

TO: CITY MANAGER

DATE: FEBRUARY 11, 1997

FROM: CITY SOLICITOR

SUBJECT: SALE OF CITY PROPERTY -

MAYFIELD SUBDIVISION - Lots 1 - 12, District Lot 90, Plan LMP30169

CARIBOO HEIGHTS SUBDIVISION - Lots 1 - 3, 5 - 18, District Lot 13, Plan LMP26165 and Lots 85 and 86, District Lot 13, Plan LMP86157

CAPITOL HILL LOTS - Lots 25 and 26, Blk. 48, District Lot 218, Plan 4953

11TH AVENUE SUBDIVISION - Lots C, E, G and J-Q, District Lot 53, Plan LMP23392

SOUTHVIEW SUBDIVISION - Lots 2 - 4, District Lot 59, Plan LMP23392

PURPOSE: To request Council authority to set a minimum bid price for the lots proposed for sale by the City.

RECOMMENDATION:

1. **THAT** the subject lots be offered for sale by public tender in accordance with the conditions of sale outlined in this report.

R E P O R T

Mayfield Subdivision (Sketch 1)

Following subdivision and servicing, twelve lots in the Mayfield Area are now ready for sale. Several of the lots have statutory rights of way for the protection of public utilities and Lots 4 - 6 have covenants registered against them for the protection of trees. The lots slope to the north and east and are for the most part uncleared. Lots 8 and 9 have a severe topographical depression situated around the side lot line which they share.

The previous lots created by the City adjacent to the subject lots sold between January 1994 and February 1995 at values ranging from \$293,000 - \$338,000. Taking into consideration the slowness of the current market and the difficult terrain of two of the lots, it is proposed that the following minimum bid prices be set for the subject lots:

<i>Lots</i>	<i>Minimum Bid Price Per Lot</i>
8 and 9	\$265,000
1, 2, 5 and 10 - 12	\$280,000
3 and 7	\$285,000
4 and 6	\$290,000

Cariboo Heights Subdivision - Sketch 2

The City currently has nineteen lots serviced and ready for sale in the Cariboo Heights area. In February of 1996 the minimum bid prices were set for these lots ranging from \$285,000 - \$295,000. After offering an initial twelve lots throughout 1996 only one lot has been sold. The lack of interest in these lots is due to extremely slow market conditions with respect to high end housing. While this end of the market is improving slowly it is felt that reducing the minimum bid by \$15,000 per lot would do more to stimulate sales. It is proposed that new minimum bid prices be set as follows:

<i>Lots</i>	<i>Minimum Bid Price Per Lot</i>
6	\$270,000
10 and 11	\$280,000
All others	\$275,000

Capitol Hill Lots - Sketch 3

Council, in February of 1996 set the minimum bid price for the subject two lots at \$250,000 per lot. The lots have been offered in several bid packages with no bids to date. For the reasons stated earlier it is proposed that the minimum bid price per lot be reduced to \$240,000.

11th Avenue Subdivision - Sketch 4

In 1995 Council approved the sale of the subject lots by public tender with a minimum bid price of \$215,000 for Lot A and \$170,000 for all others. These lots allow for the development of more affordable single family housing which fits in with a strategy of offering a range of lot types and prices. The lots have been consistently offered for sale with six of the original seventeen having sold. Lots A - G in the block between 18th and 17th Streets are quieter than Lots H - Q and have some substantial screening from the existing industrial use to the north. It is not proposed that the minimum bid price be altered on these lots. However, Lots J - Q which are still unsold could be made more attractive by reducing their minimum bid to \$160,000. The proposed minimum bid prices would then be:

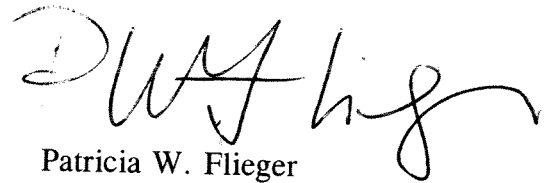
<i>Lots</i>	<i>Minimum Bid Price Per Lot</i>
J - Q	\$160,000
C, E & G	\$170,000

Southview Subdivision - Sketch 5

In 1995 Council set the minimum bid price for four lots at \$305,000. Since then only Lot 5 has been sold. It sold for the sum of \$310,000 in August of 1995. As stated earlier, market conditions indicate that a reduction in price is in order. The proposed minimum bid price for Lots 2 - 4 is \$290,000.

