

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 13 , 2014
FROM:	MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	PROPERTIES BEYOND USEFUL ECONOMIC LIFE

RECOMMENDATION

That, on the recommendation of the Managing Director of Corporate Services and City Treasurer, Chief Financial Officer, with the advice of the Manager of Realty Services, with respect to the properties located at 3666 Scotland Drive, 5529 Wellington Road South, 7 Oxford Street East, 55 Wharncliffe Road, 57 Wharncliffe Road and 73 Evergreen Avenue, as shown on Schedule "A" attached, the Civic Administration BE DIRECTED to take all necessary steps to demolish certain buildings, including completing a request for quotation for work to be completed, obtaining a demolition permit, completion of an Application to Terminate a Tenancy and Evict a Tenant where applicable, and any other activities to facilitate demolition of the improvements on the sites as detailed in the report.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

None.

BACKGROUND

The City of London owns and manages a number of residential properties throughout the City, including a number of properties owned by the Upper Thames Regional Conservation Authority (UTRCA) and cooperatively managed by the City of London. These properties have been conveyed to the City for different reasons over a number of years. Reasons for ownership by the City or the UTRCA include floodplain acquisition and protection, W12A Community Mitigative Measures Program and the protection of Transportation Infrastructure.

The properties detailed in the report are now beyond their useful economic life and are required to be demolished with the lands to be retained for the purposes as originally stated at time of acquisition as noted in the objective paragraphs below.

The City of London will enlist the support of the UTRCA in a co-operative effort to facilitate the demolition of the properties listed below.

None of the properties listed below were purchased with the intention of holding them for residential rental purposes. Instead residential rental was to be a limited time interim use of the property while the economic life of the property continued.

Pictures of the properties are attached as Schedule "B".

Properties managed by the City of London and owned by the UTRCA were co-operatively acquired under Scheme 43 which was developed to acquire flood plain lands. The agreement between the City and the UTRCA dates to 1965 and provides for the ongoing management of lands owned by the UTRCA by the City of London.

Examples of Improvements Required

- Roofing replacement
- Windows repair replacement
- Insulation
- Electrical and Plumbing
- Heating System

Current Rents being collected at the tenanted properties are below market and under current legislation it will not be possible to raise the rents to a level necessary to recover costs. The properties are determined to be no longer financially feasible to maintain.

3666 Scotland Drive – Owned by the City of London – Currently vacant

Purchased in 2008

This property is located in close proximity to the W12A landfill site and was purchased in consideration of the W12A Community Mitigative measures program. The property was used as a detached single family residential for a number of years allowing the City to recover rental payments associated with the tenancy. In mid 2013 the tenancy came to an end as the tenant was served with an eviction notice for non payment of rents. The property was inspected subsequent to the departure of the tenant. At the time of inspection the required costs to update the property were determined to be prohibitive. The property was therefore secured and identified for potential demolition.

The London Police Service has identified the site for a potential training use including Explosive forced entry training. This training to be accomplished prior to demolition.

Subsequent to the removal of the site improvements associated with this property there is the potential (subject to Engineering review) to declare the land surplus in pursuit of a sale to an abutting owner.

5529 Wellington Road South (145 acre portion of the property)– soon to be owned by the City of London – Currently vacant

This property is located in close proximity to the W12A landfill site and was placed under contract in consideration of the W12A Community Mitigative measures program. The conveyance of this property is to take place in May of 2014. The site maintains a residential dwelling that hasn't been utilized as a residential dwelling for the last 10 years or more. It is therefore in a state of disrepair requiring site clearing and demolition. The associated Purchase and Sale Agreement took into account the need to remove the house from this property.

The remaining lands have the potential to be used for agricultural purposes.

7 Oxford Street East – owned by the UTRCA – Currently vacant

Purchased in 1989

This property was purchased as part of the Flood Plain Acquisition Program cooperatively acquired between the City of London and UTRCA. The property was used as a detached single family residential home for a number of years allowing the City to recover rental payments associated with the tenancy. The tenancy came to an end as the tenant provided notice that they were relocating. The property was inspected subsequent to the departure of the tenant. At the time of inspection the required costs to update the property were determined to be prohibitive. The property was therefore secured and identified for potential demolition.

The property will remain in the ownership of the UTRCA in continuing protection of the Flood Plain.

55&57 Wharnccliffe Road – owned by the City of London – Currently Vacant

Purchased in 1976

These properties were purchased in support of Transportation Infrastructure, namely the rail overpass in immediate proximity to the site.

These two properties were formerly operated as a rooming house under the supervision of the tenant with the ongoing approval of the City of London. The tenant utilized one of the homes as her place of residence. Ongoing health issues have caused the tenant to discontinue her residency and her ongoing supervision of the properties. She has since relocated to an assisted care facility in Cambridge.

These two properties are subject to Engineering requirement associated with the rail overpass in immediate proximity to the properties. A municipal Class Environmental Assessment will take place into the future with projected impacts to occur in 2018 or 2019. Although impacts are not yet determined there is a potential need for these lands. They will therefore be retained until such time as these impacts become known.

Realty Services liaised with other Civic departments to determine if the properties could be repurposed for another use including affordable housing. After careful deliberation of the costs associated with repurposing the property it was determined that this option was also not financial feasible particularly in the context of the potential requirement by Engineering.

