



Report to: Development Services Committee

Report Date: November 29, 2011

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**SUBJECT:** Transport Canada- Pickering Airport Lands (Markham)  
Proposed Demolition of Vacant Heritage Structures

**PREPARED BY:** Regan Hutcheson, Manager, Heritage Planning, ext 2080

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**RECOMMENDATION:**

- 1) That the report entitled "Transport Canada- Pickering Airport Lands (Markham), Proposed Demolition of Vacant Heritage Structures", dated November 29, 2011, be received;
- 2) That Transport Canada be advised that since a final determination has not been made relative to the issue of a national Rouge Park for these lands and the potential park boundaries within Markham, the demolition of any built heritage resource in the area is premature;
- 3) That Parks Canada be requested to work with Transport Canada to investigate opportunities to delay any demolition of these vacant heritage buildings at this time;
- 4) That as recommended by Heritage Markham, nine identified built heritage resources be approved for designation under Part IV of the Ontario Heritage Act as properties of cultural heritage value or interest, and:
  - a. That the Clerk's Department be authorized to publish and serve Council's Notice of Intention to Designate as per the requirements of the Ontario Heritage Act;
  - b. That if there are no objections to the designation in accordance with the provisions of the Ontario Heritage Act, the Clerk be authorized to place a designation by-law before Council for adoption;
  - c. That if there are any objections in accordance with the provisions of the Ontario Heritage Act, the Clerk be directed to refer the proposed designation to the Ontario Conservation Review Board;
- 5) That Council delegates authority to the CAO and the Town Solicitor to participate in discussions related to leasing of the buildings, if necessary and negotiate lease arrangements to protect/stabilize the untenanted buildings in the short term until a long term solution can be achieved, and that the Mayor and Clerk be authorized to execute leases and any other documents required to give effect to these recommendations in a form satisfactory to the CAO.
- 6) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**EXECUTIVE SUMMARY:**

Transport Canada (TC) informed the Town in June 2011 that it intended to demolish 17 vacant structures on the federally owned Pickering Lands Site in eastern Markham. Ten of the structures are considered to be built heritage resources and identified on the

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Markham Register (one has already obtained demolition approval). This TC land is being held for a potential future airport with the majority of the future airport land in Pickering. TC has indicated that it is not committed to preserving any locally significant heritage buildings, but appreciates that the Town may see local heritage value in some of these properties. The City of Pickering is going through a similar process with TC. Two options were offered by TC: to allow Markham to lease the properties subject to strict conditions; or to allow Markham to co-ordinate the relocation of the buildings to another site with an amount equivalent to the cost of each building's demolition being provided to the Town to assist with the relocation. Each option has both financial and staff implications. All nine heritage properties were researched and evaluated by Town staff, and all found to be important, some more significant than others. The Heritage Markham Committee was also consulted and its recommendations are reflected in the staff recommendation. At the same time as the proposed TC demolitions are being considered, it is important to note that Parks Canada is investigating a potential federal Rouge Park that may or may not involve these lands. Given the uncertainty regarding the future national urban park and its potential boundaries, it is recommended that the federal government be requested to put a moratorium on the demolition of the heritage buildings at this time. To demonstrate Markham's commitment to the heritage resources, it is recommended that Council initiate the designation of the properties under the Ontario Heritage Act. Further, if the Town is not successful in having the demolitions deferred, it is recommended that senior staff be authorized to initiate leasing discussions and if necessary enter into the leases to protect the buildings in the short term until a long term solution can be found.

**PURPOSE:**

The Town of Markham is in receipt of a letter from Transport Canada (TC) formally providing notice of an intention to demolish vacant structures on the federally owned Pickering Lands Site. Of the 17 properties identified in the letter, 10 are on the *Markham Register of Property of Cultural Heritage Value or Interest*. One of the 10 properties has already received demolition approval by Markham Council (11206 Reesor Road). TC has since applied for and was issued demolition permits for six of the non-heritage structures. The purpose of this report is to discuss and make recommendations to Committee in response to the demolitions proposed by TC.

**BACKGROUND:****Transport Canada has demolished Markham heritage properties in the past**

Markham Council has passed a number of resolutions on the issue of removing heritage buildings on the federal lands in east Markham. (See Appendix 'A'). Council last approved a resolution asking Transport Canada (TC) to halt demolitions and to reconvene the TC Heritage Steering Committee to complete its mandate (Feb 27, 2007).

