SUBJECT: 1579 Burlington Street East (Former Firestone Plant) (PW09063) - (City Wide)

RECOMMENDATION:

(a) That the balance of funds available from the 241 Stuart Street demolition project (#3540841739) be transferred to the 1579 Burlington Street East demolition (account to be established);

(b) That the transferred funds be used to develop a demolition strategy for the building located at 1579 Burlington Road East (formerly known as the Firestone Plant), as well as an interim risk management strategy (i.e. proper signage, security fencing in vulnerable locations, and security patrols) that will address the immediate concerns and minimize the liability that currently exists.

Gerry Davis, CMA
General Manager
Public Works Department

EXECUTIVE SUMMARY:

The parcel of land at 1579 Burlington Street East (formerly the Firestone Plant) has been a strategic acquisition for the City’s Public Works Department. The site is home to three large facilities; a state-of-the-art Centralized Composting Facility (182,287 square feet {s.f.}), a Materials Recycling Facility (280,000 s.f.) and an abandoned tire factory (552,287 s.f.) which has no corporate intended use.

The abandoned portion of the Firestone Plant is very spacious, with an office tower and a large basement footprint that is completely flooded. The factory has many vulnerabilities and entry points that make it extremely difficult to secure.
In general, abandoned factories are full of risks and liabilities often attracting crime (vagrants, trespassers); they are susceptible to collapse, arson and other illegal activities including drug dealing, vandalism and graffiti.

Derelict factories have become of growing interest to underground networks; *Urban Exploration* is the preferred term. As defined by the free encyclopaedia website, “Wikipedia”:

**Urban Exploration:** is the examination of the normally unseen or off-limits parts of urban areas or industrial facilities. Urban exploration is also commonly referred to as *infiltration*, although some people consider infiltration to be more closely associated with the exploration of active or inhabited sites. It may also be referred to as "draining" (when exploring drains) "urban spelunking", "urban caving", or "building hacking".

There is evidence on various websites that the abandoned tire factory building at 1579 Burlington Street East has been visited by such *Urban Explorers*. Explorers face various risks in abandoned structures including collapsing roofs and floors, broken glass, the presence of chemicals, and other harmful substances, most notably asbestos and mould. As well, in this particular plant, because of the open flooded pits there is a risk of drowning.

The exposure is only heightened by the fact that the City is now aware that the site is being accessed by various groups and individuals. If an injury or fatality were to happen at the plant in its present state, the City would most assuredly bear a percentage of liability, ranging from low to high, depending on the circumstances of the incident. As might be expected, many of the intruders are teenagers or younger. Damage assessments for this demographic tend to be higher than average given that they can include a lifetime of ongoing care and treatment. In a "worst case" single injury scenario, damages will be well beyond $1,000,000. In the absence of a reasonable effort to prevent trespassing, the City will be found liable to some degree, in the event of injury on the premises.

Staff is looking to develop an interim risk management plan to address the immediate concerns and to minimize the threats and liabilities to the City of Hamilton. As well, a strategy will be developed to determine the best demolition methods and to identify possible funding sources.

**BACKGROUND:**

The information/recommendations contained within this report have City wide implications.

The subject property is located on the north side of Burlington Street East approximately 100 metres west of the intersection of Burlington Street East and Hobson Street.

The 40 acre property was originally developed by Firestone as a tire manufacturing facility in 1921 and expanded the plant on numerous occasions including 1927, 1944, 1946, 1948, 1951, 1953, 1957, 1974, 1980, 1982, and 1983. The multiple additions have formed a large industrial building approximately 822,191 s.f. with various levels (including an office tower and basement).
In 1987, Firestone announced that it was closing the plant and entered into a voluntary
decommissioning program for the property.

Philip Enterprises Inc. purchased the property in 1991, and used the property for
various operations such as lugger bin repair, plastic recycling and metal recovery
operations, and mill services. A portion of the building was leased to Third Sector
Recycling who operated the residential blue box program for the former Regional
Municipality of Hamilton-Wentworth.

The property was eventually transferred from Philips Services Corporation to the City of
Hamilton as part of a negotiated settlement of a number of issues between the parties.
The official transfer date was December 21, 2001.

Today, the south portion of the building which is approximately 280,000 s.f. has been
renovated and physically separated from the remaining plant. The centre and east
portion of the renewed building is a municipal recycling depot known as the Material
Recycling Facility (MRF) currently managed by the City of Hamilton’s Waste
Management Division. There are up to 30 collection trucks that deliver blue box material
to the site and numerous transport trucks removing processed material from the site
each day. The west side of the renewed building has recently been approved by
Council (through Report PW09029) to house the City’s Waste Collection Operation.

In addition, in 2006 on the most southerly portion of the land a new state-of-the-art
Central Composting Facility (182,287 s.f.) was designed and constructed, and is
currently operated by Maple Reinders Constructors Ltd and its subcontractor, Aim
Waste Management Inc. The attached site plan (reference Appendix “A”) illustrates
current layout at the site.