Since becoming vacant the house located at 57 Wharncliffe experienced a burst pipe creating a substantial amount of damage to the house on multiple levels. Prior to this damage the financial feasibility was in question and subsequently the case for demolition is even more apparent.

73 Evergreen – owned by the UTRCA – Currently Tenant Occupied

Purchased in 1972

This property was purchased as part of the Flood Plain Acquisition Program cooperatively acquired between the City of London and UTRCA. The property was used as a detached single family residential home for a number of years allowing the City to recover rental payments associated with the tenancy.

The current tenancy spans close to 30 years. Demolition of this property would require an Application to Terminate a Tenancy and Evict a Tenant to be filed with the Landlord and Tenant Board. This process would be undertaken in cooperation with the UTRCA who is the registered owner of the property.

The front portion of the house is currently being utilized as a work shop which may not conform to City of London zoning bylaws as an accepted use.

The City of London has inspected the property with the support of the Property Standards Division making note of a number of deficiencies which Realty Services is currently attempting to resolve. The tenant however has been uncooperative in allowing for a mutually acceptable plan for the associated works to be carried out. Quotes from licensed contractors were received in hopes that the tenant would allow for the completion of the work. Attempts to resolve the immediate concerns have to date been unsuccessful.

The scope of the work mentioned above was to cover only immediate concerns. There are however additional items that would need to be addressed to move the property into a state that would allow it to have any material future economic life.

The property has also been subject to an inspection by the Middlesex London Health Unit in regards to mould.

Further the existing tenancy has become frustrated with the tenant having served multiple Notice of Hearing Requests on the City.

Most recently the tenant living at 73 Evergreen has opted to take the City to the Landlord and Tenant Board for the second time in 12 months. The first Hearing resulted in replacement of the roof and concessionary rent abatement.

As the property has no remaining useful economic life it is recommended for demolition.

The property will remain in the ownership of the UTRCA in continuing protection of the Flood Plain.

Conclusion:

The properties detailed in this report have exhausted their economic life. The structures located on the lands owned by both the UTRCA and the City of London should therefore be scheduled for demolition including where applicable providing appropriate notice to existing tenants.

