

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JUNE 15, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	PROPERTY DISPOSITION – 2532 MAIN STREET

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager, Realty Services, with respect to the property located at 2532 Main Street, further described as Part Lots 1 and 2, Plan 443, in the City of London, measuring approximately 28 x 82 feet, the following actions be taken:

- a) **ACCEPT** the offer submitted by 1724830 Ontario Inc o/a Flandscape to purchase the subject property from the City, for the sum of \$111,600.00, subject to the following conditions:
 - i) The Purchaser acknowledging that the property is being purchased on an “AS IS” basis.
 - ii) The City agreeing to provide an easement in favour of the Purchaser in order to access and maintain the septic system.
 - iii) The City agreeing to deposit on title a reference plan describing the property, if required.
 - iv) The Purchaser having fifteen (15) days from the acceptance of its offer, at its sole expense, to conduct an inspection of the septic system, and must notify the City as to whether or not they are satisfied with the condition of the septic system.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee – January 7, 2014 - Declared Surplus City Owned Property – 2532 Main Street – Former London Police Service Substation in Lambeth

BACKGROUND

BACKGROUND

The property was formerly utilized by the London Police Service as a substation. In recent years it has been underutilized and the property has been vacated. An internal liaison process was completed and no municipal need was identified. The subject property was declared surplus at the Corporate Services Committee held on January 7, 2014 and it was recommended that the property be sold via tender.

PROPERTY DESCRIPTION

The subject property municipally known as 2532 Main Street is located on the south side of Main Street in Lambeth, just east of the intersection of Main Street and Colonel Talbot Road.

Address: 2532 Main Street
 Official Plan: Main Street Commercial Corridor
 Zoning: NF, Neighbourhood Facility
 Site Description: 28 x 82 ft.; rectangular shaped 2,178 sf
 Building Description: The one storey building is divided into an office with a main lobby area, two offices, a bathroom, and a break room with a kitchenette. Overall building size is approximately 1,095 sf. The site includes two parking spaces located at the front of the building.

SALE

An internal market value appraisal report of the subject property was completed by a City of London real estate appraiser. The current market value as of May 23, 2013 was estimated to be \$110,000.00

Over the winter the furnace failed, which resulted in a water pipe bursting. The heat was restored and the plumbing was repaired. This event required the use of a restoration contractor, who used drying equipment for 14 days. As a result of the damage the minimum reserve bid price for the quotation was lowered to \$75,000.00

An inspection of the septic system has been afforded to the buyer to ensure they are fully aware of its present condition. The Agreement of Purchase and Sale is subject to an inspection by the Purchaser.

The property was held out for sale via a public quotation process facilitate via Purchasing and Supply.

The quotation yielded two interested bidders who met and exceeded the minimum bid amount. The winning bidder was 1724830 Ontario Inc o/a Flandscape with a bid amount of \$111,600.00.

The offer submitted to the City aligns with the value conclusions found in the appraisal report.

RECOMMENDATION

It is recommended that the Agreement of Purchase and Sale be accepted.

A location map and photographs of the subject property are attached for the Committee's information.


The form of agreement is attached as Appendix "B" for the Committee's information.

PREPARED BY:	SUBMITTED BY:
CAMERON BAZILLI PROPERTY APPRAISER & NEGOTIATOR	BILL WARNER MANAGER, REALTY SERVICES
RECOMMENDED BY:	
MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

