

**Proposed Purchase of former Hydro Corridor Lands
For Park in the Terraview –Willowfield Community
South of Highway 401, West of Warden Avenue; and
Proposed Purchase of Hydro Corridor Lands North
of Highway 401 (Ward 14 – Scarborough Wexford)
(Ward 17 – Scarborough Agincourt)**

(City Council on December 14, 15 and 16, 1999, re-opened Clause No. 2 of Report No. 4 of The Policy and Finance Committee, headed “Ontario Hydro Corridor Lands South and North of Highway 401, Wards 14 and 15, (Scarborough Wexford and Scarborough City Centre”, for further consideration, and deleted the following condition imposed by City Council at its meeting held on July 27, 28, 29 and 30, 1999:

“on the condition that approximately 12.5 acres of Priority 1 lands be acquired north of Highway 401 in the South Bridlewood Community, for stormwater management purposes, as previously approved by City Council.”.

Council subsequently amended this Clause by:

- (1) striking out the recommendations of the Administration Committee and inserting in lieu thereof the following:*

“It is recommended that:

- (a) the report dated September 22, 1999, from the Acting Commissioner of Corporate Services respecting the proposed purchase of former Hydro Corridor Lands for Park in the Terraview-Willowfield Community, for an amount of \$1,000,000.00, be adopted; and*
- (b) the following Recommendations Nos. (1)(a), (1)(e), (2) and (4) embodied in the confidential report dated November 25, 1999, from the Acting Commissioner of Corporate Services, be adopted, viz.:*

‘(1) the acquisition of Parcels A and E as set out below be approved:

- (a) Lots 16-23 inclusive from Graywood Investments Ltd. for the sum of \$949,872.00; and*
- (e) Lots 130-134 from Graywood Investments Ltd. and the quit claim and release from Laredo Construction Inc. for the total sum of \$987,380.00;*

(2) *the City Solicitor be authorized and directed to complete these transactions according to the terms and conditions as set out in this report and pay any City costs incidental to the closing and be further authorized to amend the closing dates to such earlier or later date as considered reasonable; and*

(4) *the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.’; and*

(2) *adding thereto the following:*

“It is further recommended that:

(a) *Parcel ‘B’, as set out in the confidential report dated November 25, 1999, from the Acting Commissioner of Corporate Services, not be acquired;*

(b) *the proposed acquisition of Parcels ‘C’ and ‘D’, as set out in the confidential report dated November 25, 1999, from the Acting Commissioner of Corporate Services, be referred to the Budget Advisory Committee for further consideration as part of the 2000 Capital Budget of the Water/Wastewater Division of the Works and Emergency Services Department; and*

(c) *the confidential report dated December 14, 1999, from the Acting Commissioner of Corporate Services, respecting the proposed purchase of former Hydro corridor lands in the Terraview-Willowfield Community, be adopted, subject to:*

(i) *amending Recommendation No. (1)(a) by adding thereto the words ‘subject to the agreement with Norstar being amended to provide that the developer build a water fountain for people and pets in the park’; and*

(ii) *striking out Recommendation No. (1)(b),*

so that the recommendation embodied in such confidential report shall now read as follows:

‘It is recommended that the City Solicitor be authorized and directed to add the following clause to the purchase/sale agreement contemplated in the recommendations of the Administration Committee report dated November 23, 1999:

“The City will grant the vendor the right to cross the lands being conveyed for the purpose of installing a sanitary sewer and watermain as are required to service the remaining development lands to the south, subject to the agreement with Norstar being amended to provide that the developer build a water fountain for people and pets in the park.” ’ ”)

The Administration Committee recommends:

- (1) the adoption of the report (September 22, 1999) from the Acting Commissioner of Corporate Services respecting the proposed purchase of former Hydro Corridor Lands for Park in the Terraview-Willowfield Community; and**
- (2) the adoption of the Recommendations of the Administration Committee embodied in the confidential communication (November 30, 1999) from the City Clerk, respecting the aforementioned proposed purchase which was forwarded to Members of Council under confidential cover.**

The Administration Committee submits the following report (September 22, 1999) from the Acting Commissioner of Corporate Services:

Purpose:

To authorize the purchase of that portion of the former Hydro Corridor shown as Block 37 on the attached sketch (Schedule "A").