Town officials also met with Transport Canada officials March 28, 2007 after TC had demolished three heritage properties in Markham against Council's request. The Mayor, CAO, Commissioner of Development Services and Manager of Heritage Planning met

the Regional Director General-Ontario Region and the Regional Director, Pickering Lands Branch and five other senior TC staff. At the 2007 meeting, TC officials had the following response to Markham's proposed Mutual Heritage Strategy and Protocols:

- Local Heritage Conservation – TC indicated that preserving local heritage buildings is not within its mandate.
- "Local Heritage Plans" – TC requested these plans from Markham which would involve "recording and salvaging" prior to demolition. TC offered to work with Markham on local heritage plans for those vacant residential dwellings that now exist and could include Markham's relocation of some or all of the dwellings off the Pickering Lands.
- Tenancy – TC policy is to not re-tenant if tenant leaves- building is boarded- no change in this policy. This is due to economics. TC is not willing to re-visit its policy on abandonment and leasing.
- Evictions – previous demolitions were related to evictions/ Landlord Tenant Act. TC did indicate that there would be no more evictions related to the issue of repair costs.
- Relocation Options – TC's position was that until an airport decision is made, there can be no relocation to other federal lands including Greenspace lands. For Greenspace Lands, investments can be made, but only if they won't affect a future airport (i.e. improvement to environmental sustainability, but nothing that could affect aviation planning). TC is willing to facilitate relocation off its lands to other locations (see Financial)
- Financial Assistance – TC can only offer the equivalent of demolition costs to assist with relocation off their property.
- Airport Decision – a number of studies were being undertaken including an EA, Land Management Strategy, Aboriginal consultation, etc.

It was reported on January 19<sup>th</sup>, 2011 that the federal Transport Minister stated in a letter to the Member of Parliament for Pickering "*that Transport Canada will continue to demolish such buildings, ultimately restoring the land to a Greenfield state*". TC Staff are actively pursuing the demolition of heritage and other dwellings that are vacant on TC lands in Markham.

### **The land is being held for a potential future airport**

Earlier this year, TC released the findings of the 2010 Pickering Lands Needs Assessment which examined existing airports in the Greater Golden Horseshoe and their ability to meet future needs for aviation requirements within a 25 year time horizon. The study determined that an additional airport would be needed between 2027-2037 and that Pickering Lands would be a prime location.

The study recommended that the federal government retain the Pickering site. The federal government is now preparing a federal plan that "will consider the short and long-term development and use of these lands, including the potential for a future airport, and take into account the needs of the region and stakeholders".

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**Current Status of Markham Heritage Properties**

Heritage Section staff updated the listing of “Properties Listed on the Markham Register of Property of Cultural Heritage Value or Interest Located within the Federal Government Airport Lands” in February 2011. In 2005, there were 49 built heritage resources; today there are 43. Since 2005, five properties were demolished and one was lost to fire.

**Demolition Application Earlier this Year**

Transport Canada (TC) was issued a demolition permit for 11206 Reesor Road (Vanzant House) on the basis that this structure was structurally unsafe. Council reluctantly approved the demolition permit in March 2011 and expressed its desire to TC to have heritage buildings on their lands repaired, maintained and re-tenanted to preserve these local heritage resources as opposed to abandonment, boarding and neglect.

**Proposed Demolitions in Pickering**

The City of Pickering also received a letter related to demolitions within its boundaries. Fifty Pickering properties were identified for demolition of which 32 were on its Heritage Register. Pickering officials have indicated that discussions with TC were not fruitful as TC “has no interest in local heritage”. Pickering staff is working on a strategy to address the protection of significant heritage properties which still must be approved by its council.

**In June 2011, Transport Canada provided “Notice of Intention to Demolish Vacant Structures” in Markham**

TC sent a letter to the Markham CAO on June 28, 2011 indicating that it needs to remove 17 vacant structures that pose a health and safety risk to the public and first responders on the federal lands in east Markham. (See Appendix ‘B’). The letter stated that these structures suffer from frequent break-ins and arson is a threat. TC also noted that it will not undertake rehabilitation or restoration of structures that have reached the “end of their economic life” but that it appreciates that the Town may see local heritage value in some of these properties.