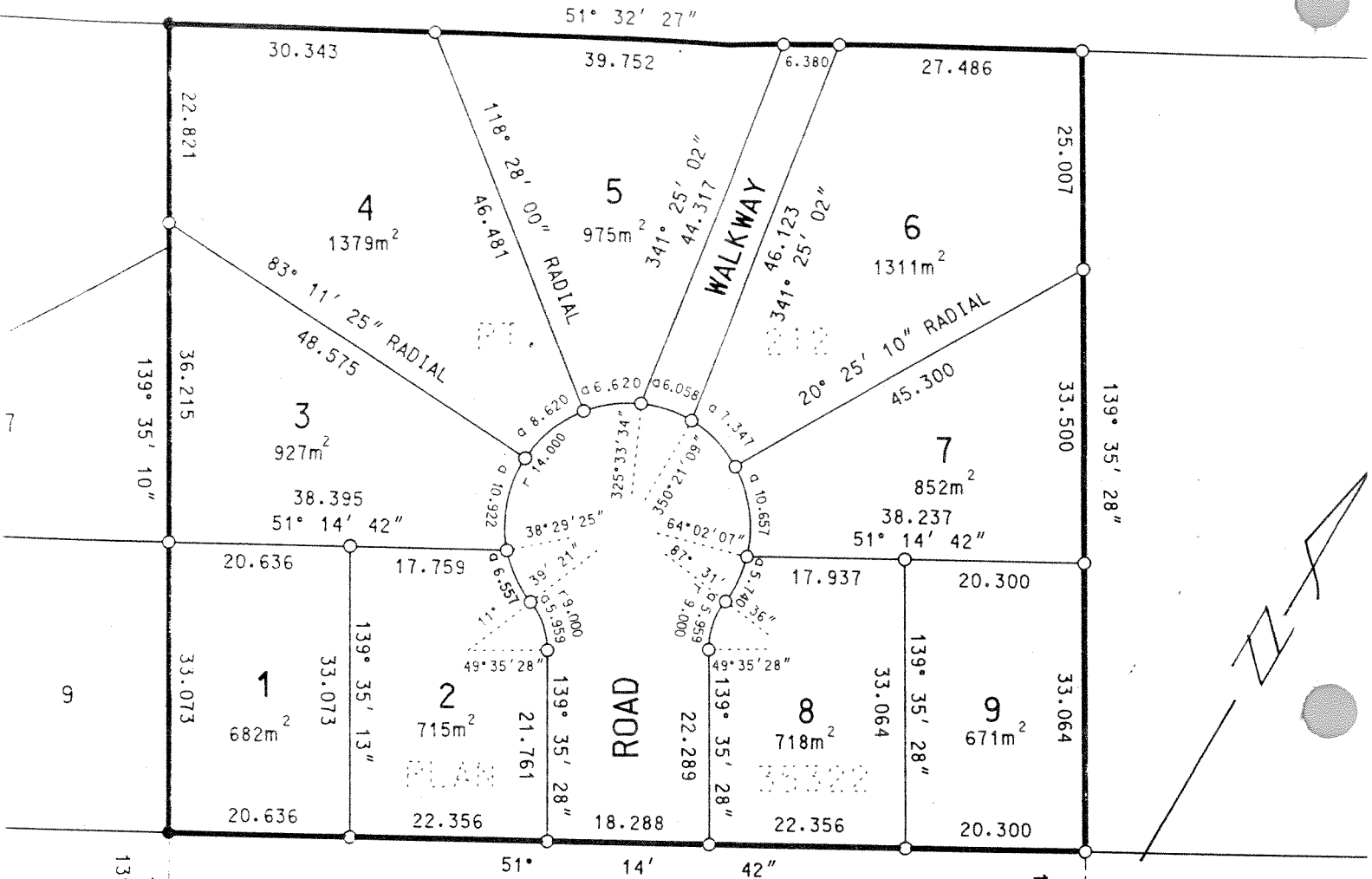
Conclusion

Due to slow market conditions it is proposed that the minimum bid price for certain lots remaining unsold be reduced in order to stimulate interest. It is proposed that the next tender offering be conducted in early April and that the new prices be in effect for that sale.

