

Re: F. & A. CONSTRUCTION LTD. FORFEITURE OF \$2,000.00
DEPOSIT COLLAPSED SALE - 8655 ROYAL OAK AVENUE

ITEM	13
MANAGER'S REPORT NO.	54
COUNCIL MEETING	Aug. 30/76

On the Council agenda of 30 August 1976 appears a letter from F. & A. Construction Ltd. asking for a refund of \$2,000.00 forfeited in the aborted sale of the above mentioned property. A report on this matter from the Land Agent follows.

There are two separate transactions:

The first is the offer of the Corporation to sell the property as advertised in the Vancouver Sun on 13 and 14 February 1976 culminating in the offer to purchase by F. & A. Construction Ltd. of \$40,000.00 and the forfeit of the \$2,000.00 deposit when the Company failed to complete the transaction.

The second is the offer of the Corporation to sell the property as advertised in the Vancouver Sun on 7 and 8 May 1976 culminating in the rejection of all bids by Council and the return to F. & A. Construction Ltd. of their deposit of \$1,200.00 which accompanied their bid on this property.

As stated, these are two separate and distinct transactions. In the first one, the property would have been conveyed to F. & A. Construction Ltd. if that Company had made the necessary further deposits. Instead, they defaulted. In the second, the Company submitted an unacceptable offer and subsequently the property was withdrawn from sale.

RECOMMENDATION

1. THAT F. & A. Construction Ltd.'s request for the refund of \$2,000.00 be denied.

TO: MUNICIPAL MANAGER * * * * * August 25, 1976
FROM: LANDS DEPARTMENT
SUBJECT: F. & A. CONSTRUCTION LTD. FORFEITURE OF \$2,000.00
DEPOSIT COLLAPSED SALE - 8655 ROYAL OAK AVENUE

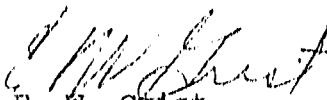
As stated in his letter to Council, Mr. V. Albanese (F. & A. Construction) placed a sealed bid with Corporation to buy the subject property for \$40,000.00. Enclosed, as required, was the requested 5% deposit \$2,000.00, an indication that the purchaser was prepared to consummate the sale.

At a meeting held March 15, 1976, Council authorized the sale to F. & A. Construction for the sum of \$40,000.00 (Clerk's memo of Mar. 19, 1976) and directed that the sale be finalized.

F. & A. Construction had 15 days in which to pay the balance of \$8,000.00 to complete a down payment of \$10,000.00 (25%) of the bid price. This payment was never received. As a result, Council was so advised at their meeting held May 3, 1976. (See copy of Manager's Report, Item #19-#29, May 3, 1976, attached.)

On the basis of the Manager's report, Council, at their meeting May 3rd, directed that the \$2,000.00 deposit from F. & A. Construction be forfeited to the District of Burnaby (Clerk's memo of May 7, 1976.) The Land Department recommends no change in Council's directive.

When the property was advertised for the second time, F. & A. Construction tendered a further deposit of \$1,200.00 (May 31, 1976). After twice tabling the results of the bidding, Council concluded this item at their July 19, 1976 meeting. F. & A. Construction was contacted by telephone and advised their cheque was available, as we are reluctant to return deposits by mail unless so requested. Apparently there was some misunderstanding and this message went astray. As indicated by F. & A. Construction Ltd., this cheque was picked up August 17, 1976.


E. W. Grist
Land Agent

HH/jce
Encl.

ITEM 13
MANAGER'S REPORT NO. 54
COUNCIL MEETING Aug. 30/76

ITEM 19 SUPPLEMENTARY
MANAGER'S REPORT NO. 29
COUNCIL MEETING May 3/76

Re: SALE OF MUNICIPAL PROPERTY
LOT "C", BLOCK 2, D.L. 162, PLAN 18927
8655 ROYAL OAK AVENUE
(Item 2, Report No. 83, December 29, 1975)
(Item 13, Report No. 16, March 15, 1976)

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The subject property which was purchased in 1970 for the Riverway Sports Complex, became redundant to the needs of the Municipality when the complex was subsequently relocated to a site further west. Council on December 29, 1975 therefore directed that the subject property be advertised for sale subject to the following conditions:

- " (a) The demolition of the dwelling and shed, or
- (b) The upgrading of the dwelling to conform to Municipal by-law standards."

On March 15, 1976, Council authorized acceptance of the ~~lowest~~ ^{HIGHEST} bid from F & A Construction Ltd. in the amount of \$40,000 (this was one of three bids that had been received).

On March 26, 1976, the successful bidder was notified that his offer was accepted, that he had fifteen days from the date of notification to complete arrangements for the purchase of the lot, and that the certified cheque for \$2,000 which had accompanied the bid had been placed "in trust" and could be used as part payment of the purchase of the property.

On April 7, 1976, F & A Construction Ltd. advised that they would not purchase the property for \$40,000; they had the property appraised, and on this basis, were prepared to pay only \$29,000. The correspondence received also included a request for the return of the \$2,000 deposit.

On April 26, 1976, the firm was sent a letter advising that the terms of purchase had not been complied with, and that the down payment had been forfeited accordingly.

The building on the property is in very poor condition, and it is estimated that approximately \$4,650 would be required to bring the house up to an acceptable standard for continued occupancy.

It is recommended that authority be now given to re-advertise the property for sale.

RECOMMENDATIONS:

1. THAT the agreement be declared null and void and the \$2,000 be forfeited to the District of Burnaby; and
2. THAT the Land Agent be authorized to reoffer the subject property for sale; and
3. THAT the demolition or bringing up to standards of the subject building be the responsibility of the purchaser; and
4. THAT all revenue derived from the sale of the property be credited to the Parks and Recreation Commission's Land Acquisition Account; and
5. THAT a copy of this report be sent to the Parks and Recreation Commission.

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