

November 13, 2007

To: Executive Committee

From: Budget Committee

Subject: Potential Acquisition of 3620 Kingston Road (Cornell/Campbell Property)
(Ward 36 Scarborough Southwest)
Confidential Attachment - A proposed or pending acquisition or sale of land for
municipal or local board purposes

Recommendations:

The Budget Committee recommended to the Executive Committee that:

- 1. City Council adopt the confidential recommendations to staff in Attachment 1 to the report (November 5, 200) from the Chief Corporate Officer and the General Manager, Parks, Forestry and Recreation;**
- 2. City Council authorize the public release of the confidential information and recommendations in Attachment 1, upon the completion of the acquisition of the Property by the City;**
- 3. The 2007 Approved Capital Budget for Parks, Forestry and Recreation be amended by the addition of a project "3620 Kingston Road Acquisition", with funding from, the City-Wide Parkland Reserve (XR2210);**
- 4. The Offer to Sell from Mary Isabel Austin for the property known as 3620 Kingston Road be accepted substantially on the terms outlined in Appendix "A" and Attachment 1 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;**
- 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;**

Background:

The Budget Committee on November 13, 2007, considered a report (November 8, 2007) from the Government Management Committee advising of the action taken by the Government Management Committee at its meeting of November 8, 2007.

for City Clerk

Merle MacDonald/acf
Item BU20-11

November 8, 2007

To: Budget Committee

From: Government Management Committee

Subject: Potential Acquisition of 3620 Kingston Road (Cornell/Campbell Property)
A proposed or pending acquisition or sale of land for municipal or local board purposes (Attachment 1)

Recommendations:

The Government Management Committee recommends that:

- (1) City Council adopt the confidential recommendations to staff in Attachment 1 to the report (November 5, 2007) from the Chief Corporate Officer and the General Manager, Parks, Forestry and Recreation;**
- (2) City Council authorize the public release of the confidential information and recommendations in Attachment 1, upon the completion of the acquisition of the Property by the City;**
- (3) The 2007 Approved Capital Budget for Parks, Forestry and Recreation be amended by the addition of a project “3620 Kingston Road Acquisition”, with funding from, the City-Wide Parkland Reserve (XR2210);**
- (4) The Offer to Sell from Mary Isabel Austin for the property known as 3620 Kingston Road be accepted substantially on the terms outlined in Appendix “A” and Attachment 1 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;**
- (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; and**
- (6) The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.**

The Government Management Committee approved the following recommendation No. 4 contained in the report (November 5, 2007) from the Chief Corporate Officer and the General Manager, Parks, Forestry and Recreation:

“4. This report be forwarded to the Budget Committee for consideration.”

Background:

The Government Management Committee, at its meeting on November 8, 2007, considered the following reports respecting the potential acquisition of 3620 Kingston Road (Cornell/Campbell property):

- (i) report (October 23, 2007) from Bruce Bowes, P.Eng., Chief Corporate Officer; and
- (ii) report (November 5, 200) from the Chief Corporate Officer and the General Manager, Parks, Forestry and Recreation.

City Clerk

Yvonne Davies/tk
Item GM9.18



STAFF REPORT ACTION REQUIRED

Potential Acquisition of 3620 Kingston Road (Cornell/Campbell Property)

Date:	Oct 23, 2007
To:	Government Management Committee
From:	Bruce Bowes, P.Eng., Chief Corporate Officer
Wards:	Ward 36 – Scarborough Southwest
Reference Number:	P:\2007\Internal Services\F&re\Gm07108F&re - (AFS 6189)

SUMMARY

The purpose of this report is to advise that a staff action report with a confidential attachment regarding the proposed acquisition of 3620 Kingston Road, is being prepared for the supplementary agenda.

The property known as 3620 Kingston Road is a privately owned site consisting of approximately 3.3 acres and is surrounded on three sides by City-owned lands and Kingston Road. Negotiations with the Owners have been on-going since the fall of 2006.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. the Committee consider a subsequent report from the Chief Corporate Officer on the proposed acquisition of 3620 Kingston Road.

Financial Impact

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

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

ISSUE BACKGROUND

This entire subject property was designated under the Ontario Heritage Act by By-law No. 18346 of the former Borough of Scarborough on February 19, 1979 as being of architectural and historical value or interest. The proposed site is bounded by city-owned lands comprising of Scarborough Village Community Centre and Theatre to the west, a wood lot to the north and undeveloped parkland to the east.

COMMENTS

A draft Offer to Sell to the City has been prepared and is currently being considered by the Owner of the subject property, but at the time of writing this report, the Offer has not been signed by the Owner. It is anticipated by City staff that the Offer will be signed shortly such that by the time a subsequent report is considered by Committee, an irrevocable Offer will have been executed by the Owner and particulars of the Offer will be known to Committee. It is also anticipated that the irrevocable date in the Offer will be set to a date that requires Council to consider the Offer at its November 2007 meeting prior to the expiry of the irrevocable date.

