



TO: Development Services Committee
FROM: Jim Baird, Commissioner, Development Services
PREPARED BY: Regan Hutcheson, Manager, Heritage Planning
DATE: May 23, 2017

**Re: Letter of Credit
26 Albert Street, Markham Village**

A handwritten signature in black ink, appearing to read 'Jim Baird', written over the 'FROM:' line of the header.

At its meeting of May 9, 2017, Council requested that staff review the release of the Letter of Credit relating to 26 Albert Street. The following summary addresses this request for information.

Original Site Plan Approval and Letter of Credit, 2010

- In 2010, the applicant entered into a Site Plan Agreement relating to Site Plan Control Application SC 08 108793 for the construction of a new, two storey dwelling and the conversion of an existing one and half storey heritage house (James Campbell House) to a two-car garage, relocated within the same property.
- A Letter of Credit in the amount of \$18,200 was required to be submitted by the Site Plan Agreement to ensure completion of all works required by the Agreement.

Conditions for Release of Letter of Credit in the Site Plan Agreement

- The portion of the Letter of Credit for “Construction as Per Approval Design” was \$8,200, which included both the new house and the restoration/conversion of the heritage house into a garage. This amount also covered grading and tree preservation.
- The \$10,000 portion of the Letter of Credit was to protect the heritage building and was related to its relocation within the property, to be released when a) the house had successfully been relocated onto a new foundation, and b) when any structural work required to correct any issues or deficiencies with the existing structure had been repaired to the satisfaction of the municipality.
- The Site Plan Agreement signed by the Owner contains clauses that allow the municipality to draw upon the Letter of Credit up to \$18,200 for work done

contrary to the approved plans, or work not completed, where the owner is unwilling or unable to correct the deficiencies.

- The agreement authorizes the City to deposit the proceeds into the Heritage Reserve Fund for use on other heritage projects in accordance with the City's approved policies.

Council Approval to Demolish the Heritage Building

- The new house was generally completed in accordance with the approval plans and the provisions of the Site Plan Agreement, however the heritage building was not relocated on-site or restored by the applicant as per approved plans.
- The applicant sought the approval of the municipality to demolish the heritage building in order to allow him to build a new garage instead of restoring the heritage building, which he did not wish to undertake due to the estimated costs of repairs.
- At its meeting of April 30/May 1, 2013, Council passed a resolution that allowed the applicant to demolish the building upon obtaining Site Plan Approval for a new garage that would be a replica of the heritage building.
- The resolution also allowed for the possible relocation of the heritage building off of the property, to be restored by another party (Resolution attached).

Council Decision Concerning the Letter of Credit

- As part of the same resolution, Council decided *"that the Letter of Credit associated with the Site Plan Agreement be drawn upon and cashed by the City forthwith"*.
- Finance Department followed through with Council's decision and the \$18,200 Letter of Credit was cashed and deposited in the City's Heritage Reserve Account.
- The purpose of the municipality retaining the Letter of Credit was to compensate for the applicant not following through on the retention and restoration of the heritage building on this property in the heritage conservation district as required by the Site Plan Agreement.

Relocation of the Heritage Building

- Subsequently, an individual was found who was willing to relocate the heritage building off site, in accordance with Council's resolution of April 30/May 1, 2013.
- The James Campbell House was relocated to Markham Heritage Estates in 2014 and has been restored by others. Markham Village Conservancy donated \$15,000 to help the new owner restore the house.

Release of Partial Letter of Credit

- At the request of Council, staff reported back to Development Services Committee on December 3, 2013 on all financial securities relating to this property, including a summary of Council's direction from April 30/May 1, 2013 to cash the two letters of credit (a total of \$18,200) and deposit the funds in the

Heritage Reserve Fund Account for use on other heritage projects in the community

- According to the minutes of the meeting, the Committee debated returning funds from the letter of credit to the applicant and considered partial reimbursement now and possible additional reimbursement once the James Campbell House was relocated and restored off-site.
- On December 10, 2013, Council supported the following resolution:
 - “That \$8,200 from the Letter of Credit relating to 26 Albert Street, drawn upon and cashed by the City of Markham, be returned to the applicant at this time”. (Carried by a recorded vote 7:4)
- Finance Department followed through with Council’s decision and returned \$8,200 to the owner

Council requests staff provide an update on this matter

- On May 9, 2017, Council asked staff to review the release of the letter of credit related to the demolition permit application for 26 Albert Street, Markham Village.
- The \$10,000 portion of the original \$18,200 that was cashed in 2013 has been retained by the City to be used to fund Heritage Reserve Fund Account projects.

Heritage Reserve Fund Account

- This Account is used to deposit cashed heritage letters of credit from a variety of development projects. As per Council policy, the monies in the account can be used for four general program areas: heritage studies, municipal projects of a heritage communicative nature such as interpretive projects and signage, municipal restoration projects, and municipal acquisition of heritage buildings.
- Recent commitments from this Account include funding an interpretive plaque program for individual properties sponsored by the Markham Village Conservancy (\$6,000), the annual Heritage District Newsletter, and a portion of the proposed revised Markham Village Heritage Conservation District Plan -2017 (\$30,000)
- The Account currently has a balance of \$32,206



COUNCIL MINUTES

April 30 and May 1, 2013, 7:00 p.m.

Council Chamber, Anthony Roman Markham Civic Centre

Meeting No. 10

(4) **DEMOLITION PERMIT APPLICATION**

26 ALBERT STREET

MARKHAM VILLAGE HERITAGE CONSERVATION DISTRICT

MICHAEL CRABTREE (OWNER)

(10.0 & 16.11)

Report

- 1) That the deputations by Larry Bond, Barry Nelson, and Michael Crabtree regarding Demolition Permit Application, 26 Albert Street, be received; and,
- 2) That the staff report entitled "Demolition Permit Application, 26 Albert Street, Markham Village Heritage Conservation District, Michael Crabtree (Owner)", dated April 23, 2013, be received; and,
- 3) That the Demolition Permit application for the James Campbell House at 26 Albert Street be approved, subject to the owner taking responsibility for paying the City to immediately advertise the building for sale and relocation for \$1, and that the demolition not take place until staff report back at the Development Services Committee meeting of June 18, 2013; and,
- 4) That the demolition permit be conditional on the applicant obtaining site plan approval for a replica of the house with dimensions suitable for use as a two-car garage; and,
- 5) That if the building is not relocated that the bldg will be disassembled and if replaced with an alternate structure; that the alternate structure will use as many components of the disassembled original structure as approved by City Heritage staff; and further,
- 6) That the Letter of Credit associated with the Site Plan Agreement be drawn on and cashed by the City forthwith.

CARRIED