

PRESCOTT

EST 1784

THE FORT TOWN

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Frequently Asked Questions Sale of 201 Water Street West

On November 30, 2020, the Town of Prescott sold 201 Water Street West, also known as the Forwarders' Museum. Since that time there have been a number of questions regarding the process that was used and why the decision was made to sell the property. This document is meant to answer those questions in what we hope is a helpful format.

The information below has been broken down into six broad categories:

- [Building Condition](#)
- [Unsolicited Offers](#)
- [Process Used to Sell 201 Water Street West](#)
- [Conditions of the Sale](#)
- [Future Prescott Museum and Visitor Centre](#)
- [Other Questions](#)

Building Condition – What was the condition of 201 Water Street?

2013 Structural Inspection Report

A structural inspection report was completed by Genivar in November of 2013 for 201 Water Street West. The information below is taken directly from the structural inspection report.

“The masonry exterior walls of the structure were in poor condition and major structural work will be required to address the deterioration. We have provided two general options for addressing the condition of the structure; repair or replacement.”

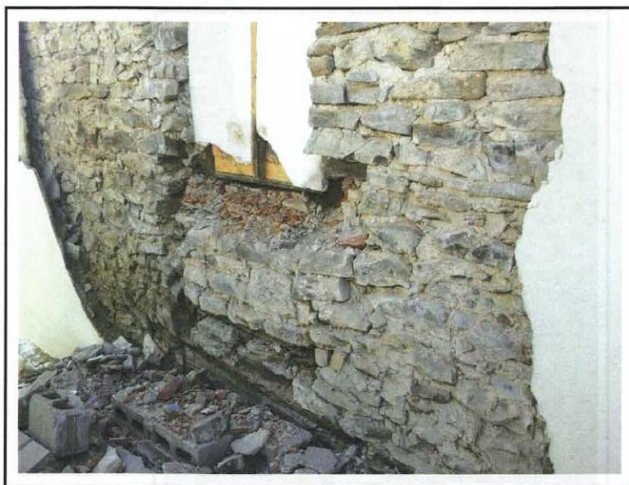


Photo 9 Deterioration at Window in East Wall

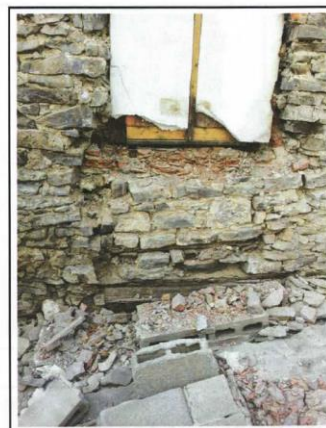


Photo 8 Deteriorated Masonry and Deteriorated Timber Embedded in Masonry Wall

“Option 1 – Repair of Existing Structure

The structural aspects of the repairs would consist mainly of addressing the deterioration of the masonry walls. This will require at a minimum:

- *Full excavation of the foundation on all 4 sides*
- *Careful removal of existing stucco and parging from both the interior and exterior*
- *Reconstruction of the outer wythe of walls full height*
- *Repair and repointing of inner wythe of walls*

In addition to the repair of the foundation walls, any rehabilitation should also include the following structural work

- *Strengthening of the timber floor and roof structures to conform to loading requirements under the Ontario Building Code (OBC) for the correct use (ie museum, office, etc)*
- *Waterproofing of foundation below grade*
- *Provide proper drainage for the foundation”*

“At this time we estimate costs for the repair of the existing structure would be on the order of \$350,000 - \$450,000.”

“Option 2 – Replace

Replacement of the building would entail the following:

- *Salvage the historic features (Interior wood work; original fire place, interior masonry wall in basement, etc)*
- *Demolish existing structure*
- *Build new structure conforming to current OBC requirement incorporating salvaged features”*

“At this time we estimate that the cost for replacement of the structure would be comparable with rehabilitation, on the order of \$400,000-\$450,000 for a new structure, with approximately the same footprint as the existing. There is significantly less risk involved with replacing the structure.”

The full report is available here: [2013 Structural Inspection Report](#)

Question: Wasn't money spent on repairs to address the items in the inspection report?

Answer: In 2008, \$17,508.34 was spent on the museum to address decks, doors, and the façade. These were cosmetic repairs only and were completed prior to the 2013 inspection report.

