


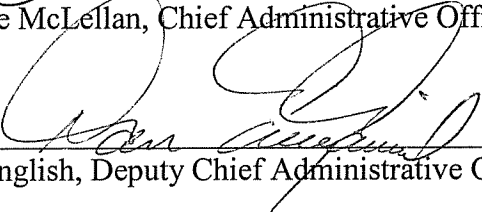
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**Regional Council
April 12, 2005**

To: Mayor Kelly and Members of Halifax Regional Council

Submitted by:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

Date: April 4, 2005

Subject: Case H00108: Kelly Building, 1790 Granville Street - Demolition Permit

SUPPLEMENTARY REPORT

ORIGIN

Staff

RECOMMENDATION

It is recommended that Regional Council Approve issuance of a demolition permit for the Kelly building, valid for a six month period from 17 April, 2005 to 17 October, 2005.

BACKGROUND

Under the Heritage Property Act the owner currently has permission to demolish the Kelly building until 17 April, 2005. Subsequent to this date, the owner is obligated to re-apply to demolish and under provisions of the legislation, a one-year demolition delay period would again apply to this property.

On March 22, 2005 Council approved \$10,000 cost sharing for a feasibility study to examine the viability of incorporating the Kelly building facade into a new development. Council also approved in principle the future demolition of the building should:

- the feasibility study show that the project is not viable; and
- the owner subsequently makes a new application to demolish the building.

On April 1, 2005 Compass reported that the owner has decided not to accept HRM cost sharing. In addition, the owner has instructed them to “Proceed with demolition unless we can obtain, in writing, an extension of the right to demolish as currently exists.” (See Attachment 1) They are requesting a minimum 6 month extension, to 17 October, 2005. In essence, the owner has indicated their willingness to complete the feasibility study independently, provided:

- their current ability to demolish is maintained; and
- is not conditional on the outcome of the feasibility study.

The owner’s position is that a feasible redevelopment may depend not only on technical solutions and market conditions but also on confidential information such as their own corporate investment capacity and priorities.

DISCUSSION

At this point, Council’s regulatory power to prevent demolition is extremely limited. The one year delay under the previous application has expired and the owner has acted in good faith in negotiations to explore an alternative use that could result in saving the building. It is ironic that Council has to grant permission for demolition in order to stand a chance of saving the building, but this appears to be the only choice at this point.

The owners have made a new demolition application. Under the Heritage Property Act this new application is subject to a new one-year delay unless the new application to demolish is approved by Council. Staff feels that, based on the negotiations to save the facade under the previous permit application and the willingness of the owners to carry out the feasibility study at their own expense,

it would be unreasonable to impose a further one-year delay. Staff therefore recommend that the new permit be granted unconditionally, in accordance with the owner's request, to avert demolition and provide time for the study to be completed.

Although this differs from the strict terms of Council's motion of 22 March, it is in keeping with the spirit of the motion, which was essentially to avert demolition and encourage the carrying out of the feasibility study. The difference is that the demolition permission would not be tied to the outcome of the feasibility study and would in fact be granted prior to completion of the study, leaving the owner entirely free to determine the fate of the building.

BUDGET IMPLICATIONS

Granting this approval without conditions will result in the feasibility study being carried out at no cost to HRM. The \$10,000 cost-sharing previously approved by Council will not be spent.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council could refuse to approve the new application. This is not recommended, because it will lead to demolition of the Kelly building before April 17, 2005.

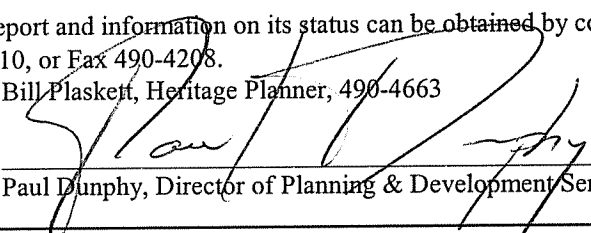
ATTACHMENTS

Attachment 1 Letter from Compass Commercial Realty & Property Management

Additional copies of this report and information on its status can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report prepared by: Bill Plasket, Heritage Planner, 490-4663

Report approved by:


Paul Dunphy, Director of Planning & Development Services

ATTACHMENT 1

LETTER FROM COMPASS COMMERCIAL REALTY(Received 1 April, 2005)



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Mr. Bill Plaskett, Heritage Conservation Planner
Halifax Regional Municipality
PO Box 1749
Halifax, Nova Scotia B3J 3A5

Dear Mr. Plaskett,

Re: 1790 Granville Street, The Kelly Building

Further to your letter dated March 23, 2005 and our subsequent meetings with you and Mr. Anstey (HRM Solicitor) we confirm that the Owners of the Kelly Building (TDB Halifax Holdings Limited "TDB") are not in a position to sign the proposal dated March 23, 2005.

We have been instructed to proceed with demolition unless we can obtain, in writing, an extension of the right to demolish as currently exists. That is to say – the Owners' right to demolish will remain the same as existed effective April 17, 2004 without any change.

In closing, we would ask that the HRM grant TDB an extension of the demolition right until October 17, 2005 (6 months), or other later date as may be mutually agreed. For clarification, the HRM agrees that TDB retains all rights as stated in the Application during this period of extension.

We trust this clarifies our position and we are confident that HRM will grant this request as asked. Please do not hesitate to call should you have any questions.

Best regards,
Compass Commercial Realty
As Agent for TDB Halifax Holdings Limited

A handwritten signature in black ink, appearing to read "Chris Andrea", is written over a horizontal line.

Chris Andrea