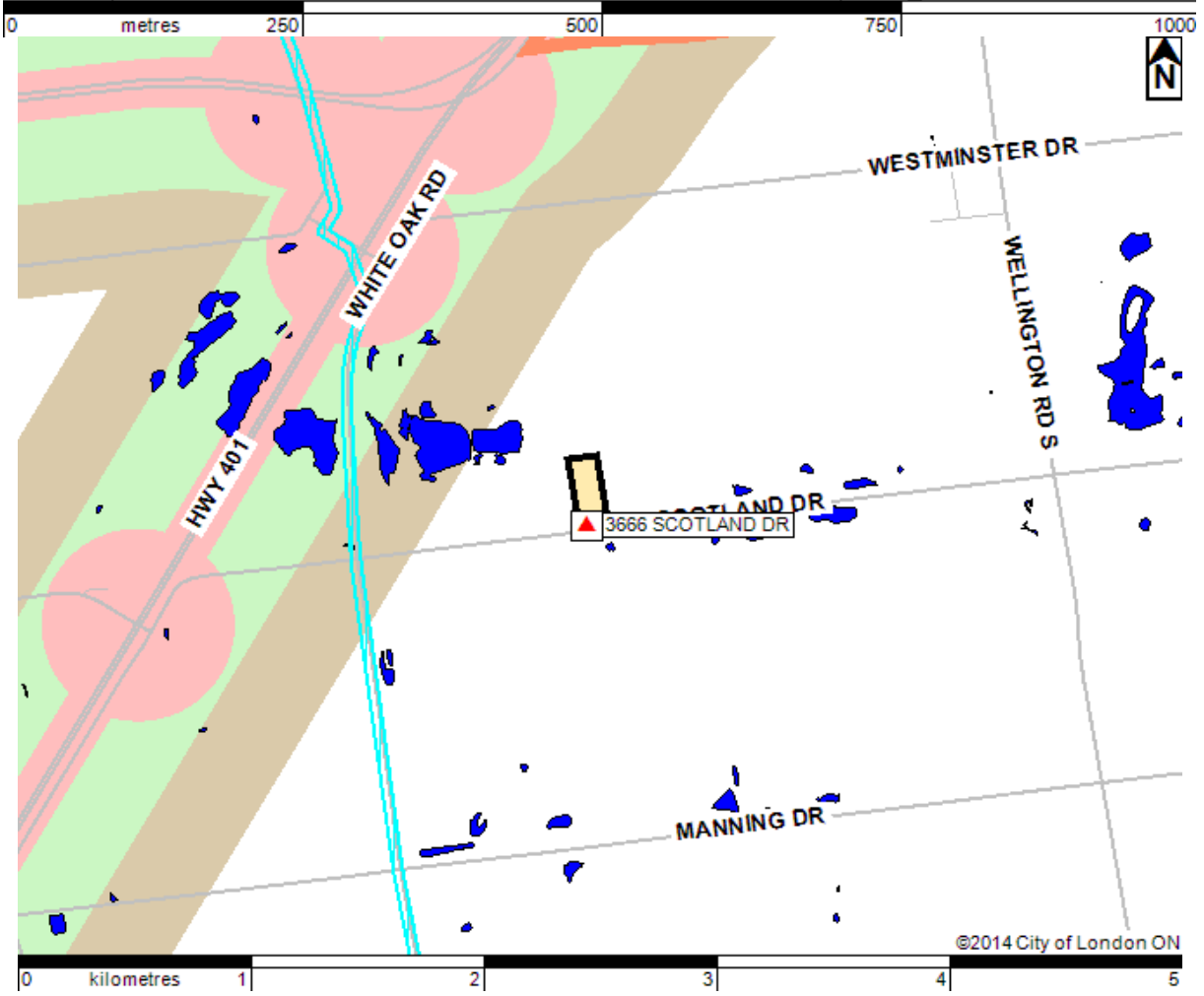
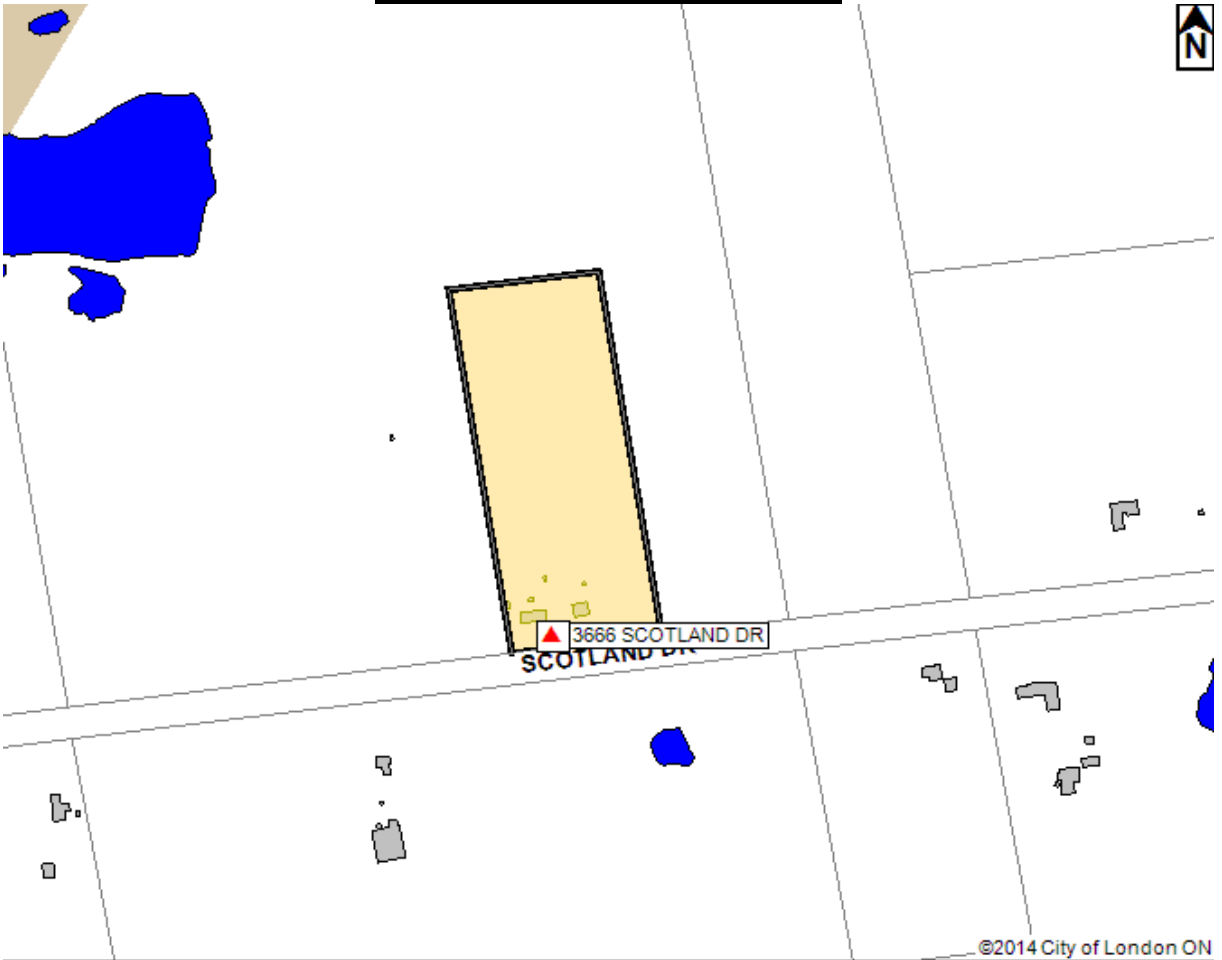
PREPARED BY:	SUBMITTED BY:
BRYAN BAAR MANAGER OF REALTY OPERATIONS	BILL WARNER MANAGER OF REALTY SERVICES
RECOMMENDED BY:	
MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