In 2015, \$15,369.15 was spent on repairs to the structure which included replacement of the roof, replacement of the rear balcony supports, and the removal of portions of the exterior stucco and covering it up with strapping and plywood painted white. The underlying issues with the stone masonry deterioration were not addressed.

2017 Condition Study

A condition study was completed by EVB Engineering and Architecture49 Inc. in November of 2017 for 201 Water Street West. The information below is taken from the condition study.

“The Forwarder’s museum is now approaching 200 years of age. As presented above, significant structural and architectural deficiencies have been identified requiring immediate attention as would be expected with a building of this age. The major building deficiency is associated with the exterior wall conditions. Significant foundation and above grade repairs of the stone masonry and exterior finish stucco are required. The full extent of which cannot be determined without removal of architectural finishes. However, based on the photos of the exposed portion of the east wall from the previous 2013 report, significant wall repairs are anticipated and have been presented in the budgets provided with this report.

In addition, roof and 2nd floor reinforcing may be required pending an engineering analysis. Floor, roof and guardrail/handrail upgrades are necessary to meet current Building Code requirements.

It is recognized that the building is a Heritage Building of high importance to the history of the Town of Prescott. Renovating and upgrading is a viable option and understood however, it should be emphasized that additional unforeseen expenses may be encountered during detailed design and construction with a building of this age. If the Town elects to continue to use the building, planning for renovations and upgrades should be undertaken as soon as possible.”

The estimated cost to repair the deficiencies was \$392,000. Based on this report, the decision was made to close the Forwarders’ Museum to the public until a plan of action could be determined.

The full report is available here: [2017 Condition Study](#)

A designated substance survey was carried out as part of the condition study. It shows the existence of lead paint throughout the building.

The full report is available here: [Designated Substance Survey](#)

2018 Stone Masonry Wall Structural Review

A stone masonry wall structural review was completed by Keller Engineering in July of 2018 for 201 Water Street West. This review was undertaken to confirm the estimated costs identified in the two previous reports. The conclusions of the review are below.

“The exterior wythe of the stone masonry walls of the Forwarders’ Museum appears to be in disrepair caused primarily by freeze/thaw action in the presence of moisture. The full extent of the deterioration is not known at this time. It would appear that the stucco on the exterior was

installed at a later date primarily to protect the walls against moisture penetration and general deterioration.

However, this remedial measure has likely inadvertently contributed to the accelerated deterioration of the surface of the masonry fabric due to moisture exfiltration from the interior and the trapping of moisture behind the stucco surface. The presence of moisture in the wall was confirmed in the basement outboard of the vapour barrier and insulation. It is not known whether the upper walls of the museum are also insulated. If insulated, then these stone masonry walls are now exposed to more serious freeze/thaw conditions than originally as they no longer benefit from the warm interior air keeping most of the wall section above freezing conditions. This is not typically a problem as long as the walls are kept dry.

The question now is whether these stone masonry walls can be restored at a reasonable cost.

Before this question can be answered with some degree of certainty, we recommend that the following actions be taken first:

- 1. Carry out a geotechnical investigation to determine the soil bearing conditions and the frost susceptibility of the soil, especially at the south end of the building. As well, determine the depth of the foundation at the south end.*
- 2. Remove significantly more of the stucco on the other walls to confirm whether the observed masonry deterioration on the east wall is widespread or localized.*
- 3. Make several inspection openings in the masonry walls at random locations to determine the degree of deterioration through the thickness of the walls.*

Once these critical questions have been answered, a remedial work program can be put together and associated costs estimated.

An engineering review of the balcony should also be carried out to determine whether it meets OBC requirements for public access. In the interim, the balcony should be closed to the public.

Based on our cursory inspection, we are of the opinion that the massive stone masonry walls of the Forwarders' Museum can be remediated with the repainting and partial reconstruction of the exterior masonry wythe. If foundation movements are occurring due to frost heaving or poor and variable soils conditions, as determined through a geotechnical investigation, these movements should be arrested first before the masonry walls are restored. The costs of these repairs can only be estimated reliably once the aforementioned key questions have been answered.

As discussed with you on site, our ballpark estimate for the masonry repairs will likely be in the range of \$250,000 - \$300,000 excluding potential underpinning, if required.”



