

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 February 04

FROM: DIRECTOR ENGINEERING **FILE:** 4250-20

SUBJECT: DEMOLITION OF CITY OWNED BUILDINGS AT 6857 AND 6875 ROYAL OAK AVENUE

PURPOSE: To request the use of Community Benefit Reserves to finance the demolition of City owned buildings at 6857 and 6875 Royal Oak Avenue.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council authorize the demolition and disposal of the City owned buildings located at 6857 Royal Oak Avenue and 6875 Royal Oak Avenue.
2. **THAT** the Financial Management Committee recommend Council authorize the use of Community Benefit - Affordable Housing Reserve in the amount of \$325,000 to finance the works as outlined below.

REPORT**INTRODUCTION**

The 2020 – 2024 Financial Plan will provide funding for various multi-year capital improvement projects. Upon approval of this funding request by Council, these expenditures will be included in the 2020 – 2024 Financial Plan (Planning Section). In order to proceed with the demolition of City owned vacant properties located at 6857 and 6875 Royal Oak Avenue for the purpose of a rezoning application to facilitate the development of non-market housing, funding approval is requested for the project listed below. This report is to seek Council approval of funding allocation in advance of council adoption of the 2020 - 2024 financial plan.

POLICY SECTION

The demolition project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

To: Chair and Members Financial Management Committee
From: Director Engineering
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Goals

- A Safe Community
 - Community amenity safety –
Maintain a high level of safety in City buildings and facilities for the public and City staff
- A Dynamic Community
 - City facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community

Non Market Housing Sites – BAX.0026

The subject properties located at 6857 Royal Oak Avenue and 6875 Royal Oak Avenue (as *attached*) were acquired in 2000. They are industrial warehouses including ancillary offices. Since their acquisitions, the subject buildings have been in the City's commercial portfolio and are currently the subject of Rezoning Reference #19-54, from the M4 Special Industrial District to CD Comprehensive Development District (based on C9, C9r Urban Village District, RM3, RM3r Multiple Family Residential District and Royal Oak Community Plan as guidelines). The purpose of the rezoning application is to facilitate the development of non-market housing and grade level commercial uses.

The buildings are presently vacant and have been subjected to break-in and vandalism activities causing on-going safety concerns. A recent inspection has determined that extensive upgrades would be required to bring the buildings to current leasing standards and would not be prudent with the pending rezoning applications. A financial analysis also concluded that it is not economical to upgrade for leasing purposes. The Public Safety and Community Services and Planning Departments concur that the condition of the buildings warrants their demolition.

The Demolition cost is estimated to be \$325,000. These expenditures will be included in the 2020 – 2024 Annual Financial Plan and sufficient Community Benefit - Affordable Housing Reserves are available to finance the capital project outlined in this report. Council approval is being sought for the use of Housing Funds from the Community Benefit Reserves.

To: *Chair and Members Financial Management Committee*
From: *Director Engineering*
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RECOMMENDATIONS

It is recommended that Financial Management Committee recommend Council authorize the demolition and disposal of the City owned buildings located at 6857 Royal Oak Avenue and 6875 Royal Oak Avenue.

It is recommended that Financial Management Committee recommend Council authorize the use of Community Benefit - Affordable Housing Reserves in the amount of \$325,000 to finance the works as outlined in this report.

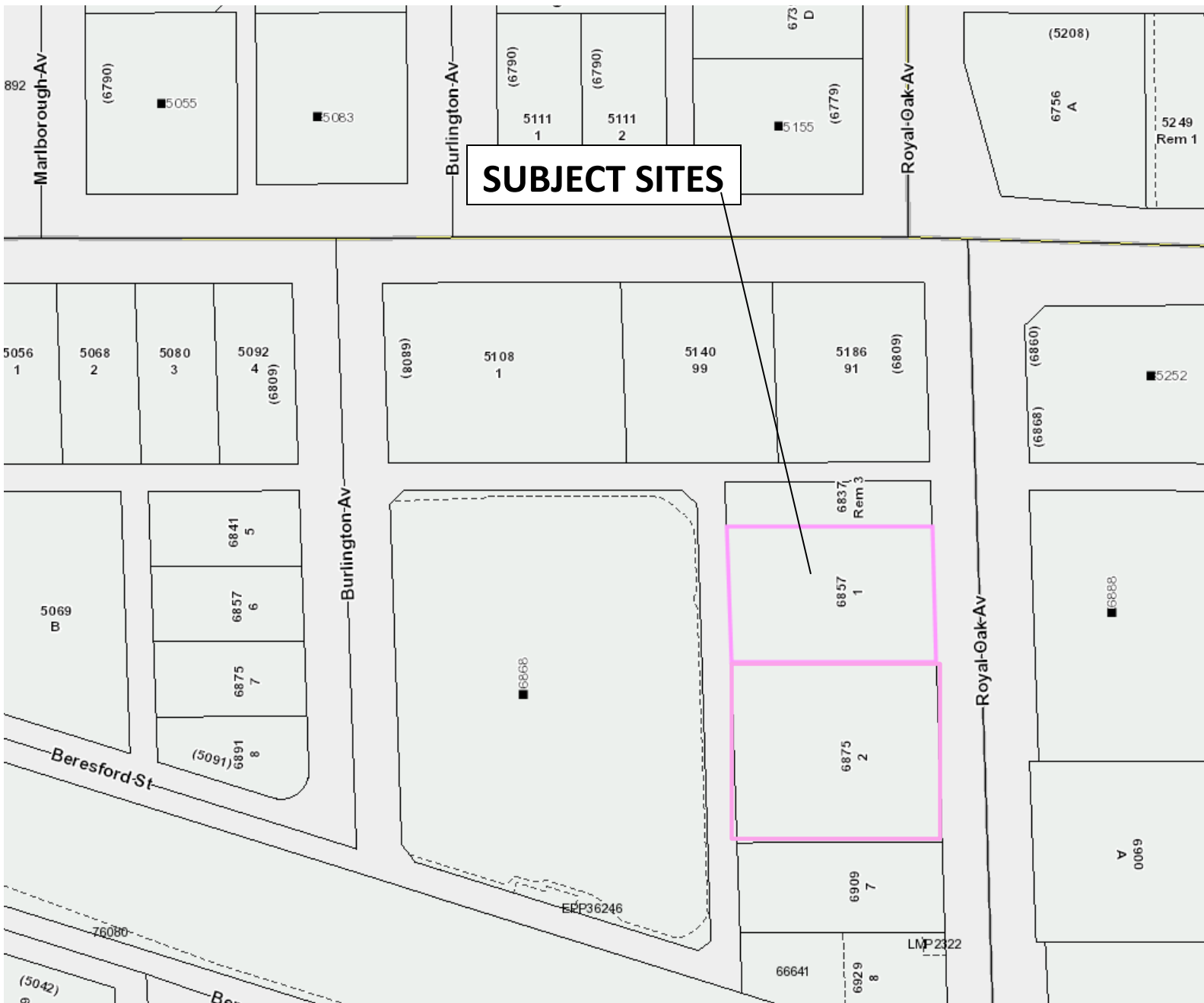
A handwritten signature in blue ink, appearing to read 'Leon A. Goss', with a horizontal line extending to the right.

Leon A. Goss, P.Eng., MBA
DIRECTOR ENGINEERING

RS/RC/ac


Attachment

Copied to: Director Finance
Director Planning
Director Public Safety and Community Services
Assistant Director Facilities Management



Date: JAN 03 2020

PROPOSED DEMOLITIONS
6857 ROYAL OAK
6875 ROYAL OAK
(Former Warehouses)

 Subject Sites