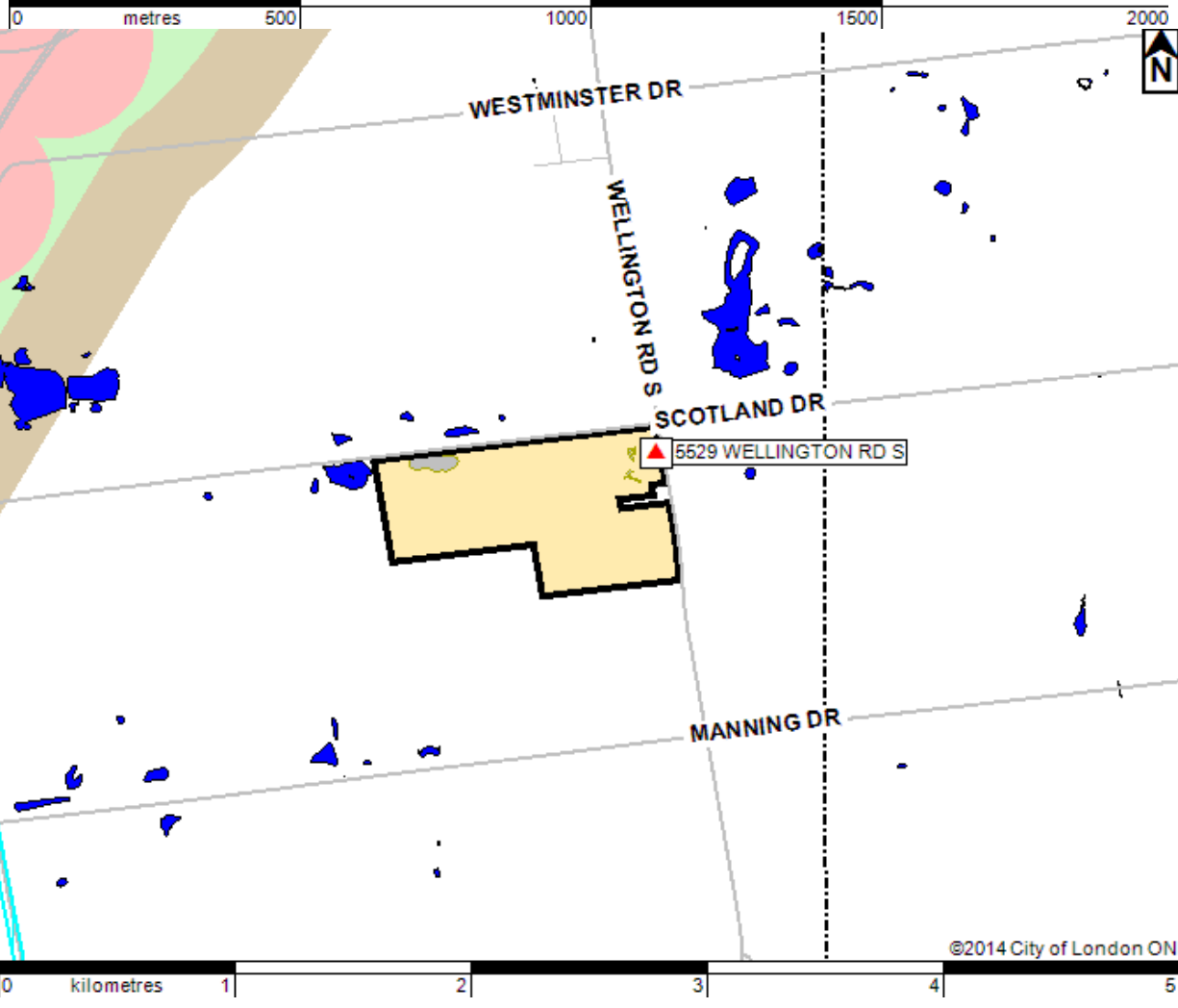
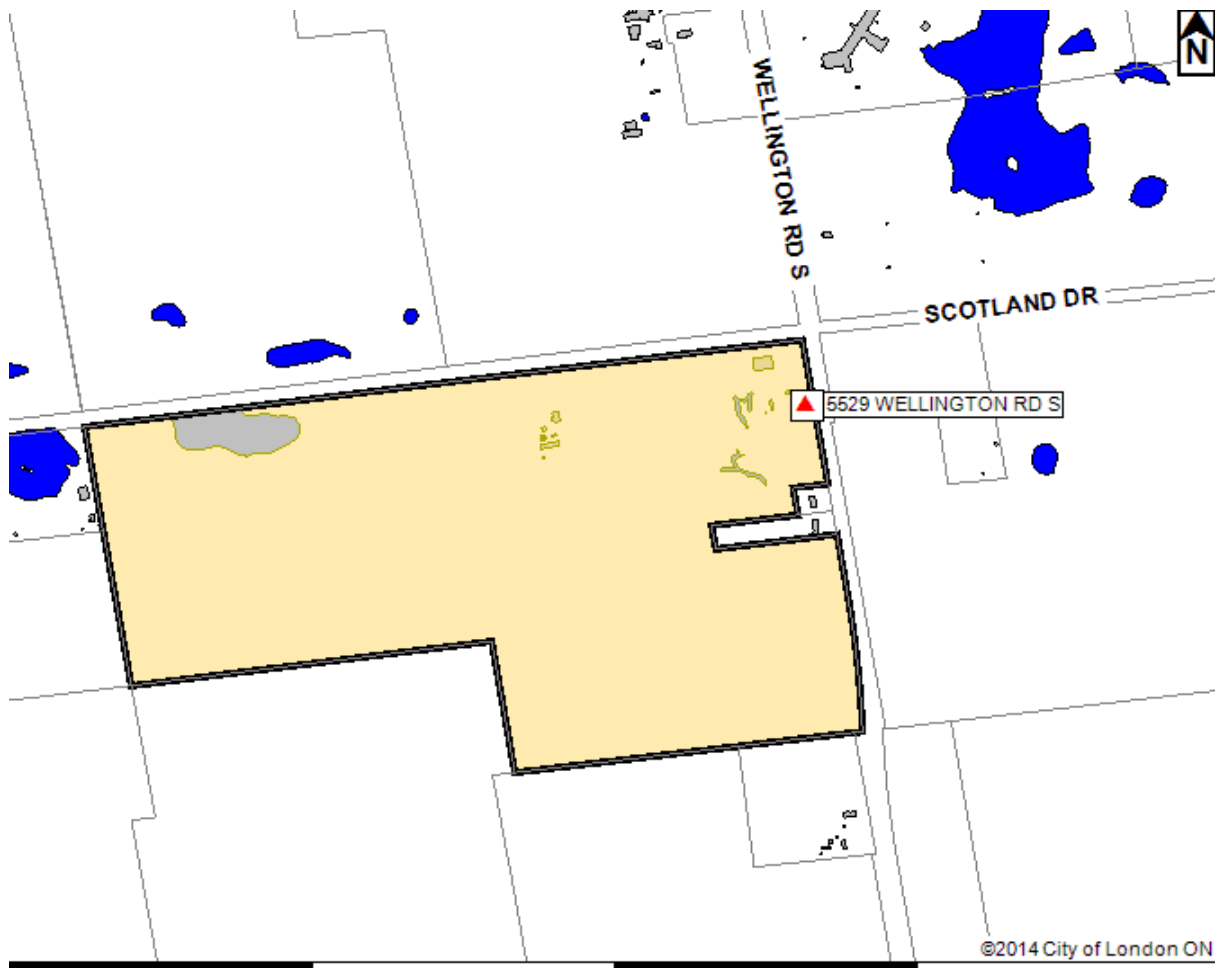
May 13, 2014
Attach.