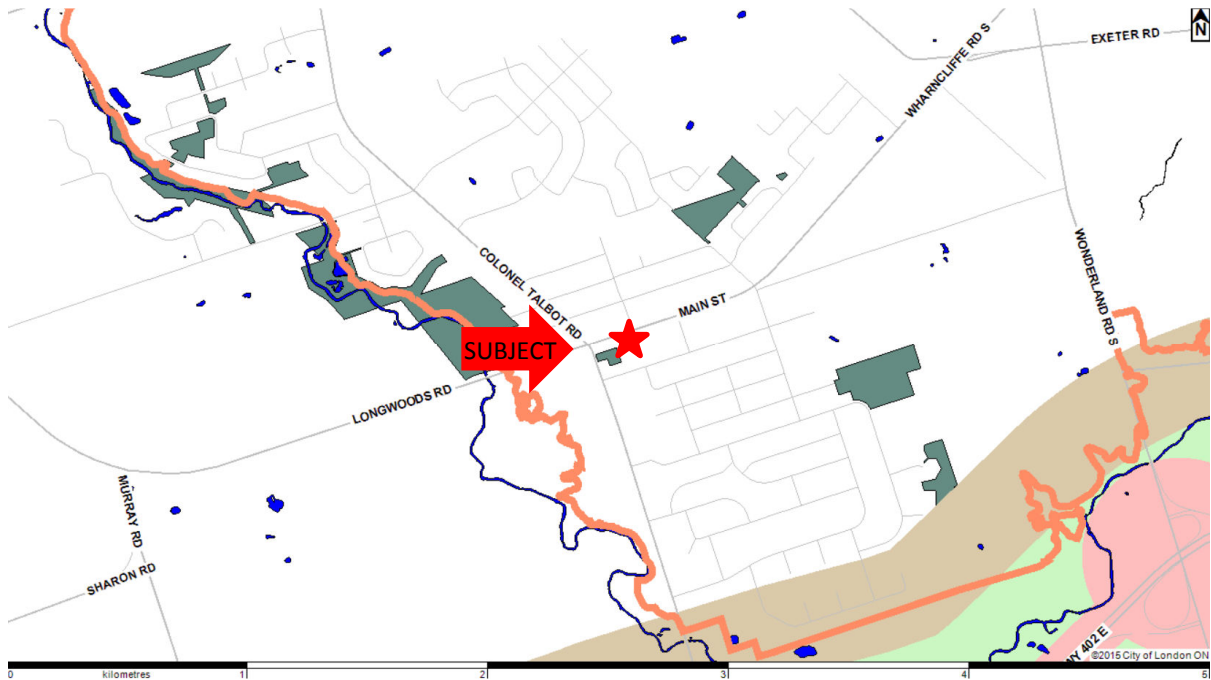
Attach.
 cc: David G. Munteer, Solicitor
 John Freeman, Purchasing and Supply

Location Map



 = Subject Property

Location Map



 = Subject Property

Photographs



Front View



Rear View



View of Front Room



View of Back Room

APPENDIX "B"

AGREEMENT OF PURCHASE AND SALE

VENDOR: THE CORPORATION OF THE CITY OF LONDON

PURCHASER: 1724830 ONTARIO INC o/a FLANDSCAPE

REAL PROPERTY:

Address 2532 Main Street, London, ON

Location South side of Main Street, east of Colonel Talbot Road

Measurements Approximately 28' x 82' , 2,178 sq ft

Legal Description: Part Lots 1 and 2, Plan 443 in the City of London, County of Middlesex, as shown on Schedule "A" (the "Property").

1. **OFFER TO PURCHASE:** The Purchaser agrees to purchase the Property from the Vendor in accordance with the terms and conditions as set out in this Agreement.
2. **SALE PRICE:** The purchase price shall be ONE HUNDRED ELEVEN THOUSAND SIX HUNDRED DOLLARS CDN (\$111,600.00) payable as follows:
 - a) a deposit of 10% ELEVEN THOUSAND ONE HUNDRED SIXTY DOLLARS CDN (\$11,160.00) cash or cheque on the date hereof as a deposit; and
 - b) the balance of the sale price, subject to adjustments, in cash or by cheque on completion of this Agreement.
3. **ADJUSTMENTS:** Any unearned fire insurance premiums, rents, mortgage interest, realty taxes including local improvements rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to the Purchaser.
4. **SCHEDULE(S):** The following Schedule(s) form(s) part of this Agreement:
 - Schedule "A" Description of the Property
 - Schedule "B" Additional Terms and Conditions
 - Schedule "C" Area Subject to Easement
5. **IRREVOCABILITY:** This Offer shall be irrevocable by the Vendor until considered by council of the corporation of the city of London at a meeting to be held no later than July 31, 2015, after which date, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Purchaser in full without interest or deduction.
6. **TITLE SEARCH:** The Purchaser shall be allowed until 4:30p.m. August 14, 2015, to examine the title to the Property and at its own expense and to satisfy itself that there are no outstanding work orders or deficiency notices affecting the Property, that its present use may be lawfully continued and that the principal building may be insured against risk of fire.
7. **COMPLETION DATE:** This Agreement shall be completed by no later than 4:30p.m. August 28, 2015. Upon completion, vacant possession of the Property shall be given to the Purchaser unless otherwise provided for in this Agreement.
8. **NOTICES:** Any notice relating to or provided for in this Agreement shall be in writing.
9. **HST:** If this transaction is subject to Harmonized Sales Tax (HST) then such HST shall be in addition to and not included in the sale price, and HST shall be collected and remitted in accordance with applicable legislation. If this transaction is not subject to HST, the Vendor agrees to provide, on or before completion, to the Purchaser's solicitor, a certificate in a form satisfactory to the Purchaser's solicitor certifying that the transaction is not subject to HST.
10. **FUTURE USE:** Vendor and the Purchaser agree that there is no representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically provided for in this Agreement.
11. **TITLE:** Provided that the title to the Property is good and free from all encumbrances. If within the specified times referred to in paragraph 6 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be

insured against risk of fire is made in writing to the Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and any deposit paid shall be returned without interest or deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, the Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property .

