ITEM 15
MANAGER'S REPORT NO. 31
COUNCIL MEETING April 22/74

Re: Letters dated March 28 and 29, 1974 from Messrs. Curtis and Willis Allsup Lot 10 (Exc. Expl. Plan 9817), Block 1, D.L. 14, Plan 3047 7072 Cariboo Road

Appearing on the Agenda for the April 22, 1974 meeting of Council are two letters from Messrs. Curtis and Willis Allsup regarding rental of Municipal property that is located at 7072 Cariboo Road (see attached sketch).

The information in this report will be presented under three separate headings in order that the entire matter can be discussed and acted upon in a thorough and orderly manner.

A. Background

The subject property was purchased at a cost of \$17,500 for park purposes on May 1, 1970. The original terms allowed the former owner, Mr. C.R. Allsup, to use the dwelling rent free for three months, and thereafter for a rental of \$50 per month.

Mr. Allsup subsequently sub-let the dwelling without the Municipality's consent (see attached Item 4, In-Camera Report No. 4, January 18, 1971). When the Lands Department found out, it served a letter on Mr. Allsup terminating the rental arrangements.

Mr. Allsup appeared at the January 18, 1971 meeting of Council for the purpose of requesting a review of the decision by the Lands Department to terminate the lease on the property. After consideration of the various points made at the meeting, Council passed the following resolutions in connection with the matter:

- 1. That the land concerned be leased to Mr. Allsup, for the use of himself, his mother, or his sister, at a rental of \$50 per month on a month-to-month basis, with this arrangement to be secured by a formal agreement with the Corporation and be on the condition that he will not be allowed to sub-let or assign the property or the dwelling on it without the consent of the Council.
- That the rent charged be reviewed in six months time to determine whether some change should be made in the amount.
- 3. That Mr. Allsup be informed that the use of the barn on the property is in violation of Municipal regulations.

After this action was taken by Council, the Treasurer pointed out that if a formal lease was prepared it must include provision for taxation in accordance with Section 336 of the Municipal Act. If this were done, then Mr. Allsup would have been faced with a rental of \$50 per month plus 1/12 of the annual taxes per month during occupancy. Consequently, it wasn't done, and we continued to rent without a formal lease document being drawn.

On August 9, 1971, Council in accordance with its earlier instruction received a report concerning an assessment of the rent that was being charged on the premises. It was the opinion of staff that rental on the property at 7072 Cariboo Road, when compared with reasonable rents that were charged for other Municipal houses, was too low, and that it should be increased to a very reasonable \$70 per month. Council on that date passed the following motion:

"THAT the premises be rented without the benefit of a formal lease on a month-to-month basis to Mr. Allsup for \$70 per month, effective January 1, 1972."

The present rental on the premises is \$70 per month.

Re: Letters dated March 28 and 29, 1974 from Messrs. Curtis and Willis Allsup

- Cont'd.

B. Comments on Statements Contained in the Two Letters dated March 28 and 29, 1974, from Messrs. Curtis and Willis Allsup

In the considered opinion of the Land Agent, commitments made by him during the negotiations have been met.

The Land Agent advises that the allegation that members of Council received prejudiced information, and were lobbied in order to revoke the original agreement with regard to rental, is fantasy and exists only in the minds of the Allsups. The Land Agent is prepared to appear before Council and the Allsups, or supply any affidavit that might be required to show that this allegation is completely erroneous. It should be pointed out that the Land Agent is seriously concerned about the various statements concerning harassment and personal dislike; these allegations are also false and have absolutely no basis in fact.

The allegation that the former owners were not notified about the sale of Municipal lots on Monroe Avenue is, in the opinion of the Land Agent, covered in his letter dated February 16, 1970 (see attachment). In this regard, there appears to be a difference of opinion regarding intent: the Allsups' were of the opinion that they would be personally advised of the pending sale of Municipal lots; the Land Agent advises that the notification that he intended to give to the Allsups was to be in the form of advertisements which in fact did subsequently appear in local newspapers. On reflection, the Municipal letter.

The Lands Department earlier this year reviewed the rentals that were being charged to occupants of Municipally-owned houses. This was a routine review that was done in accordance with the policy to periodically ascertain if the rentals are reasonable. The Allsup rental was simply one of many that was considered at that time. The rental was increased from \$70 to \$90 per month in order to bring it to a level that more reasonably corresponded with current market values in the area. The increase was later cancelled because the Provincial Government had announced plans to freeze rents, and because the Land Agent upon learning that the property had been improperly sub-let, did not wish to have the increase an issue when the Allsups appealed the notice to vacate (the increase has no bearing on the notice; the only significant bearing outlined in section "C" of this report). The additional \$20 which was to have been charged was, therefore, returned to the lessee, with the result that no change has been made to the rate in 1974.

