

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
7 July 2020 / 7 juillet 2020**

**and Council
et au Conseil
15 July 2020 / 15 juillet 2020**

**Submitted on June 24, 2020
Soumis le 24 juin 2020**

**Submitted by
Soumis par:**

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Ward: CUMBERLAND (19)

File Number: ACS2020-PIE-CRO-0013

SUBJECT: Long-Term Plan for City-Owned Properties on Sunland Drive

OBJET: Plan à long terme relatif aux propriétés de la Ville situées sur la promenade Sunland

REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend that Council:

- 1. Approve the demolition of 20 residential units on Sunland Drive and Orchardview Avenue, as described in this report; and,**
- 2. Authorize Infrastructure Services staff to create a capital account to utilize the City's Sewer Reserve Funds to implement the long-term plan for these properties.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil :

- 1. approuve la démolition de 20 unités résidentielles sur la promenade Sunland et l'avenue Orchardview, comme il est décrit dans le présent rapport; et**
- 2. autorise le personnel des Services d'infrastructure à créer un compte d'immobilisations et à puiser dans le fonds de réserve pour les égouts de la Ville afin d'appliquer le plan d'infrastructure à long terme à ces propriétés.**

BACKGROUND

In 2006, the City became involved in claims and litigation arising from differential soil settlement in the area of a trunk sewer owned by the City. The identified cause of the settlement damage was the presence of a deep trunk sewer and the reuse of in-situ marine clay to refill the sewer excavation.

As a result of those claims, as well as four additional claims based on the same confirmed soil settlement affecting adjacent homes, in 2008 and 2009, the City acquired ten properties in the Sunland Drive area. Eight of these properties are individual units within two separate rows of townhomes fronting on Sunland Drive. The remaining two City-Owned properties are single family homes on Orchardview Avenue located adjacent to the trunk sewer and behind the two blocks of townhomes.

The approach to resolving the matter, as outlined to Council in 2009, was to identify a remediation strategy that would allow the City to stabilize and repair the structures, with

the goal of recovering as much of the cost as possible through the eventual resale of the properties.

Although the City had initiated design and implementation plans to lift, stabilize, and restore the residential building structure to a livable condition, there was no guarantee that future settlement and related liability would cease. Further to this, a number of new claimants – owners of other properties in the rows of attached townhomes - came forward seeking compensation for damages to their structures or asking that the City also move to purchase their homes. As a consequence, an additional two townhomes were purchased in another block on the opposite side on Sunland Drive in 2018.

In May 2019, Council received a plan to extend offers for the purchase of the remaining ten properties in the three rows of townhomes within which the City already owns properties as any final remedial solution was unlikely in the near term. This approach acknowledged the litigation risk faced by the City if the claimants proceeded with formal court claims, as well as the fact that any effort to remediate the existing City-Owned properties was likely to cause significant disruption to the occupants of the adjoining homes and, possibly, damage to the structures themselves.

DISCUSSION

Following the update to Council in May 2019, staff implemented the identified approach, which was applied only to properties physically connected to those already owned by the City to mitigate the overall scope and cost of the project. Furthermore, recognizing that the purchase of properties allegedly damaged by differential soil settlement is an exception to the City's standard approach to such claims, this limitation was intended to reinforce the exceptional nature of the initiative and to avoid establishing a broader precedent.

Staff approached the owners of the affected properties and were successful in acquiring all ten outstanding properties for a total cost of \$3,565,000 plus reasonable fees associated with the sale of the properties. As of June 30, 2020, the City has taken possession of all the properties and now owns a total of 18 units in three rows of townhomes on Sunland Drive and two single family homes on Orchardview Avenue as shown on the property sketch attached as Document Two.

