but in any event, not later than September 2020. For the complete previous Council direction from 2019 June 17, please see Attachment 1.
- Strategic Alignment to Council's Citizen Priorities: **A city of safe and inspiring neighbourhoods**

DISCUSSION

In the fall of 2019, Secure Energy was selected as the winning bidder and the contract was issued to them for the demolition of the Kensington Manor residential building. Asbestos abatement scope commenced shortly after and the abatement was completed in late March 2020. Removal of the brick façade from the building commenced in April 2020. While the façade was being removed, an additional 1,100 shoring posts were added to the existing 1,500 posts to provide additional support for the demolition equipment being hoisted to the roof for a top-down demolition. Demolition of the building structure commenced in June 2020 and will continue until completion. Backfill and grading will follow, and the site work is anticipated to be completed by the end of September 2020.

Council approved \$3 million in 2019 for the abatement, demolition, and final grading of the site. (Please see Attachment 1 for background information). The selected vendor was awarded the abatement and demolition contract in the amount of \$2.1 million plus contingencies and other fees. To date, several change orders have been requested and approved to address serious, unforeseen safety issues for a current purchase order

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total of approximately \$2.6 million. When the demolition is completed, Administration anticipates coming within budget. (Please see Attachment 2 for financial details.)

All costs related to the demolition are added to the property tax roll, and payments by the property owner will be returned to Corporate Programs. So long as the property is privately owned, any development or improvement to the site would be the property owner's decision. Tax sales generally take place around the second quarter of each year. If the outstanding taxes remain unpaid, then Kensington Manor would be included in the 2021 sale by The City and funds from the sale will be used to pay back the taxes.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Administration has kept the community association, Business Improvement Area, immediate residential neighbours and businesses updated on the progress and demolition schedules.

IMPLICATIONS

Social

Citizens should not feel unsafe being in proximity to this building. The Municipal Government Act allows a jurisdiction to take needed action to safeguard the public.

Environmental

Public safety necessitated Administration taking on the role to ensure the safe and efficient abatement of hazardous material, demolition of the structure, and grading of the site. The building contained a large amount of asbestos which was removed and disposed of properly. A Public Protection Site Safety Plan was also required to ensure a high standard of practice to protect the public during demolition.

Economic

Since the costs to demolish Kensington Manor gets applied directly to the tax roll of the property, taxes take priority over all other financial positions in the land.

Service and Financial Implications

As this project was undertaken as public safety response under the Municipal Government Act section 546, all third-party costs incurred are recoverable and returned to Corporate Programs through the property tax roll, ultimately billed to the property owner.

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Existing operating funding - one-time

\$20,000.00 administrative costs

Administration expects to recover the demolition costs through the property tax of the site and will take all steps necessary to reduce any financial risk to The City.

RISK

The key risk of a City-initiated demolition is financial. There is a risk that ongoing costs being incurred to maintain public safety (ie. maintaining the shoring of the building and ensuring the site is secured) will continue to rise due to construction and worker safety related delays.

ATTACHMENT(S)

1. Previous Council Direction and Background
2. Kensington Manor Demolition Financial Details as of 2020 July 10

Department Circulation

General Manager (Name)	Department	Approve/Consult/Inform (Pick-one)
Stuart Dalglish	Planning & Development	Approve