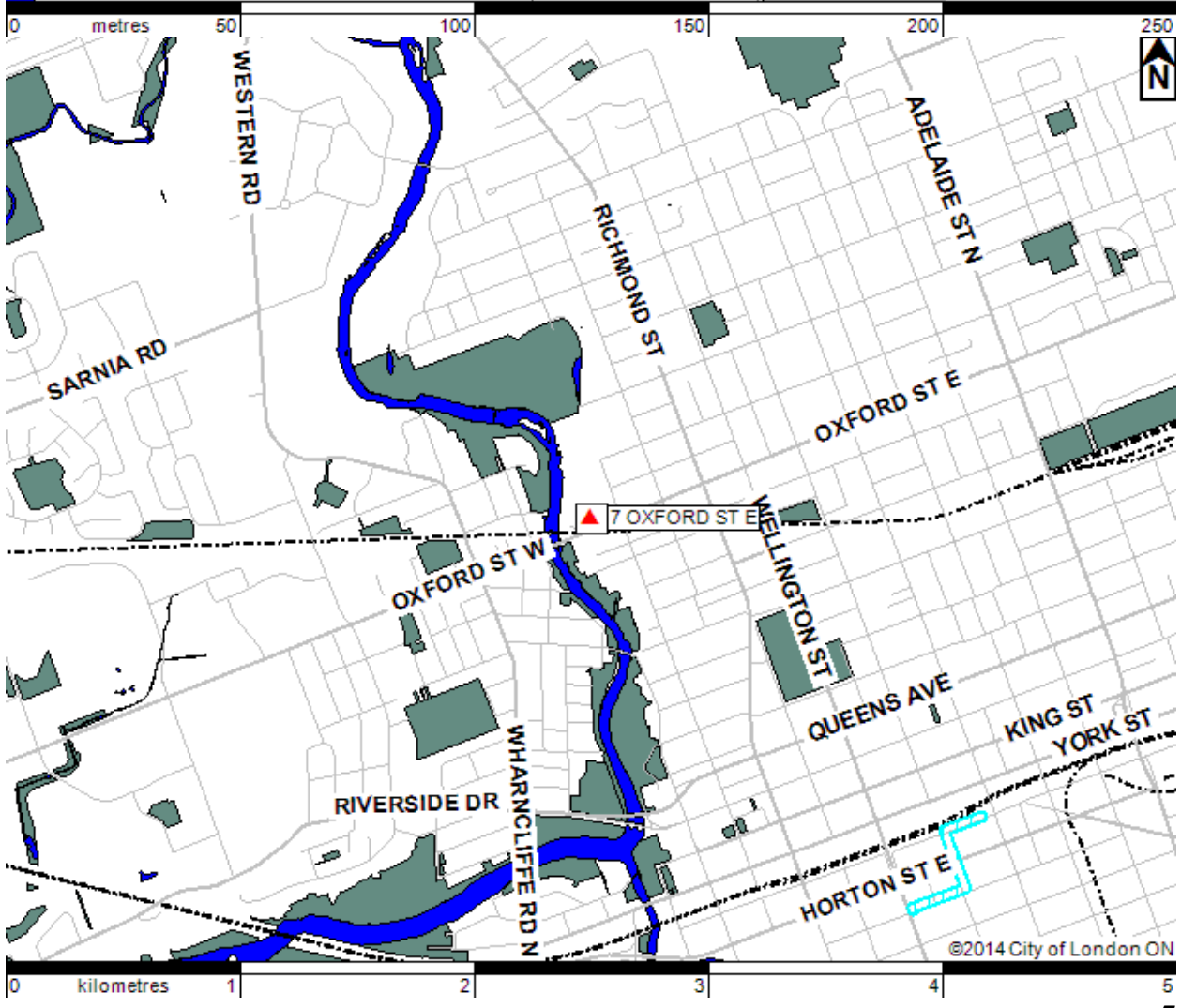
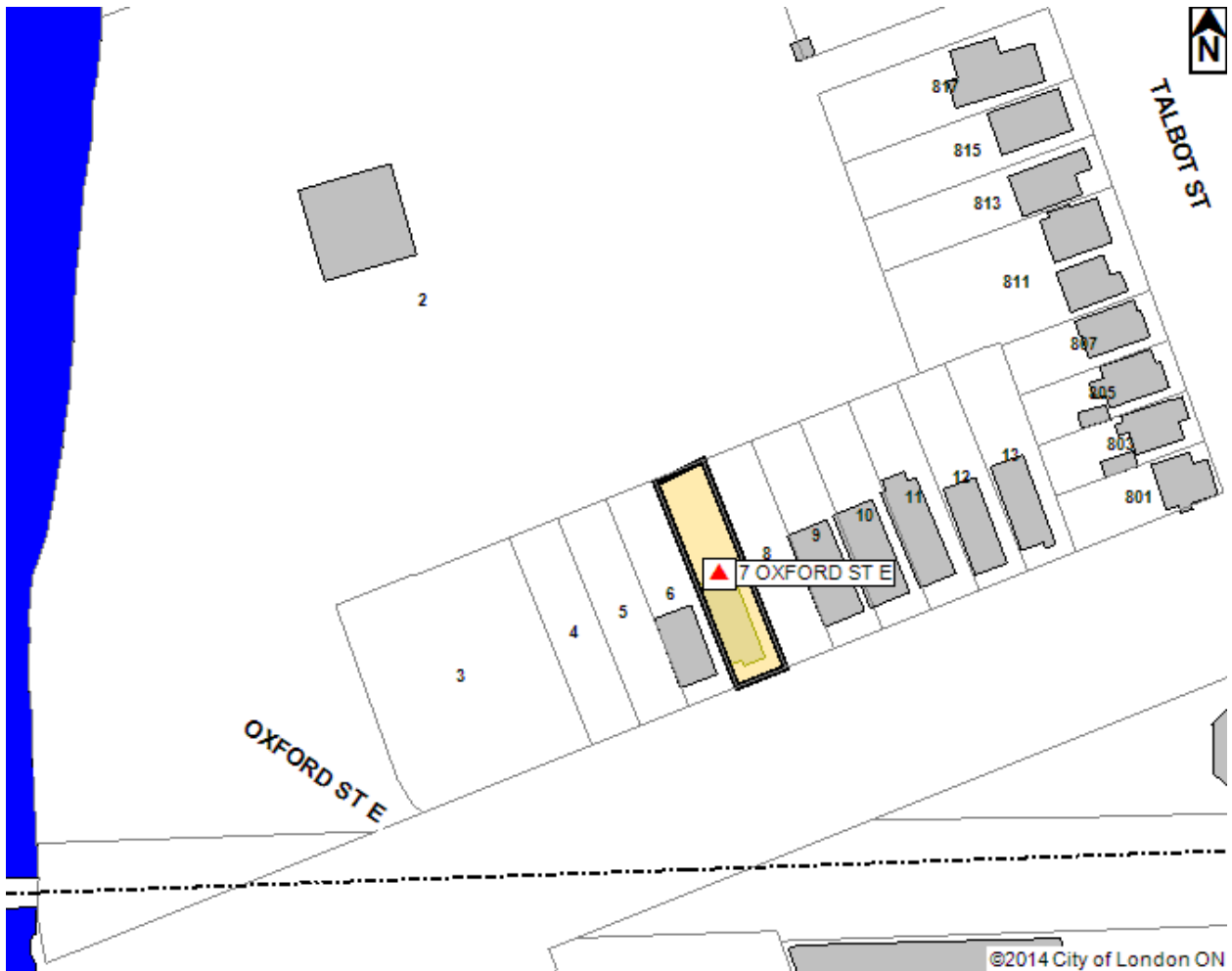
File No. Multiple