**ANALYSIS/RATIONALE:**

In light of the on-going activities at the abandoned portion of the plant and the recent
pictures of areas within the factory being posted on various websites, the Corporate
Facilities Management Section is working with Risk Management to develop an
immediate strategy to safeguard the abandoned factory from trespassers. Furthermore
staff is looking for direction to develop a long term solution for the vacant plant which
most preferably would include the complete demolition of the tire factory.

The abandoned section of the plant represents a significant liability exposure for the
City. The exposure is only heightened by the fact that the City is now aware that the
site is being accessed by various groups and individuals. If an injury or fatality were to
happen at the plant in its present state, the City would most assuredly bear a
percentage of liability, ranging from low to high, depending on the circumstances of the
incident. In an effort to at least partially mitigate this liability, staff have taken steps to
secure the building to the extent possible and have initiated security patrols as an
interim measure. This is being funded from the 2009 operating budget, but is not
sustainable unless the recommendations considered in this report are supported.

As might be expected, many of the intruders are likely teenagers or young adults.
Damage assessments for this demographic tend to be higher than average given that
they can include a lifetime of ongoing care and treatment. In a “worst case” single injury
scenario, damages will be well beyond $1,000,000. In the absence of a reasonable
effort to prevent trespassing, the City will be found liable to some degree, in the event of injury on the premises.

If the recommendations contained in this report are approved, to properly manage and safeguard the abandoned tire factory, as a minimum City staff will be ensuring that each entry point is secured against unauthorized entry by using one or more of the following methods:

- Board, lock or use other means to secure windows, doors and other potential means of entry;
- Provide fencing;
- Provide lighting and surveillance system;
- Provide security through the employment of a guard or security service; and
- Post warning signs that prohibit trespassing in publicly visible locations.

Part of the ongoing due diligence will be to regularly inspect the entry barriers and the warning signs. Site inspection should be done weekly; an inspection log will be kept to record the conditions of the entry barriers, security measures and warning signs; and finally a plan will be put in place to promptly repair or replace any damaged or lost entry barriers, security measures and warning signs.

**ALTERNATIVES FOR CONSIDERATION:**

A ‘do-nothing’ scenario is an option but puts the City of Hamilton at the highest risk along with ongoing and increasing operating costs. This option is not recommended by staff.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:**

Currently underway is the 241 Stuart Street demolition project (#3540841739) with a project completion of July 2009. As part of an RFP process, bidding was very competitive and the project cost came in substantially below budget. It is anticipated that there will be approximately $400,000 in available funds once the project is complete. Staff are requesting that these funds be transferred to the 1579 Burlington Street demolition (account to be established) in order to assist with the costs of implementing security measures required to manage the risks and liabilities that are currently present at the site.

Two consulting/engineering firms have evaluated the site on separate occasions and the results have been corroborated. It is estimated that the demolition cost of the abandoned portion of the plant would range from $2.5 to $3 million (in 2009 dollars). Staff are preparing specifications to issue a Request for Proposal in order to determine the best method of demolition with the objective of minimizing the financial burden to the City of Hamilton.

To properly safeguard the abandoned tire factory various measures would need to be put in place that will result in an increase to the operating costs. Given the sheer magnitude and size of the tire factory, in order to properly safeguard the site in its current condition, the operating cost would be estimated between $150,000 to $200,000 annually.
Staffing:
None.

Legal Implication:
The proposed security measures identified in this report are appropriate for the City of Hamilton to take as the owner of 1579 Burlington Street East, especially given that it now appears that third parties are entering the property without the City’s consent.

POLICIES AFFECTING PROPOSAL:
N/A

RELEVANT CONSULTATION:
Corporate Services Department: Risk Management, Legal Services
Public Works Department: Capital Planning & Implementation, Waste Management

CITY STRATEGIC COMMITMENT:
The recommendations in this report align with both the City’s Strategic Plan and Innovate Now (Public Works Business Plan) whereby accountability to the community is essential. Accountability is moving towards the relationship between the Corporation and the people it serves. This means that the Corporation takes account of the needs, concerns and role of the community and explains its action and decision to them. Accountability to the community is often broken down into; participation, transparency, feedback and education.

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Abandoned and derelict buildings are eye-sores and bring huge liabilities to the City of Hamilton. By demolishing or properly securing the site, safe guards both the City of Hamilton and the community.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Although demolition materials are typically sent to landfill sites, this particular site requires attention because of the various hazardous materials such as asbestos, PCBs etc. A demolition approach would clean up the lands and would increase the value to the property asset. The hazardous conditions and asbestos dangers at the site would be eliminated.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Clearing the site of the abandoned tire factory would increase the value of the land making it available for other suitable uses.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No