

ITEM SUPPLEMENTARY 37
MANAGER'S REPORT NO. 49
COUNCIL MEETING 88/07/25

RE: SALE OF MUNICIPAL PROPERTY
4008, 4018, 4028 AND 4048 REGENT STREET AND PORTIONS OF FORMER MCDONALD AVENUE,
GRANDVIEW HIGHWAY AND EAST/WEST LANE ALLOWANCES

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Municipal Solicitor be adopted.

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TO: MUNICIPAL MANAGER DATE: JULY 20, 1988
FROM: MUNICIPAL SOLICITOR
RE: SALE OF MUNICIPAL PROPERTY
WEST 1/2 LOT 1, EAST 1/2 LOT 1, LOT 2 AND LOT 3,
BLOCK 19, DISTRICT LOT 69, GROUP 1, N.W.D., PLAN 1321
PARCEL A, BLOCK 7, DISTRICT LOT 69, GROUP 1,
N.W.D., PLAN 290
PARCEL B, BLOCK 19, DISTRICT LOT 69, GROUP 1,
N.W.D., PLAN 1321
PARCEL C OF LOT 11, BLOCK 19, DISTRICT LOT 69,
GROUP 1, N.W.D., PLAN 1321
4008, 4018, 4028 AND 4048 REGENT STREET AND
PORTIONS OF THE FORMER MCDONALD AVENUE, GRANDVIEW
HIGHWAY AND EAST/WEST LANE ALLOWANCES

RECOMMENDATION:

1. THAT if the transaction does not complete, the Corporation treat the contract as terminated and return the purchaser's deposit.

REPORT

BACKGROUND:

Council at its meeting on October 26, 1987, Item 11, Manager's Report No. 65, authorized the sale by public tender of municipal lands, roads and lane allowances (see attachment) as described above, subject to consolidation with adjoining private lands and rezoning the consolidated site to M5 Industrial. Council also established a minimum upset price of \$5.71 per square foot.

In accordance with Council's instructions the subject lands were offered for sale by public tender. One bid was received from T.E.C. Management Ltd. at the upset price and this was accepted by Council at its meeting on February 8, 1988, Item 1, Manager's Report No. 10.

Two problems have arisen which have inhibited completion of the sale as originally contemplated.

Firstly, in a previous unrelated transaction involving property to the north of Regent Street, the Corporation had acquired a 10 foot strip of land in order to control Regent Street. As a condition of this acquisition the Corporation agreed that the 10 foot strip, together with the adjacent road (Regent Street), would be subject to a restrictive covenant prohibiting building on these lands.

After T.E.C. Management was notified of its successful bid for the subject property it was discovered that through inadvertence the restrictive covenant was not mentioned in the bid package, nor was the 10 foot strip included in the bid package. Thus the purchaser was unaware at the time of bidding that part of the land it was acquiring would be encumbered by a restrictive covenant, and that the 10 foot strip was available for sale to T.E.C. Management.

Secondly, under the terms of sale and antecedent discussions with T.E.C. Management, the purchaser was required to pay \$5.71 per square foot for all lands acquired within the consolidated site, including the adjacent Regent Street and the remaining lane allowance after closure of same.

After the bid by T.E.C. Management was accepted, we were informed by its agent that T.E.C. Management intended to apply for a plans cancellation and to acquire portions of Regent Street and a portion of lane within the consolidated site, without payment to the Corporation. This was contrary to our view of the agreement between the Corporation and T.E.C. Management.

At a meeting on July 18, 1988 between the Municipal Manager and T.E.C. Management, T.E.C. Management indicated that they were unlikely to be proceeding to complete the transaction by July 31, 1988 as required by the terms of the tender call and that they would be treating the contract as terminated.