CONTACT

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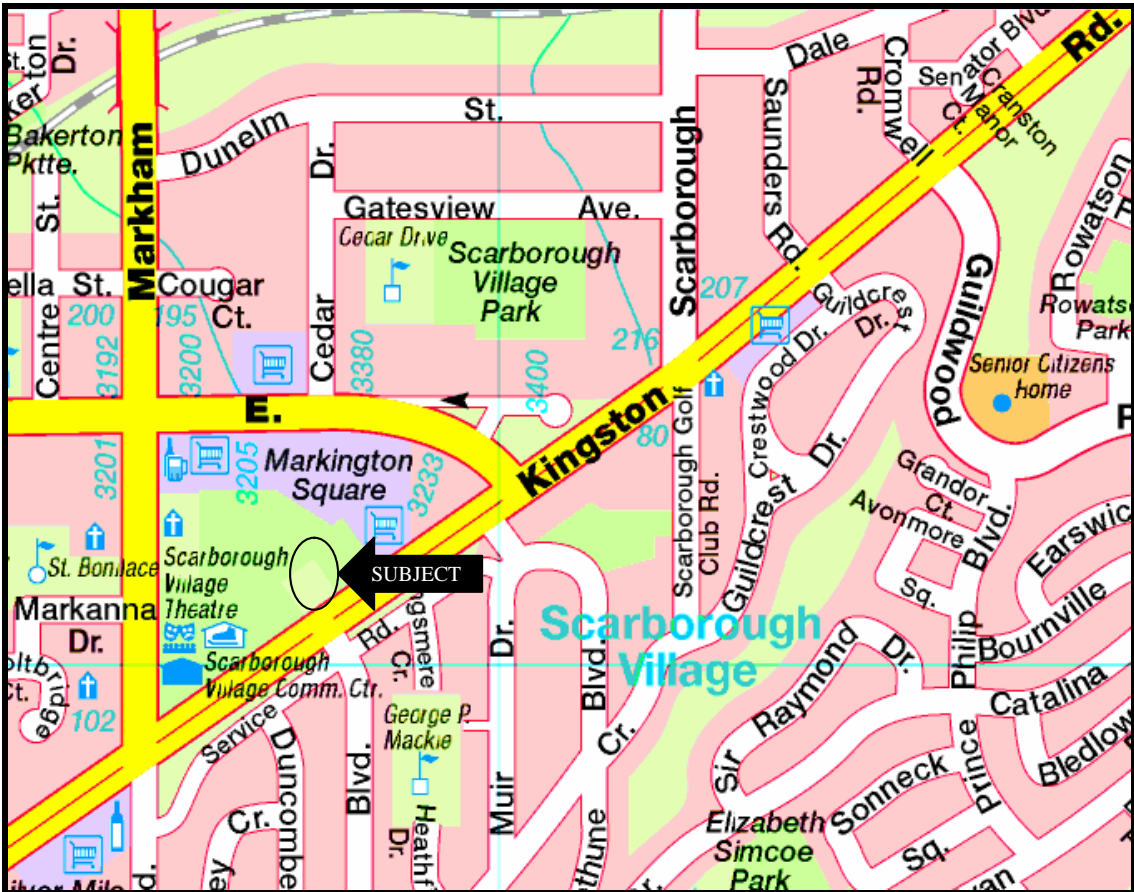
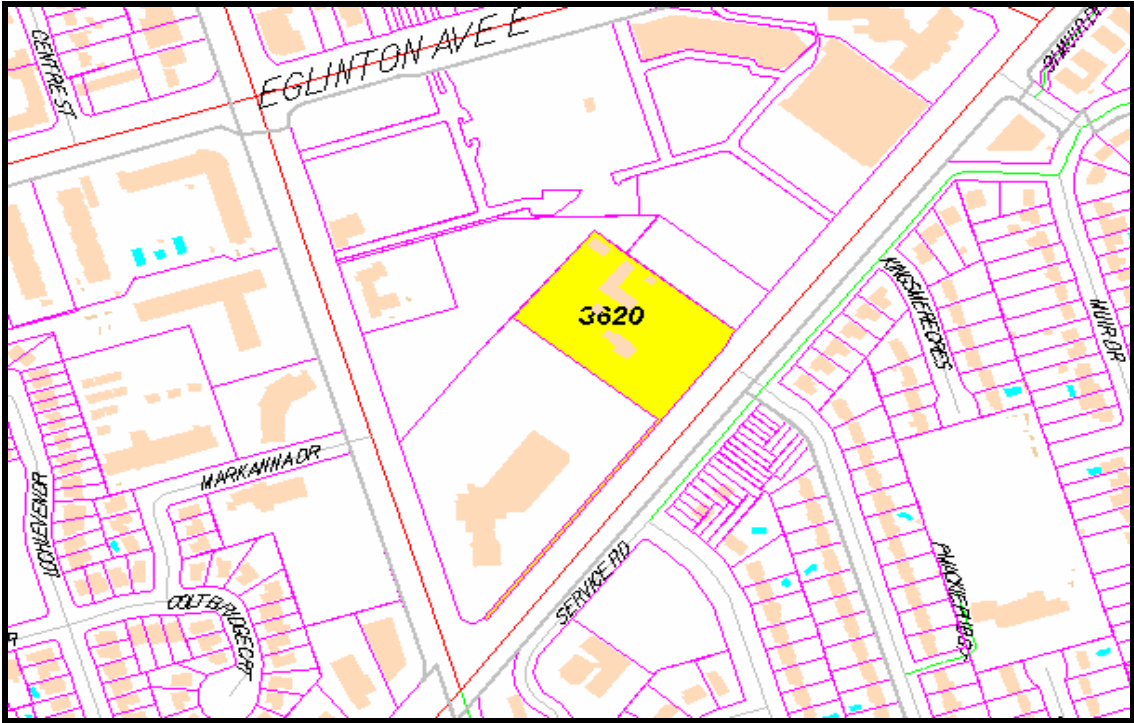
SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" - Location Map and Sketch