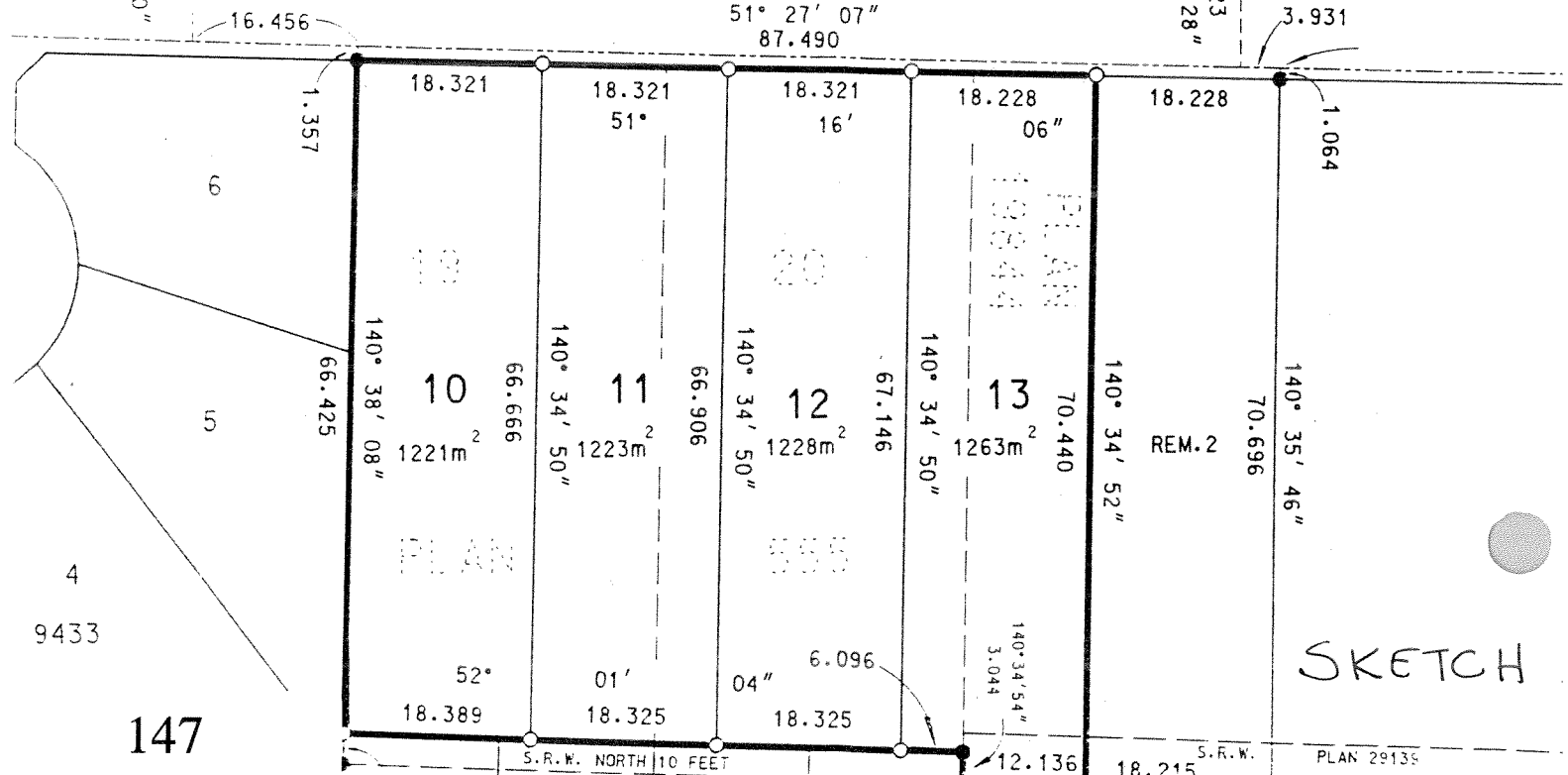


Patricia W. Flieger
City Solicitor

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MAYFIELD STREET

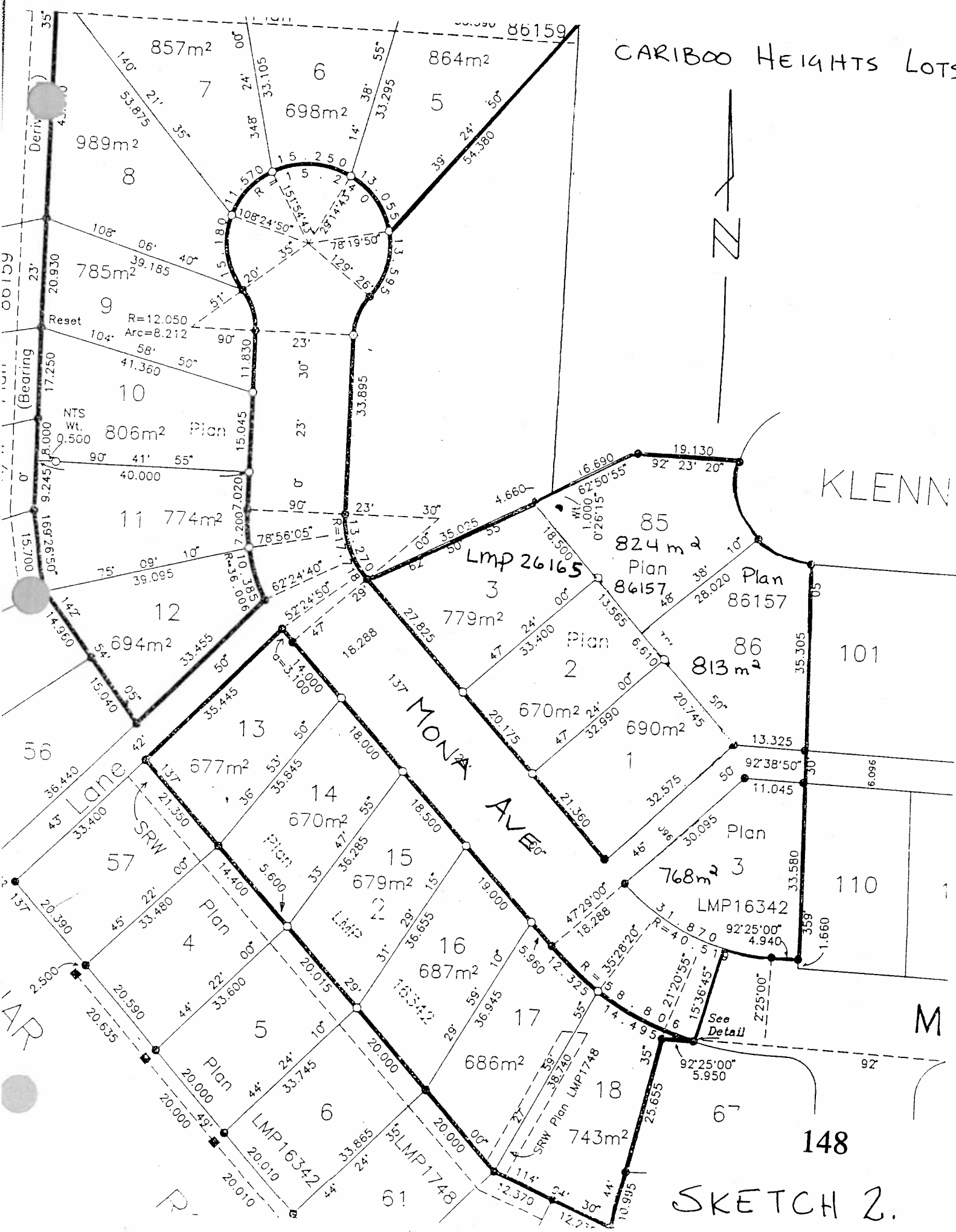