C. Notice to Vacate the Premises

The Lands Department on April 3, 1974 requested our Legal Department to prepare a notice to vacate the subject residence effective May 31, 1974.

The notice to vacate was prepared because Mr. C. Allsup has been transferred to Kelowna, B.C., and without notifying the Lands Department and in violation of his rental agreement, has allowed another person to take up residence in the house, which incidentally is now in a filthy condition inside and out.

It should be noted that this is the second time that Mr. Allsup has sub-let the property in violation of the rental agreement that he entered into with the Municipality.

Continued ...

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Re: Letters dated March 28 and 29, 1974 from Messrs. Curtis and Willis Allsup

- Cont'd.

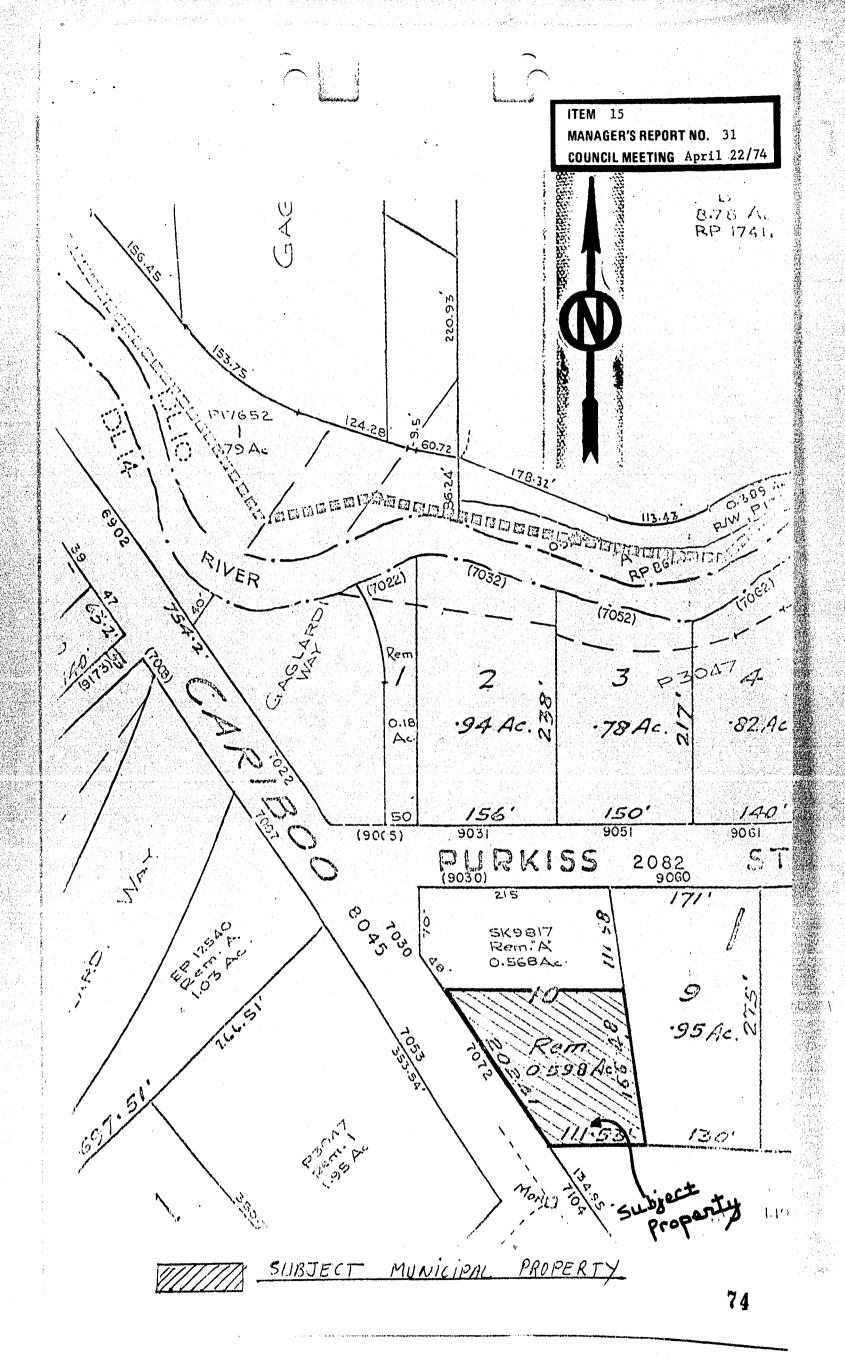
C. Notice to Vacate the Premises - Cont'd.