5 Close-up view of decayed wood lintel



9 Close-up view showing numerous fractures in stone units and poor mortar condition



13 Close-up view showing horizontal crack and delamination of stucco at SW corner

The full report is available here: [2018 Stone Masonry Wall Structural Review](#)

Question: Weren't there funds being put away for repairs?

Answer: Starting in 2016, the Town began to put \$21,000 annually into a reserve in hopes of building a fund large enough to undertake the required repairs. By the end of 2019, there was \$81,010 in the reserve fund. At the current rate of savings, it would take an additional ten to fifteen years to build up a fund large enough to address the required repairs. However, the walls continue to deteriorate, and an additional ten years was not feasible without serious risk of wall failure.

Unsolicited Offers

Question: I heard there were multiple unsolicited offers for 201 Water Street West?

Answer: In July of 2019, a developer inquired as to what interest the Town might have in selling 201 Water Street West for a nominal amount given its current condition. A bank loan would be needed by the developer to undertake the required repairs and renovations which would require a clean environmental assessment.

An environmental assessment level 1 was undertaken which identified that the building had previously been used as a dry cleaner. Once this was confirmed, an environmental assessment level 2 was undertaken.

While the environmental assessment level 2 was being completed the Town received an unsolicited offer to purchase 201 Water Street West. This unsolicited offer was placed on hold while environmental assessment level 2 was being completed.

In June of 2020, the environmental assessment level 2 was completed. It confirmed that the site could not be used for residential purposes and the property would not qualify for a commercial mortgage or loan in its current condition. Once this was known, the original developer decided they no longer wished to move forward.

The unsolicited offer that was received during environmental assessment level 2 was rescinded and resubmitted at a much lower value due to the results of the environmental assessment. No decision had been made to accept or reject any offers.

In July of 2020, the Town reached out to the Chair of the Grenville Historical Society to discuss the ramifications of a potential sale and obtain feedback. Based on research, 201 Water Street was primarily in private ownership until the 1970's when the Town purchased it. It was only from this point onwards that 201 Water Street became publicly owned.

Process used to sell 201 Water Street West – Bylaw 16-95 – A procedure governing the sale of real property

Question: Why would the Town decide to sell 201 Water Street West?

Answer: 201 Water Street West was declared surplus to the needs of the Town on August 10, 2020, based on the following information:

- Three building condition reports completed by three different firms, one of which specializes in historical building stone masonry repairs, all identified major repairs that were required ranging between \$350,000 to \$450,000
- A designated substance survey showed the existence of lead paint

- Environmental assessments Level 1 and Level 2 completed showed that a dry cleaner had been operating at the property and that due to the condition of the property residential uses would be prohibited and potential purchasers would not qualify for a loan or mortgage from a commercial lender
- The building is not a suitable accessible space for a public museum
- The Town would not be in financial position to make the required repairs for another ten to fifteen years

Question: I heard the Town did follow the by-law for the sale of 201 Water Street West.

Answer: By-Law 16-95 governs the sale of real property by the Town of Prescott.

A copy of this bylaw is available here: [By-Law 16-95](#)

The following portions of Bylaw 19-95 are applicable to the sale of 201 Water Street West:

1. That prior to the disposal of any real property, Council shall, by resolution, declare any of its real property to be surplus to the needs of the Town.
 - 201 Water Street West was declared surplus on August 10, 2020
2. Prior to the disposal of any real property, Council shall obtain at least one appraisal of the fair market value of the real property.
 - One appraisal of fair market value of 201 Water Street West was obtained in August 2020, which identified the value to be between \$30,000 - \$40,000
3. The form of the appraisal shall be the "Opinion of Value" from a realtor
 - The appraisal was in the form of an opinion of value by a realtor
4. Notwithstanding Section 2 of this by-law, Council may exempt the following classes of property from the appraisal requirement:
 - a. land 0.3 metres or less in width acquired in connection with an approval or decision under the Planning Act; - not applicable
 - b. highways, roads and road allowances; - not applicable
 - c. land formerly used for railway branch lines if sold to an owner of land abutting the former railway land; - not applicable
 - d. land that does not have direct access to a highway if sold to the owner of land abutting that land; - not applicable
 - e. land repurchased by an owner in accordance with Section 42 of the Expropriations Act; - not applicable
 - f. lands to be used for sites for the establishment and carrying on of industries and of industrial operations and incidental uses; - not applicable

