



**STAFF REPORT  
ACTION REQUIRED**

**Proceeds from the Sale of 12 Kipping Avenue**

<b>Date:</b>	May 18, 2007
<b>To:</b>	City Council
<b>From:</b>	Brenda Librecz, General Manager, Parks, Forestry and Recreation
<b>Wards:</b>	Ward 17 - Davenport
<b>Reference Number:</b>	

**SUMMARY**

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Etobicoke York Community Council considered Report EY5.26 entitled “Sale of Vacant Land at 12 Kipping Avenue” from the Chief Corporate Officer and requested the General Manager, Parks, Forestry and Recreation to report directly to the May 23, 2007 meeting of City Council with respect to the applicability of the City’s cash-in-lieu of parkland dedication policy to the proceeds of sale of 12 Kipping Avenue and the history pertaining to the original conveyance of the lands to the City. In addition, since Etobicoke York Community Council considered the report, staff have learned that the net proceeds of sale should be directed to a different Reserve than that recommended in the Report.

**RECOMMENDATIONS**

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**The General Manager, Parks, Forestry and Recreation recommends that:**

1. Recommendation 5 embodied in the April 12, 2007 report from the Chief Corporate Officer entitled “Sale of Vacant Land at 12 Kipping Avenue” be replaced with the following:

The net proceeds be directed as follows:

- 25% to XR2202 - Parkland Acquisition – West District - Local Land;
- 25% to XR2203 - Parkland Acquisition – West District – Local Development;
- 25% to XR2210 – Parkland Acquisition – Citywide - Land Acquisition;
- 25% to XR2211 – Parkland Acquisition - Citywide - Development.

## **Financial Impact**

This report has no immediate financial impact.

## **DECISION HISTORY**

This report responds to the request from Etobicoke York Community Council on May 1, 2007. Etobicoke York Community Council was dealing with the sale of a dedicated park property at 12 Kipping Avenue. This city-owned land was declared surplus by City Council on October 1, 2, and 3 2002.

## **ISSUE BACKGROUND**

Section 42 of the *Planning Act* allows the City to require as a condition of the development of land, that a certain percentage of that land be conveyed to the City for parkland purposes. This is how 12 Kipping Avenue was acquired by the City. Section 42 also permits City Council to instead receive a payment of money to the value of the land otherwise required to be conveyed. These cash-in-lieu of parkland payments are the subject of a Policy which was passed by City Council in 1999.

The *Planning Act* further provides that land conveyed to the City under Section 42 shall be used for parkland or other recreational purposes, but may be sold at any time.

Section 42(15) of the *Planning Act* provides that all money received by the City from cash-in-lieu of parkland payments and all money received from the sale of land dedicated as parkland under Section 42 “*shall be paid into a special account and spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection or repair of buildings and the acquisition of machinery for park or other public recreational purposes.*”

### **Cash-in-lieu Policy:**

Etobicoke York Community Council requested that the cash-in-lieu of parkland policy be discussed in this report. That policy was passed by City Council July 27, 28, and 29, 1999.

That policy provides that where City Council requires a cash payment in lieu of a parkland dedication, the money is split up so that half of the money goes for development of parks and facilities, and half for the acquisition of new parkland. Of the half that goes for acquisitions, half again is put in a fund for acquisitions that have City-wide implications, and half goes into a district fund for purchasing local priority parklands. The same applies for the half that is for development.

As an example, for a cash-in-lieu of parkland payment made in the Etobicoke York District, the payment would be allocated into 4 reserve accounts, which meets the requirements of Section 42(15) of the *Planning Act*. The payment is split as follows:

25%	25%
XR2202 – Parkland Acquisition – West District - Local Land	XR2203 – Parkland Acquisition – West District – Local Development
25%	25%
XR2210 – Parkland Acquisition – Citywide - Land Acquisition	XR2211 - Parkland Acquisition – Citywide - Development

The Cash-in-lieu Policy permits Community Councils to recommend to City Council, through the appropriate standing Committees, if necessary, expenditures of up to 100 percent of their portion of the cash-in-lieu funds to acquire parkland, if they deem it necessary.

The development of parkland facilities are funded through the Capital Budget program using funds generated through cash-in-lieu of parkland, from both City-wide and local park development reserve funds.

**Proceeds Policy:**

On June 18, 19, 20, 2002 City Council adopted the “Policy Governing Land Transactions Among City ABCD’s and Proceeds from the Sale of Surplus City-Owned Real Property” (the Proceeds Policy). That policy applies to all city lands sold by the City of Toronto. The policy provides that the net proceeds of a sale shall in the first instance, be “allocated in accordance with any legal requirements established by statute, title, contract or otherwise.” For dedicated parkland that is subsequently sold, the legal requirement is set out in Section 42(15) of the *Planning Act* and requires that the money “*shall be paid into a special account and spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection or repair of buildings and the acquisition of machinery for park or other public recreational purposes.*”

In the April 12, 2007 report entitled “Sale of Vacant Land at 12 Kipping Avenue,” the Chief Corporate Officer recommended that the net proceeds of sale be directed to the Land Acquisition Reserve Fund – Parks, Forestry and Recreation (XR1214). Finance has now advised that this Reserve does not meet the requirements set out in Section 42(15) of the *Planning Act* and that because the land was acquired by the City as a parkland dedication initially and is now being sold, it is entirely consistent with Section 42 that the net proceeds from this sale be directed the Parkland Dedication Reserve Funds as follows:

- 25% to XR2202 - Parkland Acquisition – West District - Local Land;
- 25% to XR2203 - Parkland Acquisition – West District – Local Development;
- 25% to XR2210 – Parkland Acquisition – Citywide - Land Acquisition;
- 25% to XR2211 – Parkland Acquisition - Citywide - Development.

## COMMENTS

The net proceeds from the sale of 12 Kipping Avenue must be put into a special account as set out in Section 42(15) of the *Planning Act*. The reserve accounts set up for receiving cash-in-lieu of parkland funds meets the requirements of Section 42(15) of the *Planning Act*, and it would be appropriate to direct the net proceeds of sale to these accounts. A review of the Parkland Acquisition Policy will be undertaken in 2007 and reported to the Parks and Environment Committee in the fall.

## CONTACT

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## SIGNATURE

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