The Land Agent points out that the notice to Mr. C. Allsup to terminate occupancy of this property was mailed "Return Registered" to him at 7030 Cariboo Road. Proof of delivery shows the notice to have been delivered to him in Kelowna where we believe he now resides.

In summation, the Land Agent feels that the notice to vacate the subject premises should not be rescinded, and that the premises should be rented directly to persons other than Mr. C. Allsup because this lessee has again contravened the rental agreement by sub-letting the premises to an unauthorized person.

RECOMMENDATION:

THAT Council ratify the action taken by the Land Agent which, in effect, will result in a rental of the subject property to a person or persons other than Mr. C. Allsup.



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Mgr's Rept. No. of 1971 (3)

Rept. Dated

Council Mtg. 18/1/

4. Re: Lot 10, Except Explanatory Plan 9817
Block 1, D.L. 14, Group 1, Plan 3047
7072 Cariboo Road.

The above mentioned property is owned by the Corporation.

A notice to quit the property was served on Mr. Curtis Raymond Allsup on December 10th, 1970.

The following is a report from the Land Agent:

"The Corporation purchased the above described property on May 1, 1970, for the sum of \$17,500.00. At the time of purchase, the owner's mother was using the residence situated thereon for her home and in this respect an agreement was made whereby the premises would be rent free for three months until July 31, 1970; after this date, rental arrangements would be on a 30 day basis at \$50.00 per month.

After the three month rent-free period had expired, Mr. Allsup moved his mother out of the residence, and proceeded to sublet to two persons unknown to this Department, for the sum of \$100.00 per month, while he continued to pay the Corporation the sum of \$50.00 per month, as if he was still renting the premises for the use of his mother.

Mr. Austin, and Mr. Drayton of this Department visited the two persons who were sub-renting and were surprised to find that considerable renovations had been done to the inside of the house. These renovations consisted of new 220V wiring to accommodate a new electric range, new water heater, new electric outlets to accommodate heaters that had been ordered but not delivered (as to this date) plus new wood wall panels, plaster and paint.

When informed that this was a Municipal house, the sub-tenants were shocked to say the least, claiming that they had rented the house subsequent to answering an advertisement in the Columbian newspaper of August 1st and 3rd, 1970 (copies attached) and that the thing that had really sold them was the fact that they could keep their horse in the barn and that there was acreage available also for pasture.

Mr. Austin asked them if they had been told at the time of renting that the premises were owned by the Municipality. He was told that they were led to believe that it was privately owned and that if they performed all of these renovations (which according to them had cost in the neighborhood of \$1,000) they could rent the place for an agreed amount (later set at \$100.00 per month).

This Department sent Mr. Allsup a letter (copy enclosed) which we believe to be self-explanatory, but which Mr. Allsup chose to ignore.

Mr. Allsup was told by Mr. Austin and Mr. Drayton of this Department that he had himself terminated the agreement with the Municipality and should refer to our letter of October 9, 1970. Mr. Allsup then stated he had done no such thing that he was placing his mother back into the residence and that was that.

"Further consideration was given this matter and owing to the fact that Mr. Allsup's mother is quite elderly and that there could be hardship occasioned to her by requiring her to move, a verbal offer was made by Mr. Austin to Mr. Allsup to the effect that the Municipality would accept Mrs. Allsup as a tenant in the house on a month to month basis at the same rental which Mr. Allsup had sublet the property.

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Lands Department February 16, 1970

Mr. C.R. Allsup 7030 Cariboo Road Burnaby 3, B.C.

Dear Sir:

Re: 7072 Cariboo Road

Further to our conversation of January 22, 1970, we would confirm our proposed recommendation to Council as follows:-

- 1. That the total compensation is to be \$17,500.00.
- 2. That the improvement may be used rent free for a period of three months, after acceptance of this offer.
- 3. After the three month period, rental may continue on a 30 day basis.

The Monroe subdivision plan is almost ready for registration. We will advise you when the lots will be placed on sale. This will give you an apportunity to place your bid if you so desire.

Yours truly

HH:es

E.W. Grist Land Agent