Staff have developed a long-term plan for these 20 properties purchased by the City. Upon City Council approval of the recommendations in this staff report, Infrastructure Services staff will be initiating demolition activities of the 20 properties and then restoring said lands to a temporary open space while soil stability is monitored. The cost

to demolish all 20 residential units and restore the land to open space has been estimated at approximately \$1,747,100, which includes \$100,000 to construct a pathway over the trunk sewer. Infrastructure Services staff have noted that the construction of the pathway will be over lightweight fill and further investigation is required as part of the design process in order to determine construction limits and final cost. All of these costs will be funded through the creation of a capital account that will be linked to Sewer Reserve Funds. This project, including the demolition of homes and restoration of land, will be managed by Infrastructure Services.

A soil monitoring program was initiated in 2019 to gather engineering data to conclude if consolidation settlement is complete in this area. The program included the installation of in ground and surface mounted geotechnical instrumentation within the City right of way and on privately-owned properties, adjacent to the trunk sewer alignment. Geotechnical data is gathered quarterly and will be analyzed over a period of three to five years, subject to the recommendations of the engineering consulting firm conducting the program.

Once the soil stability is confirmed, the subject area will be sold as residential development land to generate some revenue for the City. A subsequent staff report will be presented to City Council to transfer the subject lands to Ottawa Community Lands Development Corporation for ultimate disposal of the subject lands. The City will retain the pathway property in its ownership to provide access to the sewer.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

The Corporate Real Estate Office consulted with Asset Management, Infrastructure Services, and Legal Services to develop the long-term plan for these properties.

COMMENTS BY THE WARD COUNCILLOR

Councillor Luloff provided the following comment:

“It is a particularly difficult thing, to see a portion of a built community torn down like this, though completely necessary given the history of these properties. Thank you to all residents who worked with city staff, many of whom saw themselves in their homes much longer, but understood the unfortunate situation and made the difficult decision to move. Given that staff’s approach is different than what was discussed with the

community previously, I am asking that staff endeavour to make any more personal connection with the community to inform them of the work to be completed. In lieu of the standard notification, a proper letter detailing the way ahead as well as a dedicated staff member to answer questions would be appropriate. In addition, hand delivery of these notices by a staff member able to answer detailed questions would be appreciated.”

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations set out in this report.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff

ASSET MANAGEMENT IMPLICATIONS

The dwellings were privately-owned and not City-owned facilities, so the Asset Management Branch – Building and Park Assets (BPA) had no interest in the private assets prior to the time of purchase. Settlement of the private dwellings occurred due to the installation of a deep sewer (well post-construction) due to the eventual consolidation of marine clays; wherein the zone of influence did not account for adequate set-back for these structures. BPA will continue to monitor any future settlement of the lands in this vicinity for next three years.

FINANCIAL IMPLICATIONS

To implement the long-term plan for the Sunland properties a capital account funded from the Sewer Reserve will be created.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

TERM OF COUNCIL PRIORITIES

The recommendations in this report support City’s Council’s priorities of Governance, Planning and Decision Making as well as Financial Sustainability.

SUPPORTING DOCUMENTATION

Document 1 Property Sketch (immediately follows the report)

Document 2 City-Owned Properties (immediately follows the report)