Appendix "A"





**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

Potential Acquisition of 3620 Kingston Road (Cornell/Campbell Property)

Date:	November 5, 2007
To:	Government Management Committee
From:	Bruce Bowes, P.Eng., Chief Corporate Officer, and Brenda Librecz, General Manager, Parks, Forestry & Recreation
Wards:	Ward 36 – Scarborough Southwest
Reason for Confidential Information:	This report is about a proposed land acquisition by the City.
Reference Number:	P:\2007\Internal Services\F&re\ Gm07120\F&re – (AFS 6308)

SUMMARY

The purpose of this report is to secure City Council approval to proceed with the acquisition of 3620 Kingston Road (the “Property”) for parks purposes. The privately owned site consisting of approximately 1.3 hectares (3.22 acres) is surrounded by City-owned lands on three sides and Kingston Road to the south.

This entire subject property was designated under the Ontario Heritage Act by By-law No. 18346 of the former Borough of Scarborough. The site is also deemed to be land of “archaeological potential” by Heritage Preservation Services.

Negotiations with the Owners have been on-going since the fall of 2006. The Owner has signed an irrevocable offer to sell (“Offer to Sell”) the 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 and the General Manager of Parks, Forestry and Recreation recommends that :

- (1) City Council adopt the confidential recommendations to staff in Attachment 1;
- (2) City Council authorize the public release of the confidential information and recommendations in Attachment 1, upon the completion of the acquisition of the Property by the City;
- (3) The 2007 Approved Capital Budget for Parks, Forestry and Recreation be amended by the addition of a project "3620 Kingston Road Acquisition", with funding from, the City-Wide Parkland Reserve (XR2210);
- (4) This report be forwarded to the Budget Committee for consideration;
- (5) The Offer to Sell from Mary Isabel Austin for the property known as 3620 Kingston Road be accepted substantially on the terms outlined in Appendix "A" and Attachment 1 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;
- (6) 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; and
- (7) The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

No provision has been made for this acquisition - in the 2007 Approved Capital Budget for Parks, Forestry, and Recreation. Funding is currently available in the Parks, Forestry and Recreation's Parkland Acquisition Reserve Fund.

City Council's approval is required to amend the 2007 Approved Capital Budget by the addition of this acquisition project and appropriate funding.

As this site contains a heritage home and a number of buildings, Parks, Forestry and Recreation intends to use the buildings to accommodate staff and programs related to Horticulture, which reflect the heritage nature of the building and grounds. On-going maintenance will come from Parks Operation Budgets.

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

DECISION HISTORY

This entire subject property was designated under the Ontario Heritage Act by By-law No. 18346 of the former Borough of Scarborough on February 19, 1979, as being of architectural and historical value or interest.

In 1995, the former City of Scarborough's Parks and Culture Department confirmed interest in acquiring the "Property" when it became available as it's "rare to find a property which portrays a municipality's history as completely as the "Russell Cornell Farm" and Campbell Property. An excellent representation of Scarborough's agricultural, industrial, transportation and political past is contained in this site."

