

Clause embodied in Report No. 2 of the Administration Committee, as adopted by the Council of the City of Toronto at its meeting held on February 13, 14 and 15, 2002.

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**Declaration as Surplus
205 Yonge Street
(Ward 27 - Toronto Centre Rosedale)**

(City Council on February 13, 14 and 15, 2002, adopted this Clause, without amendment.)

The Administration Committee recommends the adoption of the report (December 19, 2001) from the Commissioner of Corporate Services.

The Administration Committee reports, for the information of Council, having requested the Commissioner of Corporate Services, in consultation with the Commissioner of Economic Development, Culture and Tourism, to submit a report directly to Council for its meeting scheduled to be held on February 13, 2002, outlining if the current heritage easement agreement protects the property in question.

The Administration Committee submits the following report (December 19, 2001) from the Commissioner of Corporate Services:

Purpose:

To declare the property known municipally as 205 Yonge Street surplus to municipal requirements and proceed to offer it for sale on the open market and to enter into an encroachment agreement with 1036846 Ontario Limited in place of 1157123 Ontario Limited.

Financial Implications and Impact Statement:

Revenue will be generated from the eventual sale.

Recommendations:

It is recommended that:

- (1) authority be granted to enter into an encroachment agreement with 1036846 Ontario Limited in place of 1157123 Ontario Limited as outlined in the body of this report;
- (2) the City-owned property known municipally as 205 Yonge Street, described as being part of Park Lot 8, Concession 1 from the Bay and designated as PART 5 on Reference Plan 63R-4643, be declared surplus to the City's requirements and offered for sale on the open market and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken; and

- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In October 1982, the former City of Toronto Council designated the area bounded by Yonge Street, Victoria Street, Queen Street East and Shuter Street, as a redevelopment area pursuant to the *Planning Act*. The area, referred to as the “Theatre Block”, contains three major and historical theatre and concert hall facilities (the Elgin and Winter Garden theatres located at 189 Yonge Street and Massey Hall located at 15 Shuter Street), and three historical bank buildings located at 173, 197 and 205 Yonge Street. To facilitate the proposed Theatre Block revitalization concept which was approved in 1987, the former City proceeded to acquire Nos. 197, 197R, 201 and 205 Yonge Street as they became available. 205 Yonge Street was acquired from the Toronto Dominion Bank in 1989. For a variety of reasons, the Theatre Block revitalization project never proceeded.

In 1992, extensive renovations to 205 Yonge Street, including a disability access ramp located at the south side of the building, were undertaken to accommodate the offices of the then Toronto Historical Board. It is noted that this former Bank of Toronto building is designated under the Ontario Heritage Act and is subject to a Heritage Easement Agreement with the Ontario Heritage Foundation in accordance with the Ontario Heritage Act.

In 1998, City Council declared the properties located at Nos. 197, 197R, 201 Yonge Street and 170 Victoria Street surplus to municipal requirements and authorized their sale on the open market. These properties were subsequently sold to Parasuco Jeans Inc. in October 1999.

As a result of amalgamation, the staff of the former Toronto Historical Board was disbursed to the Economic Development, Culture and Tourism Department (EDCT) and the new Heritage Toronto. As part of the Master Accommodation Plan both the staff of EDCT and Heritage Toronto were relocated in November, 2001 and 205 Yonge Street is now vacant.

Comments:

A circulation to the City’s Agencies, Boards, Commissions and Departments was undertaken to ascertain whether or not there is any municipal interest in retaining 205 Yonge Street. No municipal interest was expressed. Staff from Shelter, Housing and Support Division of the Community and Neighbourhood Services advised that there is no interest in developing the property for affordable housing under the *Let’s Build* programme. The Property Management Committee has reviewed this matter and concurs with the recommendations of this report.

Details of the property to be declared surplus are as follows:

Subject Property: 205 Yonge Street.

Legal Description: Part of Park Lot 8, Concession 1 from the Bay, also designated as PART 5 on Reference Plan 63R-4643.

Site Dimensions: Frontage: 11.38 metres (33.34 feet)
Depth: 37.22 metres (122.11 feet)

Approximate Area: 421.7 m² (4,539.29 sq. ft.)

Current Status: Vacant building.

Zoning: Mixed Commercial Residential.

Official Plan: High Density Mixed Commercial Residential.

Encumbrances: Property subject to:

- (1) an existing Heritage Easement Agreement with the Ontario Heritage Foundation, in accordance with the Ontario Heritage Act, for the preservation of historical, architectural, aesthetic and scenic character and condition of the building; and
- (2) the proposed encroachment agreement with the owner of 207 Yonge Street for the installation of metal flashing on the north wall of 205 Yonge Street.

Together with an easement over the part of Part 3, Plan 63R-4643, designated as Part 1 on Plan 64R-16412, for the purposes of access and for the purpose of construction and maintenance of an existing concrete accessibility ramp and an enclosed stairwell.

In order to proceed with the disposal of 205 Yonge Street, the City must comply with the procedures governing disposal of property. Section 193(4) of the *Municipal Act* requires that, before selling any property, Council must declare the property to be surplus by by-law or resolution passed at a meeting open to the public, give notice to the public of the proposed sale and obtain at least one appraisal of the market value of the property, unless exempted by regulations passed under the legislation.

