**Report of the Standing Policy Committee on Property and Development dated September 12, 2002**

**Delegation of Authority to Demolish City-owned Buildings/ Structures acquired by way of Tax Sale that are either Derelict or Uneconomic to Maintain**
**Files EB-1.5 (Vol. 18) and GC-11 (Vol. 8)**

7. The Standing Policy Committee on Property and Development has been advised that the City is acquiring significant numbers of derelict buildings/structures by way of tax sale that may have to be demolished. A delegation of authority for their timely demolition would allow the Administration to manage this inventory more efficiently and would limit the City's exposure to financial risk.

Currently, the Planning, Property and Development Department must seek authority to arrange for demolitions from the Standing Policy Committee on Property and Development on a case-by-case basis (except for those buildings which have been "ordered" vacant by either the Environmental Health Services Branch or the Housing and Existing Buildings Branch). The Planning, Property and Development Department, Real Estate Division, considers that a delegation of authority as recommended will assist in reducing the inventory of City-owned derelict buildings/structures immediately upon obtaining possession, thus, limiting the City's exposure to financial liability due to their presence.

Council has previously determined that the authority to demolish or remove any City-owned building or structure which is uneconomic to maintain or is on a site required for a stated public purpose shall rest with the former Committee on Environment (now the Standing Policy Committee on Property and Development.); and, that the former Board of Commissioners (now the Chief Administrative Officer) shall have the authority for the demolition or removal of City-owned buildings located on properties acquired under Council authority for street rights-of-way, sewer and water rights-of-way and other City utilities and also where a building is acquired by the City for any specific purpose and its structural condition is such that it creates a danger to the public and immediate action is required that its demolition or removal is carried out.

When an administrative report to the Standing Policy Committee on Property and Development recommends the acquisition of a property with a derelict and/or boarded up building/structure, the report is to also include a recommendation, where conditions warrant, that the building/ structure be demolished immediately upon possession by the City.

However, under the City's policies and procedures for properties acquired by way of tax sale, the periodic reports to Standing Policy Committee for information purposes, i.e. after the fact that a property has been acquired by way of tax sale, must also contain a recommendation seeking authorization to demolish any building/structure that is either derelict or uneconomic to maintain well after title to the property has issued to the City. This leaves the City unnecessarily exposed to liability and financial risk while the vacant derelict building/structure remains standing.

The Administration would like to expedite this process so that the City does not accumulate an inventory of boarded-up derelict buildings/structures. More than several years ago the number of derelict buildings/structures being acquired by way of tax sale was low enough that there was sufficient opportunity to report in a planned and timely manner to Committee in order to secure authority to proceed with a demolition. The numbers of derelict buildings/structures being acquired in tax sale each year has steadily increased to the point where the current resources are strained to efficiently manage the inventory, i.e. to deal with file set-up and data collection such as size, age, condition, ownership, environmental issues, occupancy issues, utilities status, previous outstanding orders, contact with owners/tenants, prospective purchasers, inspections by City personnel, risk assessment and making the boarding-up and demolition arrangements. In effect, the Real Estate Division conducts a comprehensive risk assessment before instructing the City's Legal Services Division to make its final application to the Winnipeg Land Titles Office requesting title to issue into the name of the City.

Consequently, from time to time, the Administration accumulates an inventory backlog of buildings/structures, usually residential in nature, that are either derelict or just uneconomic to maintain and, thus, warrant demolition. As an example, ten properties containing residential dwellings have recently been acquired through completion of the tax sale process. After a thorough inspection of the ten, one is to be sold, four have been demolished, four will soon be demolished and one is under further consideration for either sale or demolition.

Also, the Real Estate Division and the City's Legal Services Division are in a position to immediately acquire yet another 25 properties in tax sale, many of which will warrant immediate demolition. As well, in early January the Corporate Finance Department's Tax Branch submitted approximately 211 tax sale properties to the City's Legal Services Division for further processing. A number of those have been redeemed from tax sale and most likely some more will soon be redeemed. However, and based on recent trends, an estimated 112 of those properties will probably not be redeemed by the owners and will, therefore, be referred to the Real Estate Division for investigation and processing. The Real Estate Division has determined that of that number, 56 are listed on the Boarded and Vacant buildings registry.

Such buildings/structures, if they are allowed to remain standing for any length of time, are vulnerable to illegal acts, arson, etc. This creates a financial liability to the City if a member of the public were to become injured by such an act. Therefore, the Real Estate Division recommends that the Chief Administrative Officer or her designate (i.e. the Director of Planning, Property and Development) be empowered to arrange for immediate demolitions upon an acquisition of these properties where conditions warrant.

Currently, the Real Estate Division relies on one or the other of two existing authorities to arrange for a demolition:

1. The first authority is that which the Environmental Health Services Branch (Community Services Department) and the Housing and Existing Buildings Branch (Planning, Property and Development Department) has to "order" a building demolished for reasons of either health issues or structural safety concerns. If the City is about to acquire a building by way of tax sale that is subject to an existing order or that is subsequently ordered demolished by either of these authorities, the Real Estate Division will request that the order be enforced.

2. The second authority is that of the Standing Policy Committee on Property and Development. Currently, in those circumstances where there is no order for demolition or where it is not economic to repair a property for re-sale, the Real Estate Division submits a report to the Standing Committee on Property and Development, recommending a demolition(s).

It is the recommendation of the Planning Property and Development Department that the delegated authority to proceed with a demolition would be exercised in accordance with the following guidelines:

- Applies to all buildings/structures acquired by way of tax sale that are either derelict or uneconomic to maintain.

- Applies to those buildings/structures whose estimated cost of demolition is $50,000.00 or less.

- Applies only after the Senior Planner (Historic Buildings) has ascertained and advised that the building/structure is not of sufficient historic interest to prevent its demolition.

A delegation of authority for demolition will assist in efficiently reducing the inventory of City-owned derelict buildings as soon as they are acquired. However, the recent occasional requests for deferrals of demolition due to expressions of interest from various non-profit

community housing groups, who wish to consider renovating some of these buildings, is a serious factor in the accumulation of such an inventory. This can potentially add months to the time during which these buildings pose a liability while being in the City's inventory. The Real Estate Division is discussing this issue with the Winnipeg Housing and Homelessness Initiative in order to explore and determine an appropriate policy to apply to these groups.

The Standing Policy Committee on Property and Development recommends:

I. That the Chief Administrative Officer or her designate be delegated the authority to demolish or remove any City-owned building or structure acquired by way of tax sale and that is either derelict or uneconomic to maintain in accordance with the guidelines outlined above.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.