- g. land sold under Section 1 12, 1 12.1, 1 12.2 and 1 13 of the Municipal Act; - not applicable
 - h. easements granted to public utilities or to telephone companies; - not applicable
 - i. land sold under the Municipal Tax Sales Act. - not applicable
5. Notwithstanding Section 2 of this by-law, Council may sell real property to the following classes of public bodies without obtaining an appraisal:
 - a. any municipality; - not applicable
 - b. a local board as defined in the Municipal Affairs Act; - not applicable
 - c. the Crown in Right of Ontario or of Canada and their agencies. - not applicable
 6. Notwithstanding Section 3 of this by-law, Council may direct by resolution, that the appraisal shall be conducted by an independent, qualified appraiser who is a registered member in good standing of the Appraisal Institute of Canada.
 - o The value of opinion obtained from a realtor in Sections 3 and 4 was sufficient to determine the market value
 7. Council shall obtain approval from any other agencies involved, if necessary
 - o No other agencies were required for approval
 7. Council shall give notice to the public of the proposed sale of real property at least ten (10) days, including holidays, prior to the disposal of the real property by posting a notice on the subject property or at a nearby location chosen by the Clerk or his delegate.
 - o Notice was issued on social media, in the local newspaper, and on the door of the museum on August 13, 2020 with comment period closing on August 24, 2020
 - o All comments were forwarded to Council on September 3, 2020
 8. Notwithstanding Section 7 of this by-law, Council may direct by resolution that the notice to the public be given by publication in a newspaper having general circulation in the Town
 - o Notice was issued on social media, in the local newspaper and on the door of the museum on August 13, 2020, with comment closing period closing on August 24, 2020
 - o All comments were forwarded to Council on September 3, 2020
 9. Council shall determine the method to sell the Town's real property.
 - o The comment period was opened and to elicit feedback and offers
 - o During the comment period there were 4 potential buyers that expressed interest in finding out additional information on the condition of the building with a potential to purchase in mind

- All were provided with the 3 engineering reports and the designated substance survey that was completed
 - All four declined to submit an offer to purchase
10. Unsolicited offers to purchase real property may be processed on a first-come-first served basis.
 - Only one offer was received during the comment period which was for \$30,000
 - A decision to accept the offer was not made until September 21, 2020
 11. When more than one party has expressed an interest in purchasing real property or where the Council believes it to be in the best interests of the Town, Council may, by resolution, direct that the real property be sold by tender.
 - Only one offer was received out of a total of six inquiries
 12. The purchaser shall be responsible for all costs incurred or required to dispose of the real property, including legal, survey, appraisal, encumbrances, advertising, improvements, administrative fees and so on.
 - The costs incurred or required to dispose of the real property were incorporated into the sale price
 13. Where the real property is not to be disposed of by tender, the purchaser shall pay, in advance, the appraisal costs and the cost of giving notice to the public.
 - a. The cost of the appraisal and notice were incorporated into the sale price
 14. The fee for issuing a "Certificate of Compliance" pursuant to the Municipal Act shall be \$50.00.
 - A Certificate of Compliance was not requested and therefore not provided
 15. The Clerk shall keep a public register of all lands owned and leased by the Corporation of the Town of Prescott with the exception of those noted in Section 3 of Ontario Regulation 81 5/94.
 - The Clerk of the Town of Prescott has a list of lands owned and leased by the Corporation of the Town of Prescott

Conditions of the Sale

A number of conditions regarding the repair of the building were incorporated into the sale agreement as outlined below.

A complete copy of the sale agreement is available here: [Final Sale Agreement](#)

SCHEDULE "C"

ADDITIONAL TERMS

This Agreement is conditional on the following conditions being satisfied, all of which shall survive closing.