The Town was asked to notify TC of any structures on the list having local heritage value and a letter was sent by CAO on July 6, 2011 (see Appendix ‘B’) identifying 11 properties (since revised to 10). Two options have since been offered to the Town by TC to assist in the conservation of local heritage properties:

- Option A -TC would lease the structures to the Town according to specific leasing terms.
- Option B – TC would contribute an amount equal to the cost of demolition for each building to assist the Town in relocating the building to a site off the Federal lands. The Town would pay all remaining costs and manage all aspects of the move.

Demolition is scheduled by TC to be completed by March 31, 2012. A response on the proposed demolitions was requested by Dec 30, 2011.

**Potential federal National Rouge Park could involve these lands**

The federal government through Parks Canada has announced an interest in reviewing a potential Rouge National Park. Parks Canada has commenced the process and allocated staff, and is in early consultation with Rouge Alliance members other stakeholders. No boundaries have been identified at this time for the national park, but in a report prepared for the Rouge Park Alliance in February 2010 on future governance, the preferred future structure was a federal model with the scope to include both the federal and provincial lands in Markham as well as the provincial lands in Toronto.

**Heritage Markham Comment to date**

At the September 2011 meeting, Heritage Markham discussed the proposed demolitions and delegated the Building Evaluation of each property to Heritage Section staff with the evaluation results to be reported back to Heritage Markham at a future meeting. At the November 2011 meeting, the Committee recommended three actions for Council consideration:

- to work with federal officials to retain and protect the nine heritage buildings on their current sites pending the outcome of discussions concerning the creation of a federal Rouge Park which could include the heritage buildings in this area as part of its mandate;
- to approve an intention to designate all nine properties under the Ontario Heritage Act to acknowledge their importance and further their protection; and
- if necessary to preserve the heritage buildings from demolition, to consider entering into a lease arrangement with Transport Canada.

**OPTIONS/ DISCUSSION:****Staff researched and assessed each heritage structure**

Heritage Section was directed by Senior Town staff to initiate architectural and historical research work on the identified heritage properties and to fully evaluate the properties to assess their cultural heritage value. Each property was researched and a site visit was undertaken. A summary of each property is attached in Appendix 'C' (See Figure 1 for locations). The photo used illustrates the building in better times since in many cases vegetation now obscures the buildings.

Each property was evaluated using the Town of Markham's Heritage Building Evaluation System (approved by Council) using Historical, Architectural and Contextual criteria.

The classifications are as follows:

- Group 1 – 70 to 100 points – of major significance, worthy of designation, preserve on site
- Group 2 – 45 to 69 points – significant, worth of preservation, designation and retention encouraged
- Group 3 – less than 45 points – noteworthy, worthy of documentation, retention on site is supported.

The evaluation found that there were two Group 1 and seven Group 2 properties. The results were as follows:

Address	Age	Material	Group	Points	Condition
7134 Major Mackenzie Dr. E	c.1855	stone	1	80	Excellent
10531 Reesor Road	c.1850	stone	1	78	Excellent
11201 Reesor Road	c.1910	brick	2	66.2	Good
10295 Ninth Line	c.1915	frame	2	61.8	Excellent
11223 Reesor Road	c.1850	frame	2	61.2	Good
11190 York Durham Line	c.1870	frame	2	59.8	Good
11122 Reesor Road	c.1840	frame	2	58.0	Fair
10676 Reesor Road	c.1871	frame	2	55.6	Good
7368 Elgin Mills Road	c.1894	brick	2	52.8	Poor

All 9 properties are vacant, most are securely boarded.

#### **There are a variety of options**

From a Town perspective, options for each of the structures could include the following:

- Retention on site (re-tenanting)
- Retention on site (stabilization/boarding)
- Relocation (Heritage Estates or elsewhere in Markham)
- A combination of any of these can be considered, depending on the characteristics of the resource.
- Request for delay in any demolition due to Rouge Park

#### **Review of Transport Canada's offer**

Transport Canada has provided two options for protecting the buildings from demolition.

