

# Editorially Speaking

JAN 25, 2018

**B**uying the Condill Hotel and tearing it down was supposed to be a good news story for the City of Fort St. John. Instead, it's proved to be a rushed and costly blunder for a council heading into a municipal election this fall.

The city bought the derelict building for \$867,000 in 2017 as its owners, Elaine and Leo Budnick, eyed retirement. The plan was proactive acquisition and immediate demolition, part of a larger strategy to acquire land as the city rolls out a number of new initiatives to spur downtown revitalization.

"When the opportunity presented itself, we made the decision to purchase the building so we can improve the culture and character of our downtown," Mayor Lori Ackerman said at the time.

But the city set a tight timeline to demolish the historic, 75-year-old hotel — Dec. 15, 2017, three months after the deal closed in September. It resulted in a staggered assessment of the hazardous materials needing to be cleaned up before the wrecking ball was brought in.

A first assessment of the hotel was done in early August, a week after the deal was

approved by council in a closed door meeting, and while tenants were still living there. A second assessment was completed near the end of September after the hotel was vacated, and publicized just one day before bids on the tender were to close in the first week of October. The city gave interested parties an extra day to consider the revised assessment in their bids.

Council ultimately awarded a \$457,480 contract for the abatement and demolition to NAPP Enterprises of Prince George, which was the lowest bidder on the project as per council policy, and which has a working relationship with the city that spans two decades.

But NAPP says its crews have encountered three times more asbestos containing materials than expected, adding an extra \$823,501 in demolition costs so far, and setting work back at least 14 weeks. Work remains suspended until council gets a legal opinion on the hazmat assessments provided to bidders — this, before it even considers whether to approve an increase the total budget to buy and demolish the hotel from \$1.5 million to \$2.15 million. (Some of the extra demolition costs have

already been approved using the project's contingency.)

The city was hoping for a quick win with the public on this project by learning from lessons of the past. Case in point, the Fort Hotel, which ended up in the city's hands through a tax sale.

"If this property would have been purchased by a private individual and they had to incur these type of demolition costs, the potential of the property reverting to the city through tax sale would be high," City Manager Dianne Hunter rationalized.

"If this happened, as it did with the Fort Hotel, then the city would be responsible for the demolition of the building."

But in doing so, council decided to spend \$867,000 on the hotel in a series of closed meetings — a steal of deal, all things considered, after the property was listed for \$1.45 million; and also in a deal that involved councillor Trevor Bolin, who was also the listing agent for the Budnicks and earned a commission in the sale.

Now, while the city may have thought it prudent to buy the Condill now rather than end up owning it through a

tax sale later, it seems the city would have been wiser to spare taxpayers the \$867,000 expense, and played the long game for a tax sale freebie instead.

As it stands, taxpayers are now on the hook for new lawyer fees, and will most likely have to eat the increased costs of demolition. Don't be surprised if there are more contamination cleanup costs down the line, driving the demolition further into the millions. Recouping these costs by selling three vacant lots has just become that much more difficult. I hope the city finds an eager and willing buyer, or has feelers out at the very least.

But, as taxpayers get ready for an election Oct. 20, there are some lessons council can learn from the Condill blunder: don't rush downtown revitalization, even if it's just building demolition; a lowest bid policy isn't always the best policy; and avoid the appearance of conflict at all costs. The resulting optics otherwise are just plain poor heading into an election year, at least for this tax paying voter.

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"MLAs and their constituents are being shut out of a process that should include all voices within the caribou territory, not just those in Victoria."  
 — *MLA Mike Bernier, A10*



## Condill property declared surplus

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Fort St. John city council has formally declared the former Condill Hotel property as surplus, and directed city staff to secure a real estate agent to ready it for sale and redevelopment.

Coun. Trevor Bolin declared a conflict of interest as a realtor, and did not vote. Putting the land on the market is the final stage in the property's redevelopment, staff say.

"The revitalization of our Downtown is a key strategic objective for the Citizens of Fort St. John," City Manager Dianne

Hunter wrote in an administrative report.

"And, the purchase and subsequent demolition of the Condill Hotel was a generational opportunity to start the transformation of our downtown."

The property has been vacant since the hotel, built in 1942 to house American soldiers during Alaska Highway construction, was demolished last spring.

The city bought it in 2017, a decision that proved contentious after the demolition was hampered by delays and overruns because of the amount of asbestos that needed to be removed before the building was

torn down. Council increased its spend on the project from \$1.5 million to \$2.15 million, though a final report on the demolition has yet to be brought before council.

The Condill land, covering three lots, is valued at \$426,000, according to the latest BC Assessment records.

Jennifer Decker, the city's economic development manager, will administer the sale of the property. Any new development will be subject to new downtown zoning and building rules.

Meanwhile, the city's old fire hall remains on the market for \$758,000.