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Failed project raises issues

Written by Dave MabeII Lethbridge Herald
Tuesday, 19 January 2010

Right now, it's a suburban sequel to the notorious "concrete shell" in downtown Lethbridge.

But a national real estate group is hoping to breathe new life into a large south-side residential complex, abandoned last fall after builders poured its foundation. The RSM Richter Inc. office in Calgary was subsequently named receiver for the "Fairview Village Adult Community."

Now Richter, a major accounting firm, has selected the new Avison Young Commercial Real Estate agency in Lethbridge to sell the property as is.

Doug Mereska, broker for the Lethbridge office, says the land and improvements are listed at \$4.3 million. The now-dormant project, featuring 265 suites or condo units in three buildings, was designed to cover a seven-acre site between Highway 4 and the Mormon church on Fairmont Boulevard South.

Targeted at residents 50 years and up, the facility was to have offered a range of care levels and a variety of ownership and rental options. Its first units were scheduled for move-in this spring, but work was suspended last year after concrete was poured for the structures' foundations.

Construction was to proceed in three phases, according to promotional material, to be completed over a five-year period. But one of the project's financial backers, Signature Capital Inc. of Calgary, went into receivership last November.

According to an order filed in Court of Queen's Bench in Calgary, the "Signature Lethbridge Fairview Capital Corp." was one of nearly 40 funding arrangements — backing projects from the West Coast to Saskatchewan — frozen by the business failure. The court named Richter as receiver and manager for Signature Capital Inc.

While investors in Calgary and beyond don't know if they'll recover their funds, adjacent property owners in Lethbridge were facing the prospect of a weed-covered concrete hulk for the foreseeable future. As long as the property taxes are paid, officials explain, the city has no power to order demolition of an abandoned project.

"We'd step in when safety is an issue," explains Mayor Bob Tarleck.

But — just as with the Atrium Building, the downtown "concrete shell" that's sat derelict for nearly 30 years — Tarleck says the city currently has no authority to remove an eyesore.

"I'm going to be discussing this with the city solicitor," he adds.

The mayor expressed hope a new buyer will step forward to reactivate the Fairview project, sited next to a mixed-use Medican development. The Medicine Hat-based builder is placing another of its condominium developments alongside a new "designated assisted living" facility it's building for Extendicare investors.

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City administrations, Tarleck notes, have few options when developers unexpectedly halt work on a duly approved development which complies with city zoning. In Calgary, he points out, builders who are proposing substantial excavation must post a bond to cover the costs of refilling those holes if work does not proceed.

"That's a safety issue," with neighbouring properties placed in peril.

Back downtown at the Atrium, meanwhile, Tarleck says he knows of no one who's currently looking at completing that concrete structure. Earlier plans to develop it into single occupancy units for seniors and students were dashed when nearby property owners went to court to challenge the development commission's approval.

By the time court hurdles were cleared, Tarleck points out, project funding had dried up.

"Our community sort of shot itself in the foot on that one."

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