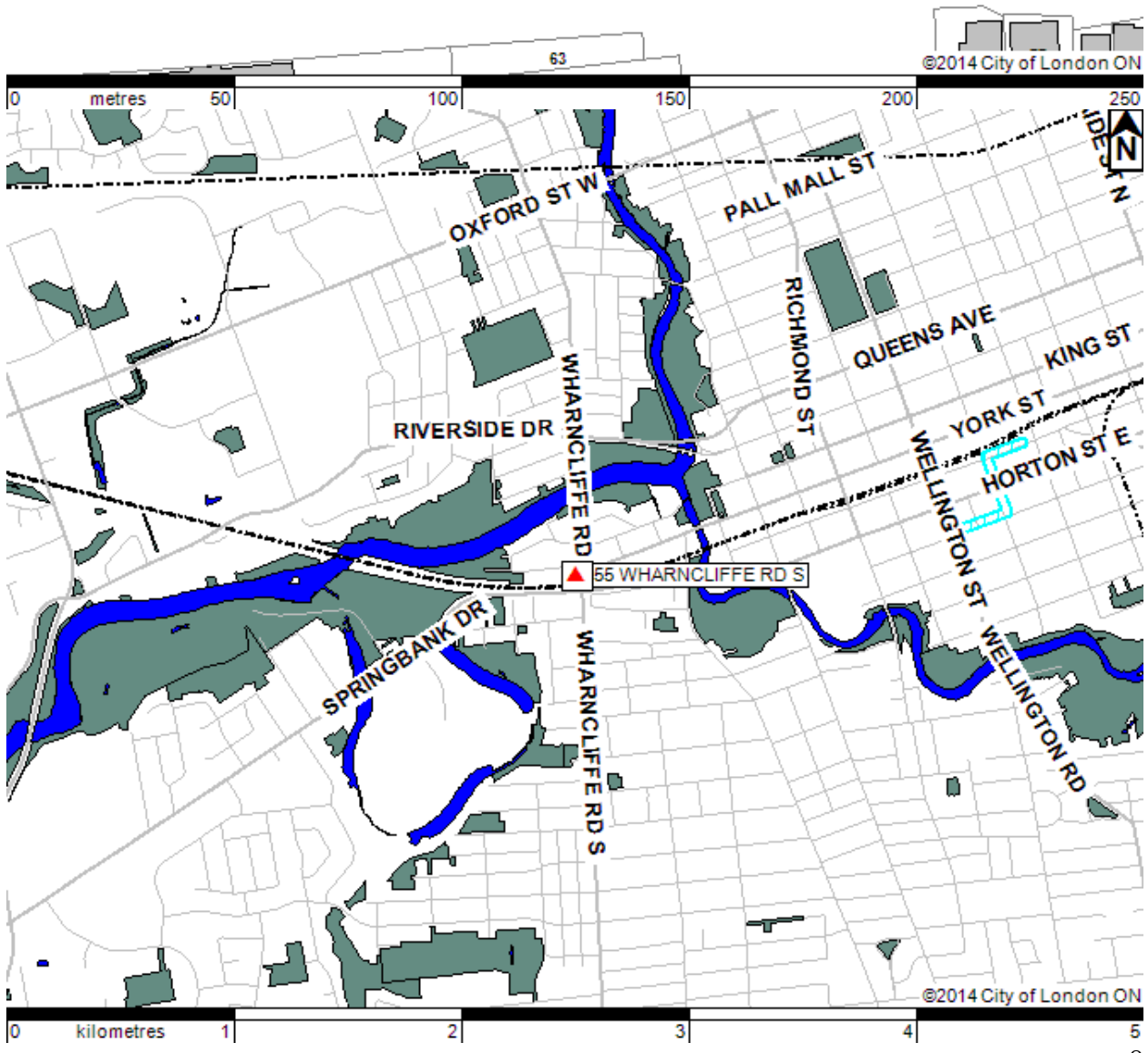
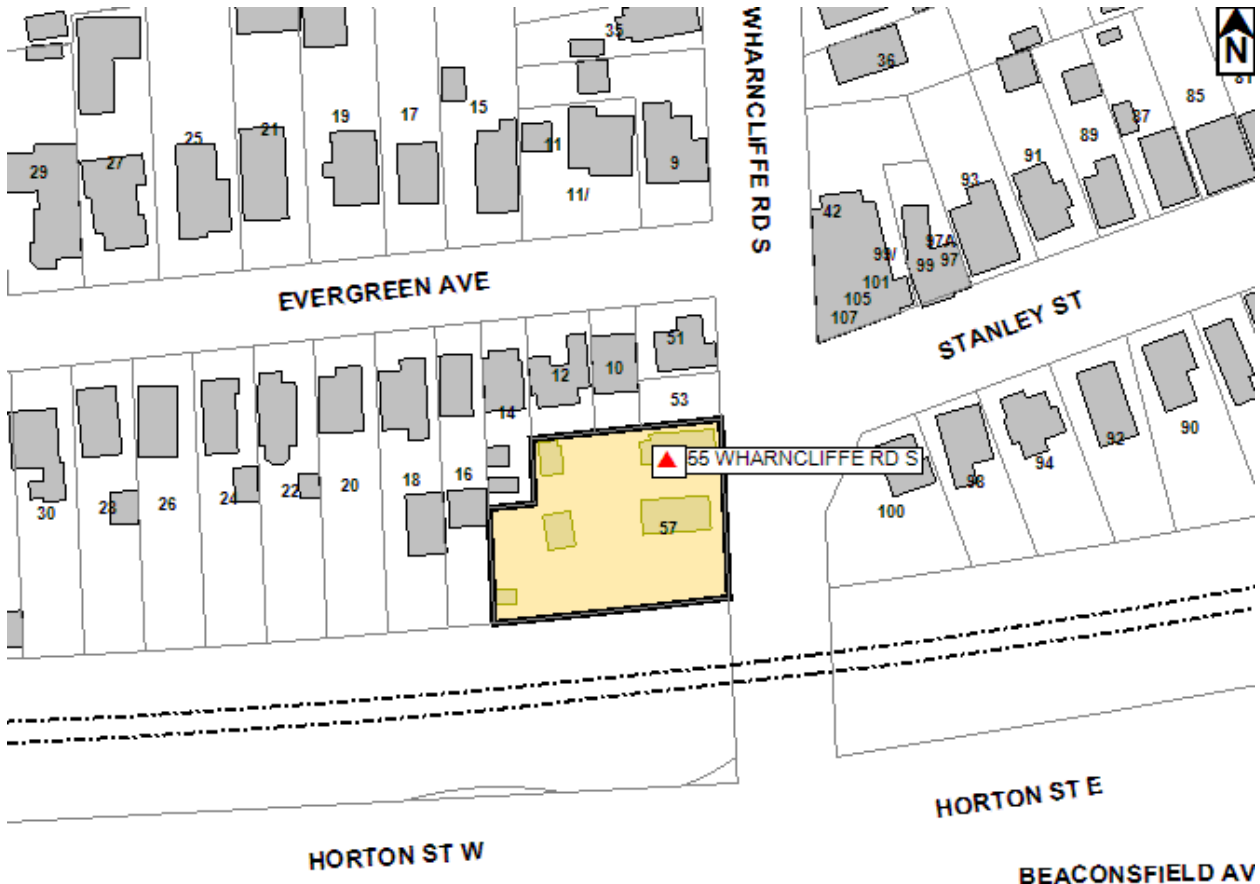
cc: Alex Shivas, Upper Thames Regional Conservation Authority
Gary Irwin, Chief Surveyor
David G. Munteer, Solicitor II