- 1. The Purchaser agrees to complete building envelope stabilization work to deter and/or repair any existing property deterioration issues, within the time prescribed on the Table of Critical Dates in accordance with Municipal approval requirements, the zoning for the Property and requirements to maintain Heritage Designation status of the property in accordance with Heritage Designation By-law 1913 and the Ontario Heritage Act, as referenced on Schedule C1 to this Agreement. (Within 36 months of transfer)*
- 2. The Purchaser agrees to complete all property improvements in accordance with Municipal approval requirements, the zoning for the Property and requirements to maintain Heritage Designation status of the property in accordance with Heritage Designation By-law 1913 and the Ontario Heritage Act, as referenced on Schedule C1 to this Agreement.*
- 3. Property that has been designated as Heritage must comply with the standards to be repaired and maintained to conform to the standards. These provisions will be enforced by the Chief Building Official in accordance with relevant by-laws and governing acts. In such case where the Property is not repaired and maintained to conform to the standards; the Town may proceed with completing required conformity improvements, and the Town shall be entitled to charge the total cost of improvements to the Purchaser who shall pay forthwith upon demand, failing which the Town may collect the costs from any security posted with the Town and/or add the cost to the tax bill of the Subject Property, whereupon such amount shall be inclusively deemed as tax arrears and may be collected in the same manner as tax arrears.*
- 4. A permanent easement will be required by the Town for purposes of restoring and maintaining the Ontario Heritage Trust Provincial Plaque erected on the west portion of the property facing Water St. The Purchaser is prohibited from removing the plaque from its existing location as part of this Agreement.*
- 5. The Purchaser confirms they are in receipt of all property specific reports/studies identified below, has reviewed and is fully apprised of all report/study results and recommendations. Furthermore, the Purchaser shall, at its sole cost, indemnify the Town from any and all suits, claims, damages, demands, costs, suits, actions or causes of actions of any nature or kind whatsoever arising from or connected with the carrying out of Property improvement and/or remediation works; whatever they may be.*
 - Engineering Report 1 Project: 131-20617-00 | Dated: Nov 2013 | Prepared by: Genivar*
 - Engineering Report 2 Project: 17202 | Dated: Nov 2017 | Prepared by: EVB Engineering*
 - Engineering Report 3 Project: 18381 | Dated: July 2018 | Prepared by: Keller Engineering*
 - Designated Substance Survey Report 1 Project: DPM1600 | Dated: Feb 2014 | Prepared by: CM3 Environmental*
 - Designated Substance Survey Report 2 Project: 171-15057-01 | Dated: Nov 2017 | Prepared by: WSP*

• *Environmental Site Assessment Phase 1 Report: PE4727-1 | Dated: Sept 9, 2019 | Prepared by: Paterson Group Inc.*

• *Environmental Site Assessment Phase 2 Report: PE4727-2 | Dated: May 11, 2020 | Prepared by: Paterson Group Inc.*

6. The existing sidewalks and stairways that abut the subject and adjacent Property (identified as Prescott Place), shall remain accessible for tenants and guests of both Properties on a permanent basis.
7. Schedule C shall ensure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.

Future Prescott Museum and Visitor's Centre

Question: Where is the new Prescott Museum and Visitor's Centre going to be?

Answer: After an exhaustive search of available properties in the Town of Prescott, 202 King Street West was selected as the future home of the Prescott Museum and Visitor's Centre. This was based on availability, size, suitability of the space, and location.

The lease cost of the space is \$2,000 per month plus HST and is inclusive of electricity, gas, water, sewer, and property taxes. This cost equates to the amount that was being paid at 201 Water Street West for utilities and the \$21,000 that was being put into a reserve fund for future repairs. Therefore, there was no additional cost to the operating budget of owning 201 Water Street West and leasing 202 King Street West.

The landlord is undertaking improvements to the building including an accessible ramp at the front door, a new accessible front entryway, and a dehumidification unit to the HVAC.

The Town is responsible for renovations to the work room, storage area, and an accessible washroom.

201 Water Street West was not accessible and could not be made so. Entry into the building involved stairs and access was limited to the main floor.

Question: Where did all the artifacts go from the Forwarders' Museum?

Answer: Under the guidance and direction of a noted local historian the entire collection of artifacts that was previously housed at 201 Water Street West were inventoried, boxed up, and moved to 202 King Street West by a mover recommended by Parks Canada.

Question: When will the Prescott Museum and Visitor's Centre Open? I heard it isn't going to open until 2022.

Answer: Like all renovations and services, COVID has significantly limited the availability of renovators and crafts people. Renovations are currently underway by the landlord and the Town to prepare the space for the public as a museum and visitor's centre.

The Town hired a Manager of Community Services in June of 2021. One of their primary responsibilities is to activate the collection of artifacts into an interactive story for residents and visitors to enjoy. A presentation was made to Council that outlined several exciting concepts to keep people coming back to the museum.

