



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: March 15, 2016
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RTS No.: 11383
VanRIMS No.: 08-2000-21
Meeting Date: May 17, 2016

TO: Vancouver City Council
FROM: General Manager of Real Estate and Facilities Management
SUBJECT: Sole source sale of City-owned land located at 3781 West 12th Avenue for consolidation with 3775 West 12th Avenue

IN CAMERA RATIONALE

This report is recommended for consideration by Council in the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city.

RECOMMENDATION

THAT Council authorize the Director of Real Estate Services to proceed with a sole source contract of purchase and sale (the "Sale Agreement") with Shi Chun Ni ("Buyer") for the sale of the City-owned lands at 3781 West 12th Avenue, as shown on Appendix A, legally described as PID: 011-733-551, The east 6 feet of Lot 15 of Lot 2 Block 181 District Lot 540 Plan 4221 (the "Subject Property"). Such contract is based on the following terms and conditions:

- i. the City to sell the Subject Property to the Buyer for a price of \$420,000 excluding closing costs and taxes (the "Purchase Price") with funds credited to the Property Endowment Fund "PEF"; and
- ii. the Sale Agreement is subject to the Subject Property being consolidated with the Buyer's Property at 3775 West 12th Avenue legally described as PID: 011-733-535, Lot 14 of Lot 2 Block 181 District Lot 540 Plan 4221 (the "Buyer's Property");

FURTHER THAT, no legal rights or obligations will arise or be created between the Buyer and the City unless and until all legal documentation is fully executed on terms and conditions that are to the satisfaction of the Directors of Real Estate and Legal Services.

REPORT SUMMARY

The purpose of this report is to seek Council approval to sell the Subject Property, a 6 foot by 122 foot strip of City owned land, to a neighbouring property owner at 3775 West 12th Avenue. Staff consulted with the other adjacent property owner at 3785 West 12th Avenue and confirmed that that owner does not wish to purchase the Subject Property

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Section 190(1)(b) of the Vancouver Charter authorizes Council to dispose of City-owned property deemed to be surplus to the City's needs and requires an affirmative vote of two-thirds of all members of Council for the disposition of property which exceeds \$400,000 in value.

Council policy is generally to dispose of City-owned land through a public tender process. However, Council policy provides for the direct sale of property where sales of small City sites are restricted to an adjoining owner, whereby the land is sold, subject to consolidation, as close to the fair market value as possible, keeping in mind the advantages to the City of the sale.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Real Estate and Facilities Management RECOMMENDS approval of the foregoing.

REPORT

Background/Context

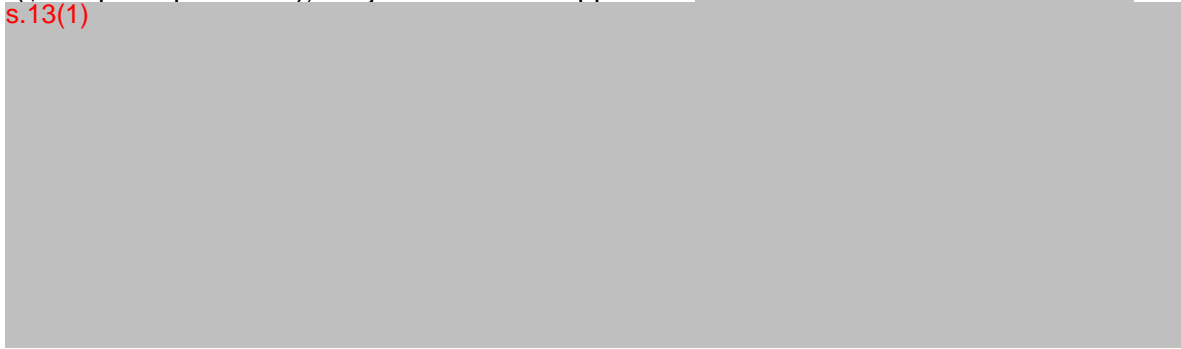
The Subject Property is held in the Property Endowment Fund ("PEF") with a site area of approximately 732 square feet (6 feet x 122 feet). It is a vacant and unimproved single-family zoned (RS-1) residential lot. This lot was acquired by the City in 1938 and has been vacant ever since.

Strategic Analysis

The Subject Property is an undevelopable property with no possible civic use. It is too small to be developed on its own which only allows it to be sold to one of its two (2) neighbours. The owner of 3785 West 12th Avenue does not wish to purchase the Subject Property.

The Buyer wishes to purchase the Subject Property for consolidation with the Buyer's Property and future redevelopment of a new home. The Buyer's Property currently measures 33 feet by 122 feet and will measure 39 feet by 122 feet once this proposed consolidation is approved. The addition of the Subject Property to the Buyer's Property will allow them to construct up to 512 square feet of additional house.

A typical residential lot (33 feet by 122 feet) with redevelopment potential in this immediate area will have a market value in the region of s.17(1) per square foot of site area. City staff have negotiated a sale of the Subject Property to the Buyer for \$420,000 (\$573 per square foot), subject to Council approval. s.13(1)



Furthermore, the City benefits from disposal of a nuisance property with no civic use and will collect additional property tax revenues once it is returned to the tax base.

Implications/Related Issues/Risk (if applicable)

Financial

The Subject Property is held within the PEF, and the sale proceeds of \$420,000 will be credited to the PEF.

The Subject Property is currently assessed at s.17(1) (2016 assessed land value) by BC Assessment.

CONCLUSION

The Director of Real Estate Services considers the sale price of \$420,000 to represent fair market value for the property. Sale proceeds will be credited to the PEF.

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