CONCLUSION:

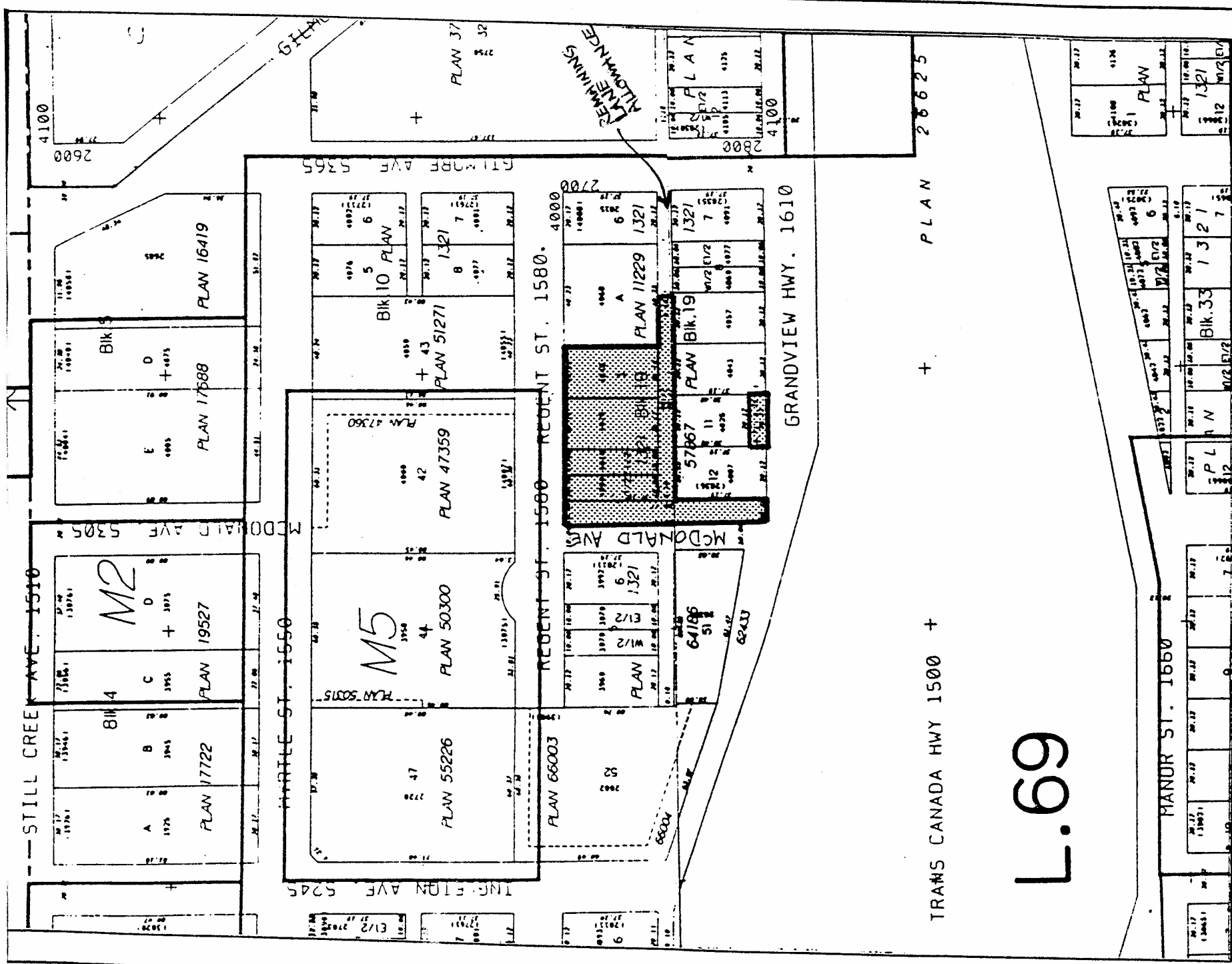
If the transaction does not complete, it is proposed that the Corporation should treat the contract as terminated and return the purchaser's deposit. It would be inappropriate to forfeit the deposit in view of the fact that T.E.C. Management were not notified in advance of the existence of the restrictive covenant encumbering a portion of the subject property, or the availability of the 10 foot strip.

PD:sb
Attach.

c.c. Director Administrative & Community Services
Director Finance
Director Engineering
Director Planning & Building Inspection

P. Devonshire
Peter Devonshire
Solicitor

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Date:

1987 OCT

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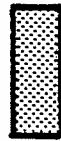
Planning &
 Building Inspection
 Department



103

261

SUBJECT MUNICIPAL LANDS



SKETCH #1