We expect the renovations to be completed in September. The Manager of Community Services along with a dedicated group of local historians have been meeting regularly to refine the stories that will be told and how best to display them. The display furniture is currently being ordered.

The expected opening of the Prescott Museum and Visitor's Centre is the fall of 2021.

Other Questions

Question: Where did the \$30,000 from the sale of 201 Water Street West and the money that was in reserve go?

Answer: The \$30,000 proceeds from the sale of 201 Water Street West was put into the reserve fund. The accumulated amount of the reserve is being used to move the artifact collection, undertake renovations to the new museum space, and the purchase of artifact display furniture. All of these amounts are included as part of the yearly financial audited statements.

Question: How is it possible that 201 Water Street West was rented, and a store has opened?

Answer: There are conditions that the purchaser must address including the structural wall issues within 36 months of the sale of the building. The purchaser undertook substantial work in the fall of 2020 to improve the drainage around the building so that the water is moved away from the building. Our understanding is that there are plans for the exterior walls to be addressed in 2022.

The tenant is limited to using the main floor for public access to the store and can only use the remainder of the building for storage.

There are differences in the building code of public use buildings versus commercial uses in private buildings. They include differences in accessibility and life safety requirements. This means that rules for public use buildings such

as a museum are considerably stricter than that for privately owned commercial spaces. The current tenant has significant limitations as to the areas of the building that can be accessed by the public.

The purchaser made a commitment through the condition of sale of the property to address the condition of the walls. If this is not completed within 36 months of the date of sale, then the Town has the right to step in and make the repairs and charge it back to the property owner.

Question: Why wasn't 201 Water Street West sold using a realtor which would have resulted in big dollars for the Town with COVID prices for real estate?

Answer: 201 Water Street West requires considerable future repair costs in the amount of \$350,000 - \$400,000 for a building that was ill suited for use as a museum and did not meet accessibility standards to get into the building let alone traverse throughout it.

The environmental condition of the property means that it cannot be used for sensitive purposes such as residential uses and will not qualify for a loan or mortgage through a commercial lender.

An opinion of value was obtained by a realtor as per the by-law governing the sale of assets which provided a range of \$30,000 - \$40,000.

Once the property was deemed surplus, public notice was provided which allows any interested parties to submit comments, questions, or concerns. Out of a total of six individuals that sought additional information, only one proceeded to submit an unsolicited offer to purchase.

Given the number of individuals that decided not to proceed with an offer after receiving the additional information on the condition of the property, it would have been illogical to assume that the use of a realtor would have resulted in additional and higher offers. This property comes with a substantial future cost associated with stabilizing and repairing the exterior walls in the next 36 months.

The decision to divest the Town of 201 Water Street West was not taken lightly but done to transfer the risk and cost of future repairs from the public purse to a private investor willing to take on these expenses.

Question: Did the Town follow the rules and bylaws when selling 201 Water Street West?

Answer: The Town undertook multiple engineering studies of the building at 201 Water Street West, which identified significant future costs to restore the building.

The Town undertook a designated substance survey of the building at 201 Water Street West, which identified lead paint.

The Town undertook environmental assessment level 1 and level 2 studies that identified the previous use as a dry cleaners resulted in limitation on use of financing sources.

The Town followed the process as outlined in Bylaw 16-95 – A procedure governing the sale of real property.

- The Property was declared surplus to the needs of the municipality
- A ten-day public comment, questions, and concern period was undertaken
- A realtor provided an opinion of value to determine the market value given the current condition and limitations
- All comments were sent to Council as part of the deliberations
- A total of six individuals requested additional information on the condition of 201 Water Street West which was provided to them
- Only one unsolicited offer for purchase was received
- The offer was accepted 40 days after the property was declared surplus during which time no other offers to purchase were received
- Conditions were placed on the purchaser requiring them to address the condition of the stone walls within 36 months or the Town will and charge it back to the purchaser

The Town made the decision to sell 201 Water Street West with the best interests of the taxpayer in mind. The building was not suitable for use as a public museum. Even after making the necessary repairs to the walls and structure, the building would not be accessible. The transfer of expense and risk to a private party is fiscally responsible and is the best chance for the building being restored and having a productive use beyond being a seasonal museum for 3 months of the year.