



TO: Development Services Committee

FROM: Jim Baird, Commissioner, Development Services

PREPARED BY: George Duncan, Senior Heritage Planner

DATE: December 3, 2013

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

Re: Status of Letter of Credit and Application Fees
26 Albert Street, Markham Village

At its meeting of November 18, 2013, General Committee requested that staff report back on all outstanding Letters of Credit relating to 26 Albert Street and conditions of their release as per the Site Plan Agreement. 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. The development application was for the construction of a new, two storey dwelling and the conversion of an existing one and half storey heritage house to a two-car garage, relocated within the same property.
- The applicant entered into a Heritage Easement Agreement with the municipality as a condition of approval for variances needed to implement the site plan.
- 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 related to the relocation of the heritage building 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 or restored by the applicant.
- 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 (attached) 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.

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.

- Subsequently, the applicant has been successful in advertising and negotiating with an individual to relocate the heritage building off site, in accordance with Council's resolution of April 30/May 1, 2013.

Current Site Plan Control Application and Associated Fees

- A new Site Plan Control Application (SC 13 121582) has been made by the applicant, for a detached two car garage. The design is based on that of the heritage building.
- Site Plan Approval is pending the approval of a Minor Variance Application (A/155/13) for variances required to implement the new development application.
- The applicant has paid a processing fee of \$113.00 for the Site Plan Control Application, and a processing fee of \$1,118.70 for the Minor Variance (Technical Amendment). A Landscape Review Fee of \$300 has been required by Urban Design as part of the Site Plan Control Application.

Financial Securities Relating to the Current Site Plan Control Application

- As part of the current Site Plan Control Application, the applicant will be required to enter into an amendment to his existing Site Plan Agreement. Normally, as part of such an agreement, a new Letter of Credit would be required to protect the City's interests relating to construction as per the approval design, lot grading, and tree preservation.
- For a project of this scale (a new detached two car garage and its associated driveway), the typical Letter of Credit (LC) amount would be in the magnitude of \$1,150 in terms of construction as per approved design should any issue occur in the course of construction of the new garage (Engineering and Urban Design would have their own LC requirements).
- The terms of the required new Site Plan Agreement will be finalized following site plan approval for the new garage, having regard for any directions from the Development Services Committee.

Relocation of the Heritage Building

- With the assistance of a local realtor, the applicant advertised the heritage building for relocation.
- On the recommendation of Heritage Markham, Council declared the James Campbell House eligible for relocation to Markham Heritage Estates. A number of interested parties looked at the building and considered relocating it.

- In the fall of this year, an individual with experience in relocating and restoring a heritage building entered into a contract with the property owner to purchase the heritage building subject to the relocation taking place in the spring of 2014.
- This individual has communicated with Heritage Section staff and the Legal Department regarding lot selection and other City requirements relating to the purchase of a lot in Markham Heritage Estates. He has not yet provided his cost estimate budget for the project, financial capability or letter from the owner that would be needed to initiate the lot purchase from the City.
- This information is expected later this year or early in 2014. As part of the Site Plan Control Application process for the building relocation to Heritage Estates, the new owner will be required to enter into a Site Plan Agreement, with his own Letter of Credit.

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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