SKETCH

CARIBOO HEIGHTS LOTS

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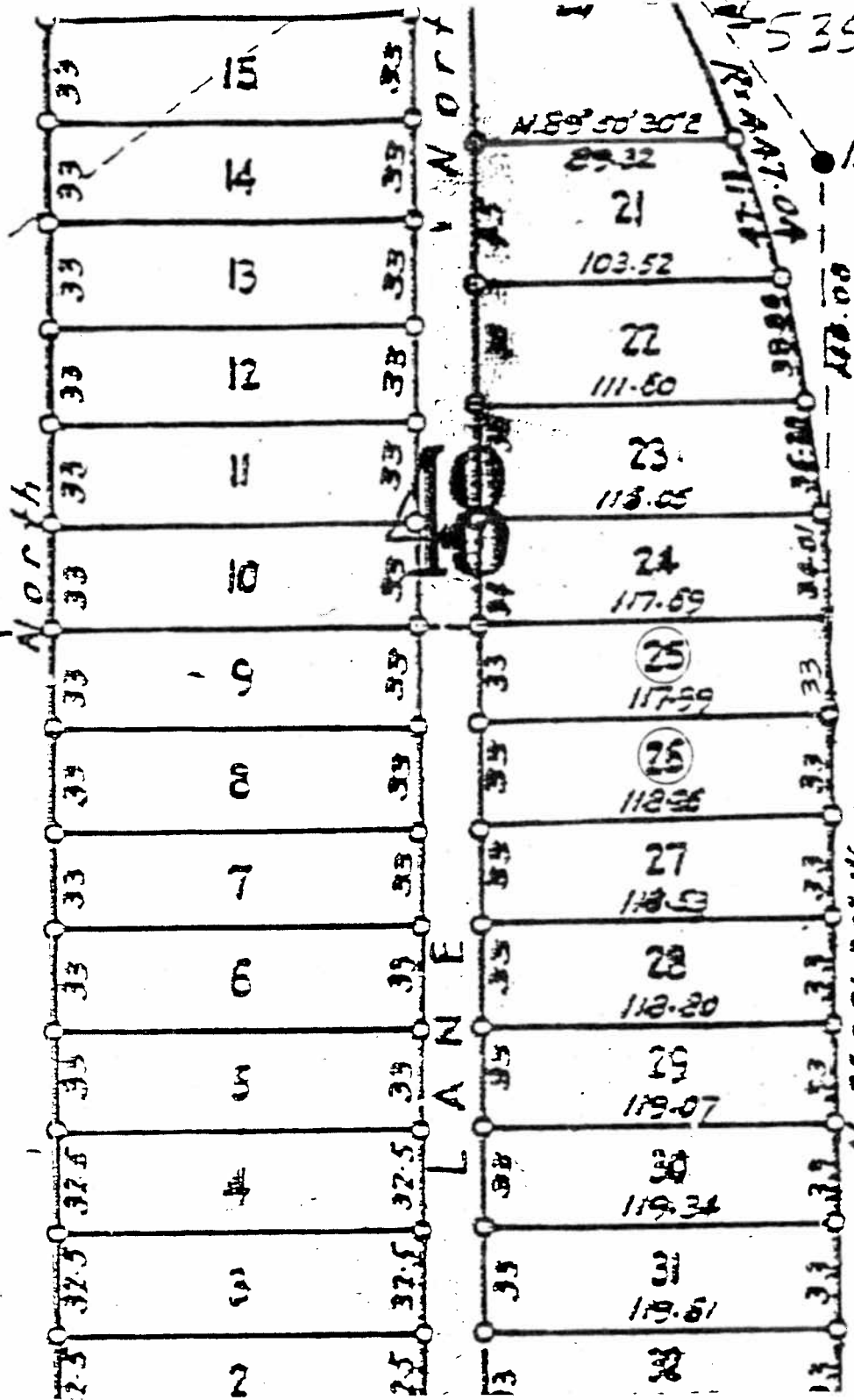
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