Funding Sources:

As per the Council directive of July 27, 28, 29 and 30, 1999 (Clause No. 2 of Report No. 2 of The Administration Committee) funds for this \$1,000,000.00 acquisition are available in the former Scarborough Parkland Reserve Fund - \$700,000.00 and in the Civic Centre Expansion Fund - \$2,300,000.00.

Recommendations:

It is recommended that:

- (1) the Acting Commissioner of Corporate Services or the Executive Director of Facilities and Real Estate be authorized to accept an Offer to Sell from 915343 Ontario Inc. (Norstar Group of Companies) for that part of Lot 33, Concession 2, City of Toronto (formerly City of Scarborough) being part of Part 2, Plan 64R-15854 and shown for ease of reference as Block 37 on the attached sketch (Schedule "A") in a form satisfactory to the City Solicitor and at a price of \$1,000,000.00;
- (2) the City Solicitor be authorized to complete the transaction according to the terms and conditions of the Offer to Sell; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Council at its meeting held on July 27, 28, 29 and 30, 1999, directed that \$3,000,000.00 be set aside (Civic Centre Expansion Fund - \$2,300,000.00 and from the Parkland Reserve

Fund - \$700,000.00), for the acquisition of parkland in the Hydro Corridor in the North Bridlewood, Wishing Well, and Terraview-Willowfield Communities, on the condition that approximately 12.5 acres of Priority 1 lands be acquired north of Highway 401 in the South Bridlewood Community for stormwater as previously approved by Council.

Attempts to acquire the Priority 1 lands within the corridor north of Highway 401 have been ongoing, however the owners, Graywood Developments, were initially reluctant to deal with the City because of the ongoing OMB hearing respecting their application to amend the Scarborough Official Plan and Zoning By-law as they pertained to the corridor lands. During or immediately following the OMB hearing and the City's subsequent appeal of that decision, Graywood marketed residential building lots to a number of builders active in the G.T.A. The lots were purchased conditional on Graywood conveying fully serviced lots within a registered plan of subdivision.

Much of the Priority 1 land is now under contract to builders who have in turn initiated marketing plans in anticipation of the registration of the subdivision and pending conveyance from Graywood. Negotiations with the builders have been further complicated by the fact that we are asking that the approved draft subdivision plans be amended by shortening some of the streets and/or eliminating lots to accommodate the City's requirements. This has led to further discussions with Graywood seeking their consent to amend the agreements they have with the builders to reflect the fewer number of lots and the savings from having to provide servicing to the entire development area as originally proposed.

While the negotiations continue for the lands north of Highway 401, staff also negotiated with Norstar through a numbered company, 915343 Ontario Inc., owners of the Corridor lands south of the highway and more particularly the lands in the Terraview-Willowfield Community. The Norstar lands have received draft approval and the owners are proceeding with the design of the required servicing and anticipate construction of those services later this year. In response to the Council directive to acquire additional parkland in the Terraview-Willowfield Community Norstar has offered to eliminate ten lots by creating a block comprising of approximately 1 acre in size, adjacent to the lands identified as park on the draft plan. The offered sale price of this block is \$1,000,000.00. The vendors have agreed to provide a copy of a Phase I Environmental Site assessment prior to completion of this transaction. Completion is tentatively scheduled for November 25, 1999 subject to adjustment by the City Solicitor.

Comments:

The block of land Norstar is offering to sell has been approved for residential development. As such the value of real estate is predicated on the potential for ten residential lots. Assuming they were serviced and ready for building, the market value is estimated to be in the range of \$1.2 to \$1.5 million. In this instance the services are not being installed, however the owner has incurred costs for planning and engineering to get the subdivision to the stage of draft approval. The hard costs associated with the deletion of services for these ten lots will not substantially alter the costs of servicing the balance of the subdivision. Rather the costs associated with amending the engineering drawings and the plan may equal any cost savings from not extending the road and services.

Norstar has taken the raw land purchased from Ontario Hydro successfully amended the official plan and zoning by-law and now taken it through a lengthy process to the present at which time they have draft approval for residential lots. The City's request to delete ten lots, create a block and truncate the road and services has a considerable impact on the anticipated revenue. The loss of anticipated revenue is reflected in the proposed sale price.

