



STAFF REPORT ACTION REQUIRED

Bringing Village Securities Ltd. Site Under Public Ownership

Date:	March 26, 2007
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 42 - Scarborough - Rouge River
Reference Number:	P:\2007\Internal Services\F&re\Gm07024\F&re – (AFS 2371)

SUMMARY

The Village Securities Ltd. site totals approximately 6.87 hectares (16.97 acres) and is composed of two parcels of lands located in the Morningside Heights area of northeast Scarborough. The site abuts the Rouge River Valley and is considered an important piece of Toronto's cultural and native history. The two parcels separated by a Hydro Corridor contain 700-year-old artifacts of significant heritage value to the City, and the Iroquois and Mohawk Nations. The lands also act as a significant wildlife corridor in this part of the City.

Village Securities Ltd. and Neamsby Investments Inc. (collectively the "Owner") are willing to sell the lands in their entirety to the City. However, they have given the City until July 1, 2007 to complete this transaction. Otherwise, they will proceed to develop, as of right, the lands with a residential subdivision.

Negotiations with the Owner have been on-going since January 2007. The Owner has signed an irrevocable offer to sell ("Offer to Sell") for their property to the City. Appendix "A" to this report describes the salient terms of this proposed acquisition, which is considered fair and reasonable.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

- (1) The 2007 Approved Capital Budget for Facilities and Real Estate be amended by the addition of a project “Village Securities Site Acquisition” for \$15,253,575.00, with funding provided from the Land Acquisition Reserve Fund (XR1012) in the amount of \$15,253,575.00, for a zero net impact.
- (2) The 2007 Approved Capital Budget for Parks, Forestry and Recreation be amended by the addition of a project “Village Securities Site Acquisition” for \$2,000,000.00, with funding provided from the Parkland Acquisition – City Wide Land Acquisition (XR2210) in the amount of \$2,000,000.00, for a zero net impact.
- (3) The Offer to Sell from the Owner of the property known as the Village Securities Ltd. site having a net cost to the City of \$17,253,575.00 be accepted substantially on the terms outlined in Appendix “A” to this report, and that each of the Chief Corporate Officer and the Director of Real Estate Services be authorized severally to accept the Offer on behalf of the City.
- (4) That Deputy City Manager Sue Corke’s Office and the General Manager of Parks, Forestry & Recreation continue to investigate other potential sources of outside funding for cultural, natural heritage and open spaces purposes to offset the funding of this acquisition.
- (5) The City Solicitor be authorized to complete these transactions on behalf of the City including making payment of any necessary expenses, and amending the closing date and other dates to such earlier or later date(s) and on such terms and conditions as she may from time to time consider reasonable.
- (6) This report be forwarded to the Budget Committee for consideration.

Financial Impact

The total cost of this acquisition to the City is estimated at \$17,253,575.00, as outlined in the table below:

TABLE 1: ESTIMATED TOTAL CLOSING COSTS AND PURCHASE PRICE

Payments to Vendor:	Purchase Price	\$17,000,000.00
City’s Closing Costs:	Land Transfer Tax	\$253,475.00
	GST on Purchase Price	\$1,020,000.00
	Registration Costs	\$100.00
	Total Costs	\$18,273,575.00
Cost to City Net of GST		\$17,253,575.00

No provision has been made in the Approved 2007 Capital Budget and 2008-2011 Capital Plan for this acquisition. Funds are currently available in the City's Land Acquisition Reserve Fund (LARF) and in the Parks, Forestry and Recreation's Reserve Funds.

It is proposed that the 2007 Capital Budget for Facilities and Real Estate be increased by \$15,253,575.00 with offsetting funds from Land Acquisition Reserve Fund (XR1012) in the amount of \$15,253,575.00 and that the 2007 Capital Budget for Parks, Forestry and Recreation be increased by \$2,000,000.00 with offsetting funds from Parkland Acquisition – City Wide Land Acquisition (XR2210) in the amount of \$2,000,000.00.