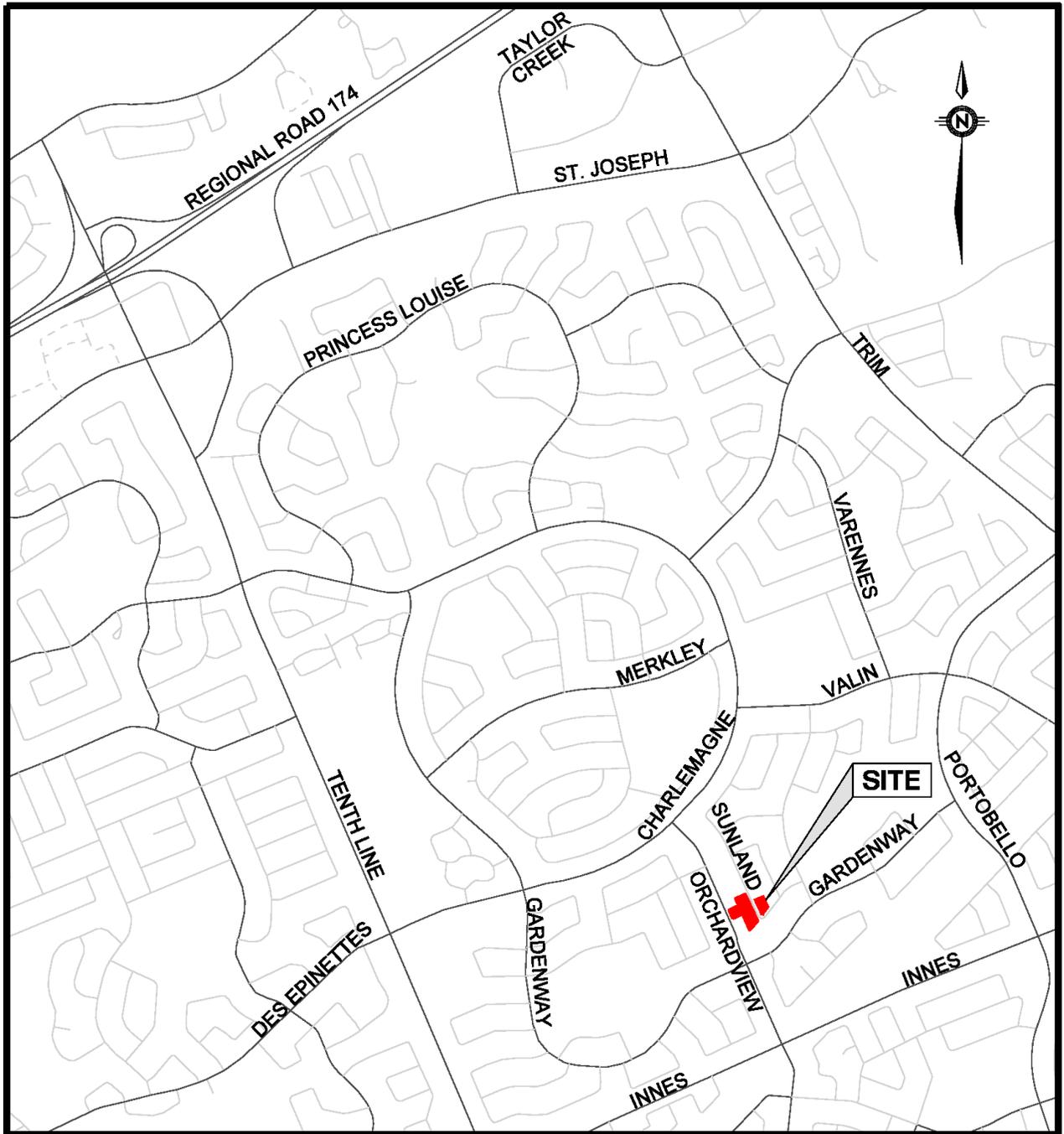
Document 3 Long-term Plan (immediately follows the report)

DISPOSITION

Upon approval by Council, Infrastructure Services will implement the long-term plan for these properties and manage the capital account.

Document 1 – Property Sketch

Key Plan – Site is to the east of the intersection of Tenth Line and Innes Roads.



Document 2 – City-Owned Properties

Eighteen units in three blocks of townhomes on Sunland Drive and two single homes on Orchardview Avenue (Note: trunk collector sewer is shown as a solid line).



Document 3 – Long-Term Plan

Phase 1

- Parcels 1, 2 and 3 will be restored to open space while soil stability is monitored.
- Parcel 4 will be a 20-metre wide pathway over the trunk sewer (shown as a solid line).

Phase 2

- Parcels 1, 2 and 3 will be sold for residential development.
- Parcel 4 will remain in City ownership as a pathway over the trunk sewer (shown as a solid line).