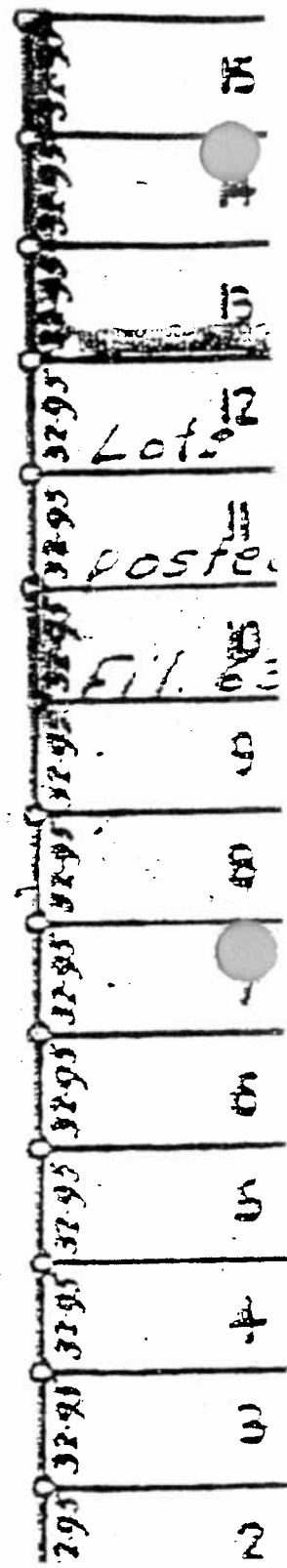
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SKETCH 2.

AVENUE



AVENUE



CAPITOL HILL LOTS 25 & 26