As per Council's request to explore possible alternatives to bring the Village Securities Ltd. Site under public ownership, possible financial "offsets" are discussed further in the Issue Background section of this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of July 20, 21 and 22, 2004, City Council adopted Clause No. 20 of Report No. 5 of the Administration Committee (the "Report") with several amendments, including one requesting that the then Commissioner of Corporate Services report to the Administration Committee on other possible alternatives that would bring a 16.97 acre (6.87 hectares) site owned by Village Securities Ltd. under public ownership.

ISSUE BACKGROUND

The Report informed Council on the feasibility of a land exchange for the site owned by Village Securities Ltd. on the east side of Staines Road, north of Finch Avenue East containing 16.97 acres (6.87 hectares) for a parcel of City-owned land at McCowan Road and Progress Avenue. The Report indicated that various municipal interests in the City-owned lands had been identified and that these competing interests would be managed through the Property Management Committee review process.

Staff is of the opinion that a land exchange involving the McCowan/Progress lands and the Village Securities Ltd. site is not possible at this time as there are numerous competing interests for portions of the site from various City Divisions and ABC's that are the subject of an on-going review.

A report on the McCowan/Progress site is scheduled to be before the Government Management Committee by the fourth quarter 2007 recommending that parts of that site be declared surplus and sold on the open market. Should Council declare surplus to City needs parts of the McCowan/Progress site, funds from any sale could potentially offset part of the withdrawal from LARF used to acquire the Village Securities Inc. site.

In addition, the Deputy City Manager's Office and the General Manager of Parks, Forestry Recreation will continue to investigate other potential sources of outside funding for cultural, natural heritage and open spaces purposes to supplement and offset the funding of this acquisition from LARF.

COMMENTS

The property known as the Village Securities Ltd. site abuts the Rouge River Valley and is considered an important piece of Toronto's cultural and native history. The lands also act as an important wildlife corridor to and from the Rouge Valley.

Parks, Forestry & Recreation has identified the need to establish a community centre in approximately 6 years time for this area of the City and will require approximately 0.81 hectares (2 acres) of land. As such, Parks, Forestry & Recreation will be making a partial contribution towards acquiring this site from its 2007 Capital Budget once addition of this project is approved.

If the City does not acquire this site, the Owner will proceed with its as-of-right development of these lands as a residential subdivision. Negotiations with the Owner have resulted in an Offer to Sell as outlined in Appendix "A" of this report.

Staff considers this Offer to Sell to the City to be fair and reasonable and therefore recommend the approval of this transaction.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" - Terms and Conditions Village Securities Ltd.
Appendix "B" - Location Map Village Securities

Appendix "A"

Terms and Conditions – Village Securities Ltd. Site

Owner:	"Village Securities Limited" for the north parcel "Neamsby Investments Inc." for the south parcel
Location:	The municipal address is 311 Staines Road for the north parcel and the south parcel has no municipal address. (Location maps are shown on Appendix "B")
Legal Description:	The north parcel is legally described as: Part of Lot 12, Concession 4 (Scarborough), Designated as parts 1-6 (inclusive) on Registered Plan 66R-16352, save and except Part 1, on Registered Plan 66R-19837. The south parcel is legally described as Part of Lot 12, Concession 4 (Scarborough), Designated as parts 9-11 on Registered Plan 66R-16352, save and except Parts 2-4 (inclusive), on Registered Plan 66R-19837.
Purchase Price:	\$17,000,000.00, plus GST, if applicable. The costs to the City Net of GST are estimated to be \$17,253,575.00 as set out in Table 1 of the staff report
Irrevocable Date:	May 10, 2007
Due Diligence:	90 days (with a possible extension of 30 days) following acceptance by the City of Toronto
Closing Date:	45 days following the expiry of the Due Diligence
Deposit:	\$10.00
Conditions:	Satisfactory results of Due Diligence Condition

Appendix "B"
SITE MAP - VILLAGE SECURITIES