12. **DOCUMENTS AND DISCHARGE:** The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property except such as are in the possession or control of Vendor. If requested by the Purchaser, Vendor will deliver any sketch or survey of the Property within Vendor's control to the Purchaser as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by the Purchaser on completion, is not available in registerable form on completion, the Purchaser agrees to accept Vendor's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registerable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Vendor shall provide to the Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registerable form at the expense of the Vendor. If requested by the Purchaser, Vendor covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) of the *Planning Act*, R.S.O. 1990
14. **RESIDENCY:** The Purchaser shall be credited towards the Purchase Price with the amount, if any, necessary for the Purchaser to pay to the Minister of National Revenue to satisfy the Purchaser's liability in respect of tax payable by Vendor under the non-resident provisions of the Income Tax Act by reason of this sale. The Purchaser shall not claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that Vendor is not a non-resident of Canada.
15. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and the Purchaser or their respective lawyers who are hereby specifically authorized in that regard.
16. **TENDER:** Any tender of documents or money hereunder may be made upon Vendor or the Purchaser or their respective solicitors on the day set for completion. Money may be tendered by bank draft or cheque by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
17. **FAMILY LAW ACT:** Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the *Family Law Act*, R.S.O. 1990 unless Vendor's spouse has executed the consent provided.
18. **CLOSING ARRANGEMENTS:** Where each of the Vendor and Purchaser retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. , Chapter L4, and any amendments thereto, the Vendor and Purchaser acknowledge and agree that the delivery of documents and the release thereof to the Vendor and Purchaser may, at the lawyer's discretion: (a) not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation) and (b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers.
19. **AGREEMENT IN WRITING:** This Agreement, including any Schedule attached, shall constitute the entire Agreement between the Purchaser and Vendor. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
20. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

The Corporation of the City of London hereby accepts the above Agreement of Purchase and Sale and agrees to carry out the same on the terms and conditions herein contained.

IN WITNESS WHEREOF The Corporation of the City of London agrees to the above Agreement of Purchase and Sale and has hereunto caused to be affixed its Corporate Seal attested by the hands of its proper signing officers pursuant to the authority contained in By-law No. A-1-11012 of the Council of The Corporation of the City of London passed the 28th day of February, 2011.

THE CORPORATION OF THE CITY OF LONDON

Matt Brown, Mayor


Catharine Saunders, City Clerk

GIVEN UNDER MY/OUR HAND AND SEAL, (OR, IN WITNESS WHEREOF THE VENDOR HERETO HAS
HEREUNTO CAUSED TO BE AFFIXED ITS CORPORATE SEAL ATTESTED BY THE HANDS OF ITS PROPER
SIGNING OFFICERS, as the case may be) this

_____ day of _____ ,

SIGNED, SEALED AND DELIVERED

In the Presence of

Per: 724830 Ontario Inc 9 Landscaper
Name: Josh Flanagan 
Title: President

I/We Have the Authority to Bind the Corporation

VENDOR'S LAWYER: Stu Thomson (Thomson - Moteney - Tibbney)

PURCHASER'S LAWYER: David G. Mounteer, Solicitor, 519-661-2500 Ext. 4709 Fax: 519-661-5530



SCHEDULE "A"

Part Lot 1 and 2, Plan 443 in the City of London, County of Middlesex



SCHEDULE "B"

1. INSURANCE: All buildings on the Property and all other things being purchased shall be and remain until completion at the risk of the Vendor. Pending completion, Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, the Purchaser may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion.