Schedule "A" – Location Maps



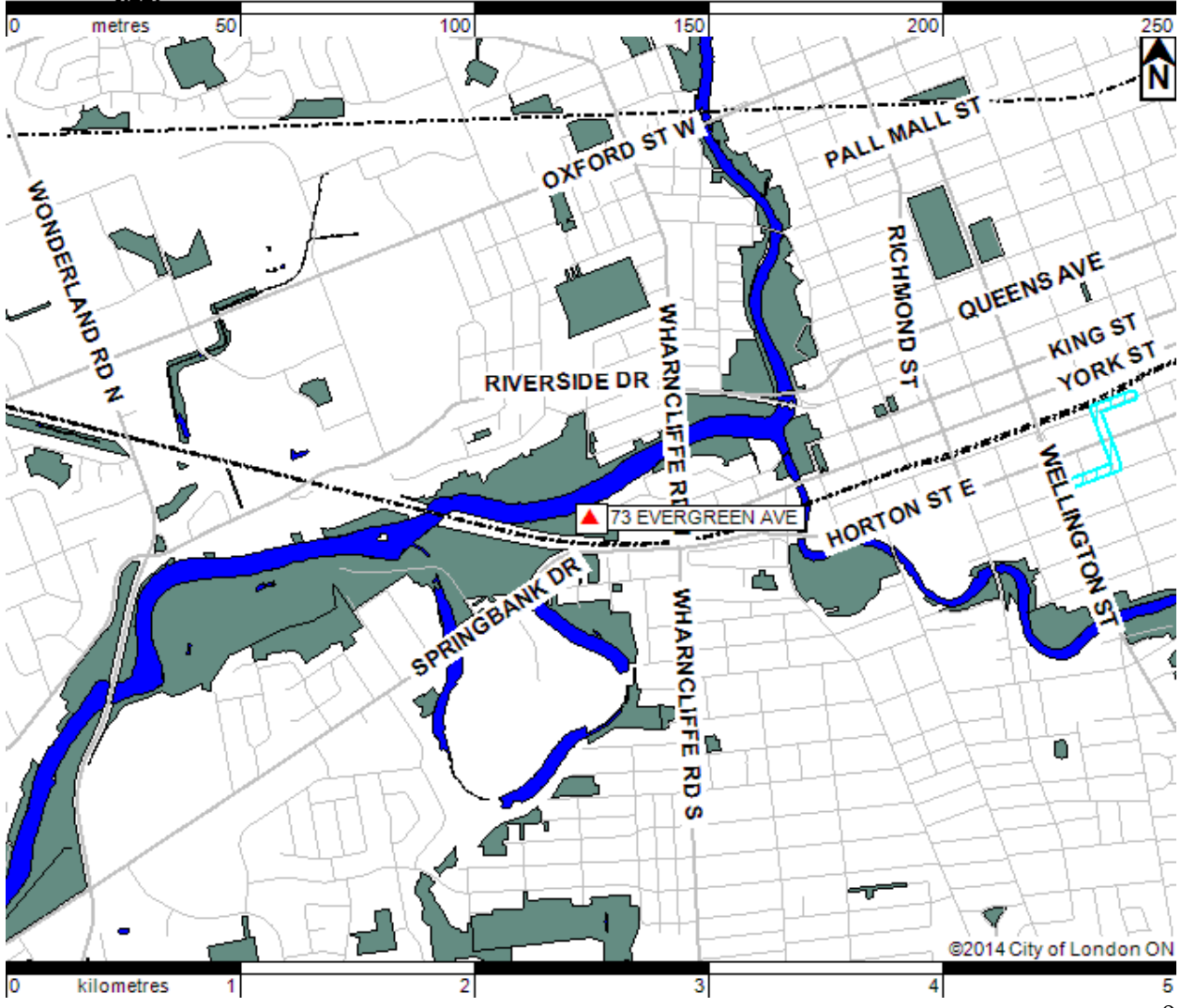








©2014 City of London ON



Schedule "B" Pictures

3666 Scotland



5529 Wellington Road South



7 Oxford Street East



55 & 57 Wharncliffe



73 Evergreen