Prior to the marketing of the property a minor encroachment has to be clarified and formalized. In April 1999, City Council, by the adoption of Clause No. 13 of Report No. 4 of The Corporate Services, authorized the entering into of an encroachment agreement with 1157123 Ontario Limited on terms and conditions set out therein, to permit the installation of metal flashing which would be anchored to the north wall of 205 Yonge Street and the south wall of a 13-storey residential building that is being built at 207 Yonge Street. Once the building is completed, there will be a small gap of approximately two to four inches between the south wall of the new building at 207 Yonge Street and the north wall of 205 Yonge Street. Installation of the metal flashing is to prevent water and dirt from accumulating between the walls of the buildings and was necessary for the owner of 207 Yonge Street to secure a full building permit.

During the course of preparation of legal documentation, 1157123 Ontario Limited advised that 1036846 Ontario Limited was the owner of the site at 207 Yonge Street. Accordingly, the encroachment agreement previously authorized should be with 1036846 Ontario Limited, but otherwise on the same terms and conditions as set out in the previous authority. It is recommended that Council approve the replacement of 1157123 Ontario Limited with 1036846 Ontario Limited.

Conclusions:

The sale of this property will further Council's goal of the revitalization of Yonge Street and provide the City significant revenue. As no municipal interest has been expressed in retaining the subject property, City Council should declare 205 Yonge Street surplus to the City's requirements and the property be offered for sale on the open market.

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List of Attachments:

Site Maps.

(A copy of the site maps attached to the foregoing report was forwarded to all Members of Council with the January 17 and 24, 2002, agenda of the Administration Committee and a copy thereof is also on file in the office of the City Clerk, City Hall.)

(City Council on February 13, 14 and 15, 2002, had before it, during consideration of the foregoing Clause, the following report (February 1, 2002) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

To respond to the directive from Administration Committee Report No. 1, Clause 13, Declaration as Surplus - 205 Yonge Street (details of current Heritage Easement Agreement).

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendation:

It is recommended that this report be received for information.

Comments:

Further to the directive from Administration Committee Report No. 1 Clause 13, January 24, 2002, the details of the current Heritage Easement Agreement pertaining to 205 Yonge Street, confirming the level of protection of this property under the Agreement are outlined below.

The property located at 205 Yonge Street is subject to a Heritage Easement Agreement, entered into between the City of Toronto and the Ontario Heritage Foundation and registered on title as Instrument No. CA641159 on December 7, 1999.

The heritage elements of the building which are identified in the agreement include the exterior of the building and the following features of the interior main banking hall:

- (a) floors*
- (b) walls and wall coverings*
- (c) windows and window sills*
- (d) doors and door surrounds*
- (e) ceilings*
- (f) skylights*
- (g) all wood in the aforementioned interior areas not forming a part of the foregoing items*

Under the current Heritage Easement Agreement, the current and all subsequent owners of the property are required to conserve the character and condition of the property, respecting all elements identified above, as identified in the Agreement. Any proposals affecting the heritage elements as set out in the Agreement require the approval of the Ontario Heritage Foundation. Furthermore, the Ontario Heritage Foundation will require a full inspection of the building prior to the City's declaration as surplus – as indicated in their letter to Facilities and Real Estate dated January 29th, 2002 (Attachment No. 1).

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List of Attachments:

Attachment No. 1 – Letter from the Ontario Heritage Foundation re: 205 Yonge Street Heritage Easement Agreement.)

(A copy of the attachment, referred to in the foregoing report, is on file in the office of the City Clerk.)

(City Council also had before it, during consideration of the foregoing Clause, the following report (February 6, 2002) from the Commissioner of Corporate Services:

Purpose:

To forward the letter received from the Executive Director of Heritage Toronto respecting the Heritage Easement Agreement.

Financial Implications and Impact Statement:

Not applicable.

Recommendation:

It is recommended that this report be received.

Background:

The Administration Committee, at its meeting held on January 17 and January 24, 2002, had before it a report dated December 19, 2001 from the Commissioner of Corporate Services recommending the property located at 205 Yonge Street be declared surplus and offered for sale on the open market, subject to existing encumbrances, including a Heritage Easement Agreement with the Ontario Heritage Foundation. The Committee recommended the adoption of the report, but requested the Commissioner of Corporate Services to consult with the Executive Director of Heritage Toronto, to obtain an appropriate letter outlining if the current heritage easement protects the property and submit a report thereon to Council for its meeting scheduled on February 13, 2002.

Since the Administration Committee meeting, we have received advice that issues such as this Heritage Easement Agreement fall under the scope of the Culture Division of Economic Development, Culture & Tourism. As such, the Commissioner of EDCT has also submitted a brief report directly to City Council which outlines the details of the Heritage Easement Agreement for 205 Yonge Street.

Comments:

The Executive Director of Heritage Toronto, by letter dated February 4, 2002, has advised that, although Heritage Toronto is disappointed and is not in support of the efforts to sell the property, the building has the ultimate protection from insensitive treatment from a new owner. It is designated under the Ontario Heritage Act and is subject to the Heritage Easement Agreement with the Ontario Heritage Foundation. A copy of his letter is attached as Appendix "A".

Conclusion:

This report should be received for information purposes.

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List of Attachment:

Appendix "A")

(A copy of Appendix "A", referred to in the foregoing report, is on file in the office of the City Clerk.)