##### Option A- Leasing

- The Town would lease the buildings from the federal government; all land and structures remain the property of TC
- Considered to be a 'Net Lease' with the Town assuming all operational/restoration costs and liabilities related to the premises.
- TC would expect a monthly rental fee (\$150 a month per building).
- TC would expect the Payment in Lieu of Taxes (PILT) to be waived.
- Town would be responsible for all aspects of security, damage or loss to property and injury or death to persons accessing the property regardless of whether it is lawful or unlawful.
- Properties may be sub-leased by the Town solely for commercial purposes and only with TC approval of the use.

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Staff Comment on Option A

This option would have financial and staffing implications for the Town. The annual rental fee would be approximately \$16,200/year plus the loss of the PILT. Staff would also have to monitor the buildings for security purposes and to ensure basic maintenance/boarding. It could also prove difficult to allow “commercial uses” in this rural area zoned Rural Residential (RR4) or Agriculture (A1).

Option B- Relocation/Demolition Costs

- TC would contribute an amount equivalent to the cost of demolition of the building to assist the Town in relocating the building to a site off the Federal Lands.
- The Town would be required to pay any remaining costs and manage all aspects of permanently moving the structures.
- TC would transfer ownership/ title of the asset to the Town and to no other (third) party or individual.

Staff Comment on Option B

This option would require Town staff to assume responsibility for the entire administration of the relocation process for the buildings including finding new locations and potentially the selection of candidates. TC makes it clear it will only deal with the Town. As to the TC grant, the Town could either retain it to cover all or part of its administrative and relocation costs or transfer all or a portion of it to a future third party as an incentive to assume responsibility for the building. Relocation of the two most valuable Group 1 stone buildings would be a very costly undertaking due to their weight as they would likely have to be disassembled.

**Preferred option**

Recognizing the opportunity of establishing a “National Rouge Park” in this area, it is recommended that Parks Canada be requested to work with Transport Canada to delay any demolition of local built heritage resources at this time.

It is the view of staff that these heritage resources could be an important future asset once the National Park is established and therefore any demolition is premature. To demonstrate that Markham believes that these heritage resources deserve protection, it is recommended that Council initiate the designation of each of the buildings under Part IV of the Ontario Heritage Act. To that end, staff has prepared a Statement of Significance for each property (Appendix ‘D’). As per the requirements of the Act, the municipal heritage committee has been consulted and supports the designation of all nine properties.

If the Town is not successful in having the demolitions withdrawn at this time, staff recommends that Council delegate authority to the CAO and the Town Solicitor to enter into a lease arrangement for each building with TC. The purpose of the lease would be to protect the building in the short term until a long term solution can be found. The buildings could simply be maintained/stabilized rather than being re-tenanted. Apart from the potential consequences of any extraordinary vandalism or illegal

occupancy, the Chief Building Official has advised that they do not present any significant public hazard in their present condition.

**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

If Council approves the preferred option, there would only be financial implications if the Town finds it necessary to enter into a lease arrangement. These costs are not known at this time as they would need to be further negotiated with TC officials.

**HUMAN RESOURCES CONSIDERATIONS**

If Council approves the preferred option, there would only be human resources implications if the Town finds it necessary to enter into a lease arrangement. Staff resources would be required to monitor boarded structures to ensure they are protected against illegal entry.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Heritage conservation aligns with the strategic priorities of Managed Growth and Environment. The proposed course of action recognizes, promotes and protects heritage resources, which strengthens the sense of community. The preservation of heritage buildings is environmentally sustainable because it conserves embodied energy, diverts sound construction materials from entering landfill sites, and reduces the need to produce and transport new construction materials.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

CAO, Legal, Building Department, Planning and Urban Design Department (Heritage Section)

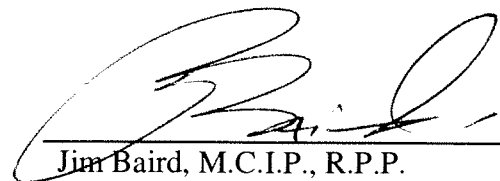
**RECOMMENDED BY:**  
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Commissioner of Development Services**ATTACHMENTS:**

Figure 1	Location of Properties
Appendix 'A'	Previous Council Resolutions



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Appendix 'B'	Letter from Transport Canada and Town Response
Appendix 'C'	Summary of Properties
Appendix 'D'	Statement of Significance as per the Ontario Heritage Act

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