Council directed the purchase of these lands, subject to first acquiring the Priority 1 lands north of Highway 401. However the complications associated with the contractual obligations surrounding the sale of those lands to third parties have created a timing problem. In this instance Norstar have offered to sell the lands in the Terraview-Willowfield area now. They are not prepared to postpone the sale indefinitely pending the outcome of negotiations with the parties north of Highway 401.

Conclusion:

The acquisition of these lands from Norstar, while not synchronized with the Council directive of July 27, 28, 29 and 30, 1999, may represent the last opportunity to acquire additional parkland in this community at this price.

Contact Name:

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The Administration Committee, reports for the information of Council, having also had before it the following:

- (i) confidential report (November 23, 1999) from the Acting Commissioner of Corporate Services respecting the proposed purchase of former Hydro Corridor lands for Park in the Terraview-Willowfield Community South of Highway 401 West of Warden Avenue;
- (ii) confidential report (November 25, 1999) from the Acting Commissioner of Corporate Services respecting proposed purchases of Hydro Corridor lands North of Highway 401; and
- (iii) communication (November 29, 1999) from Councillor Norm Kelly, attaching a Council resolution respecting this matter.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Ms. Lynda Wheeler, Terraview-Willowfield Residents' Association;
- Ms. Sheryle Saunders, President, North Bridlewood Residents Association;
- Councillor Norm Kelly, Scarborough Wexford;

- Councillor Sherene Shaw, Scarborough Agincourt; and
- Councillor Mike Tzekas, Scarborough Wexford.

(A copy of the aforementioned confidential reports was distributed to all Members of Council with the November 30, 1999, agenda of the Administration Committee and copies thereof are also on file in the office of the City Clerk.)

(City Council on December 14, 15 and 16, 1999, gave consideration to the confidential communication dated December 1, 1999, from the City Clerk, forwarding the recommendations of the Administration Committee with respect to the report (September 22, 1999) and the confidential report (November 23, 1999) from the Acting Commissioner of Corporate Services, such communication to remain confidential in accordance with the provisions of The Municipal Act.)

(Extract from the confidential report dated November 25, 1999, from the Acting Commissioner of Corporate Services, as adopted by Council above, the balance of such report to remain confidential in accordance with the provisions of The Municipal Act.)

- “(1) the acquisition of Parcels A and E as set out below be approved:*
- (a) Lots 16-23 inclusive from Graywood Investments Ltd. for the sum of \$949,872.00; and*
 - (e) Lots 130-134 from Graywood Investments Ltd. and the quit claim and release from Laredo Construction Inc. for the total sum of \$987,380.00;*
- (2) the City Solicitor be authorized and directed to complete these transactions according to the terms and conditions as set out in this report and pay any City costs incidental to the closing and be further authorized to amend the closing dates to such earlier or later date as considered reasonable; and*
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”*

(Extract from the confidential report dated December 14, 1999, from the Acting Commissioner of Corporate Services, as adopted by Council above, the balance of such report to remain confidential in accordance with the provisions of The Municipal Act.)

“It is recommended that the City Solicitor be authorized and directed to add the following clause to the purchase/sale agreement contemplated in the recommendations of the Administration Committee report dated November 23, 1999:

‘The City will grant the vendor the right to cross the lands being conveyed for the purpose of installing a sanitary sewer and watermain as are required to service the remaining development lands to the south, subject to the agreement with Norstar being amended to provide that the developer build a water fountain for people and pets in the park.’ ”

(Council also had before it, during consideration of the foregoing Clause, a confidential communication dated December 7, 1999, from the City Clerk, forwarding the recommendations of the Policy and Finance Committee, together with confidential reports (December 2, 1999) from the Commissioner of Works and Emergency Services and (December 6, 1999) from the Chief Financial Officer and Treasurer, such communication and reports to remain confidential in accordance with the provisions of The Municipal Act.)

(Council also had before it, during consideration of the foregoing Clause, a confidential report (December 10, 1999) from the Chief Financial Officer and Treasurer, such report to remain confidential in accordance with the provisions of The Municipal Act.)

(Council also had before it, during consideration of the foregoing Clause, a communication (December 16, 1999) from Mr. Wm. R. McClintock, Executive Vice-President, Norstar Group of Companies, confirming that Norstar will pay for the installation of a drinking foundation in the Park, and advising that to the extent Norstar’s permission is required for the installation, such permission is granted.)