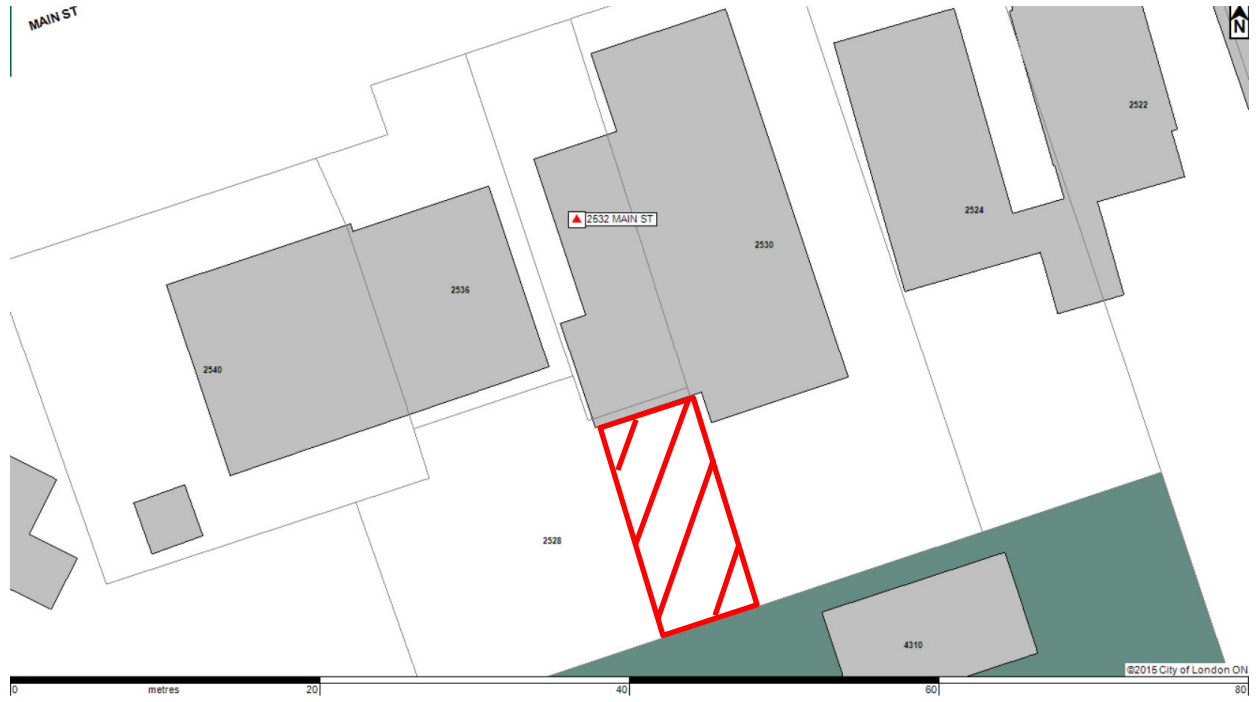
2. ENVIRONMENTAL CLAUSE: The Purchaser acknowledges that the Property is being purchased on an "as is" basis. The Purchaser acknowledges that the Vendor has not made, did not make and shall not be required to provide any representations or warranties of any kind with respect to whether the Property and processes and undertakings performed thereon have been and are in compliance with all applicable environmental laws, regulations and orders and whether the Property is suitable for any specific use including and without limitation to any construction or development. The Purchaser acknowledges and agrees that the Vendor shall not be liable for any damages of loss whatsoever arising out of or pursuant to any claims in respect to the foregoing.

3. REFERENCE PLAN: The Vendor agrees to prepare and deposit on title, on or before closing and at its expense, a reference plan describing the Property, if required.

4. SEPTIC SYSTEM EASEMENT: The Vendor agrees to provide an easement in favor of the Purchaser for the full and free and uninterrupted right, liberty, privilege and easement to repair, clean, maintain, inspect, and use a portion of the adjoining City owned lands on which the current septic system is located. This easement is generally depicted in Schedule "C".

5. SEPTIC SYSTEM INSPECTION: The Purchaser shall within 15 days of acceptance of its offer have the right, at its sole expense, to conduct an inspection of the existing septic system serving the Property. If as a result of the inspection the Purchaser is not satisfied with the condition of the septic system, the Purchaser shall within the time permitted for conducting such inspection, advise the Vendor and this Agreement shall be at an end and the Purchaser's deposit shall be returned without interest or deduction. If the Purchaser fails to give notice as aforesaid, the Purchaser shall be deemed to accept the Property and the condition of the Septic System in an "as is" condition.

SCHEDULE "C"



The hatched area represents

Bill No.

By-law No.

A By-law to authorize and approve an Agreement of Purchase and Sale between The Corporation of the City of London and 1724830 ONTARIO INC o/a FLANDSCAPE, for the acquisition of 2532 Main Street and to authorize the Mayor and City Clerk to execute the Agreement.

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS it is deemed expedient for The Corporation of the City of London (the "City") to enter into the Agreement of Purchase and Sale with 1724830 ONTARIO INC o/a FLANDSCAPE (the "Agreement");

AND WHEREAS it is appropriate to authorize the Mayor and the City Clerk to execute the Agreement on behalf of the City;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Agreement attached as Schedule "A" to this by-law, being the Agreement of Purchase and Sale between the City and 1724830 ONTARIO INC o/a FLANDSCAPE is hereby authorized and approved.
2. The Mayor and the City Clerk are authorized to execute the Agreement authorized and approved under Section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council _____

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading - June 25, 2015
Second reading - June 25, 2015
Third reading - June 25, 2015