

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 20, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	APPROVAL TO DEMOLISH CITY OWNED PROPERTY 6 OXFORD ST E, 51 WHARNCLIFFE RD S, 5067 COOK RD AND 3290 MANNING DRIVE

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 City owned properties at 6 Oxford Street East, 51 Wharncliffe Road South, 5067 Cook Road and 3290 Manning Drive, as shown on Schedule "A" attached, the following actions be taken:

- a) the subject properties **BE APPROVED** for demolition;
- b) the Civic Administration **BE DIRECTED** to take all necessary steps to demolish the buildings, including completing a request for quotation for work to be completed, obtaining a demolition permit, and any other activities to facilitate demolition of the improvements on the sites detailed in the report.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee - May 19, 2015 - Property Acquisition 51 Wharncliffe Rd South

Chair and Members Board of Control - June 14, 2000 – Acquisition of Dwelling and Outbuildings 5067 Cook Road.

BACKGROUND

The City of London owns and manages a number of residential properties throughout the City, including some 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, sanitary capacity expansion 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 has obtained concurrence of the UTRCA in a co-operative effort for applicable properties 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. 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 original 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. The most recent Agreement is dated 1985 with a 20 year term. The City Solicitors office is currently working on an update to the Agreement.

Examples of Improvements Required

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

Current rents being collected at the tenanted properties are below market and 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.

6 Oxford Street East – owned by the UTRCA

Purchased in 1992

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 existing long term tenant provided notice that they would be vacating the property. When the property was inspected as part of Realty Services' annual inspection program it was determined that the required costs to update the property were cost prohibitive. Estimate renovation and maintenance costs are in the range of \$35,000 to \$40,000. The property was therefore identified for demolition.

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

There was originally 5 houses abutting one another in this area all of which have since been demolished. The most recent of which (7 Oxford St E.) was demolished in 2014.

51 Wharncliffe Road – owned by the City of London – Currently Vacant

Purchased in 2015

This property was purchased in support of Transportation Infrastructure, namely the rail overpass in immediate proximity to the site.

The property is 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.

Due to the condition of the property and the intended demolition subsequent to the acquisition, retention of the improvements is not warranted. Estimate renovation and maintenance costs are in the range of \$50,000 to \$60,000.

5067 Cook Road – Owned by the City of London – Currently Vacant

Purchased in 2002

This property was acquired for the future location of the southside pollution control plant. 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 the summer of 2015 the tenancy came to an end. 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 demolition. Estimate renovation and maintenance costs are in the range of \$50,000 to \$55,000.

3290 Manning Drive – Owned by the City of London

Purchased in 1992

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 three silos are currently unused and are in need of repair. The land surrounding the silos currently has an agricultural use. Once the silos are demolished the lands have the potential to be used for agricultural purposes. Retaining these structures increases the City's liability associated with their utilization.

If approval to seek demolition is granted a tender will be facilitated through the City of London's Purchasing service area to be awarded to the successful proponent.

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.

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

October 2, 2015
Attach.

cc: Wesley Abbott, Division Manager – Solid Waste Management
Gary Irwin, Chief Surveyor
David G. Munteer, Solicitor II
Alex Shivas, Upper Thames Regional Conservation Authority