ISSUE BACKGROUND

The "Property" comprises of an irregular shaped lot of approximately 3.22 acres. It is improved with the Cornell House, originally built in 1836, and several other buildings. This site is the remainder of the farm that was established at that time on Kingston Road. Former Scarborough purchased land for the Scarborough Village Community Centre from the owner of 3620 Kingston Road. When that land was purchased a strip of land between the parking lot and the house was reserved for the lifetime use of the then current occupant of the house. At the rear of the house, and continuing onto the Community Centre lands is a woodlot which appears to be in relatively good shape. The woodlot has oak, beech, black cherry, black walnut, ash and ironwood trees.

At one time, the land and house belonged to Albert Campbell, the former Reeve of Scarborough from 1957 to 1966, Mayor of Scarborough in 1967 and 1968, and then Chairman of the Municipality of Metropolitan Toronto from 1969 to 1973.

COMMENTS

When considering a potential acquisition for Parks, Forestry and Recreation purposes, three guiding principles are considered:

- Targeting areas that are parkland deficient;
- Purchase of land for community recreation centres, sport and trail facilities; and
- Achievement of city-wide objectives to Our Common Ground

The acquisition of this site will complete the plan for the Scarborough Village Community Centre and consolidate the two separate pieces of parkland. Presently there is a strip of parkland on the east side of 3620 Kingston that is isolated from the rest of the Community Centre site. With the recommended purchase, the isolated parkland will form part of a larger city-owned site containing a community centre and historic house site. It will also allow the City to better realize the natural and cultural heritage of the consolidated site.

This acquisition is being completed with funds from Parks, Forestry and Recreation as well as a donation tax receipt. The City has in its possession external appraisals that support the value of this acquisition. The Policy on Donations to the City for Community Benefits, contained in Policy and Finance Report No. 7 Clause No. 3 approved by City Council on September 25, 26, 27 and 28, 2006 includes the following:

- Donations of real property to the City or its agencies, boards and commission may only be accepted with the prior approval of Council, which is to include approval of the budget for any future or ongoing obligations arising from the donation;

- Voluntary donations for community benefits may not be solicited and offers may not be made by or accepted from a bidder, proponent or applicant to a procurement, or their representative, concurrent to the procurement solicitation and award process. There is a blackout period in procurement decision making processes during which discussions about voluntary donations for community benefits are not permitted and voluntary donations may not be offered, solicited or accepted. The blackout period for procurements commences when the request or call for a bid, quote, proposal, etc. is formally issued, and it ends at the time the procurement is awarded; and
- All Donors must execute a standard form of declaration to declare that donations to the City and its agencies, boards and commissions for community benefits are not concurrent with an approval or procurement process.

Negotiations with the Owner have resulted in an Offer to Sell as outlined in Appendix A and Attachment 1 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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amarra@toronto.ca

SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

Brenda Librecz
General Manager, Parks, Forestry &
Recreation

ATTACHMENTS

Appendix "A" – Terms and Conditions
Appendix "B" – Location Map and Sketch

Attachment 1 – Confidential Information - Made Public May 30, 2008

**Proposed Acquisition of 3620 Kingston Road
(Cornell/Campbell Property)**

Date:	November 5, 2007
To:	Government Management Committee
From:	Bruce Bowes, P.Eng., Chief Corporate Officer, and Brenda Librecz, General Manager, Parks, Forestry & Recreation

CONFIDENTIAL RECOMMENDATIONS

The Chief Corporate Officer and the General Manager of Parks, Forestry and Recreation recommends that:

- 1.* The 2007 Approved Capital Budget for Parks, Forestry and Recreation be amended by the addition of a project “3620 Kingston Road Acquisition” for \$1,444,575.00, with funding provided from the City-Wide Parkland Reserve (XR2210) in the amount of \$1,444,575.00.; and
- 2.* The City issue a Tax Receipt for Income Tax purposes under section 118.1(3) of the Canadian Income Tax Act to Mary Isabel Austin in the amount of \$700,000.00 for the lands shown as Part 2 on the attached Sketch on Closing.

CONFIDENTIAL INFORMATION

Terms and Conditions – 3620 Kingston Road

Purchase Price: \$1,400,000.00, plus GST, if applicable and the City’s
closing cost – Parts 1 and 3
\$700,000.00 for the tax receipt portion – Part 2

ESTIMATED TOTAL CLOSING COSTS AND PURCHASE PRICE

Payments to Vendor:	Purchase price (less GST)	\$1,400,000.00
	Total of all Owner Payments	N/A
Subtotal		\$1,400,000.00
City's Closing Costs:	Land Transfer Tax – approximately	\$19,475.00
	Registration Costs – approx.	\$100.00
	Phase I and Building Condition Assessment – approximately	\$25,000
Subtotal		\$44,575.00
Net Cost to City less GST		\$1,444,575.00

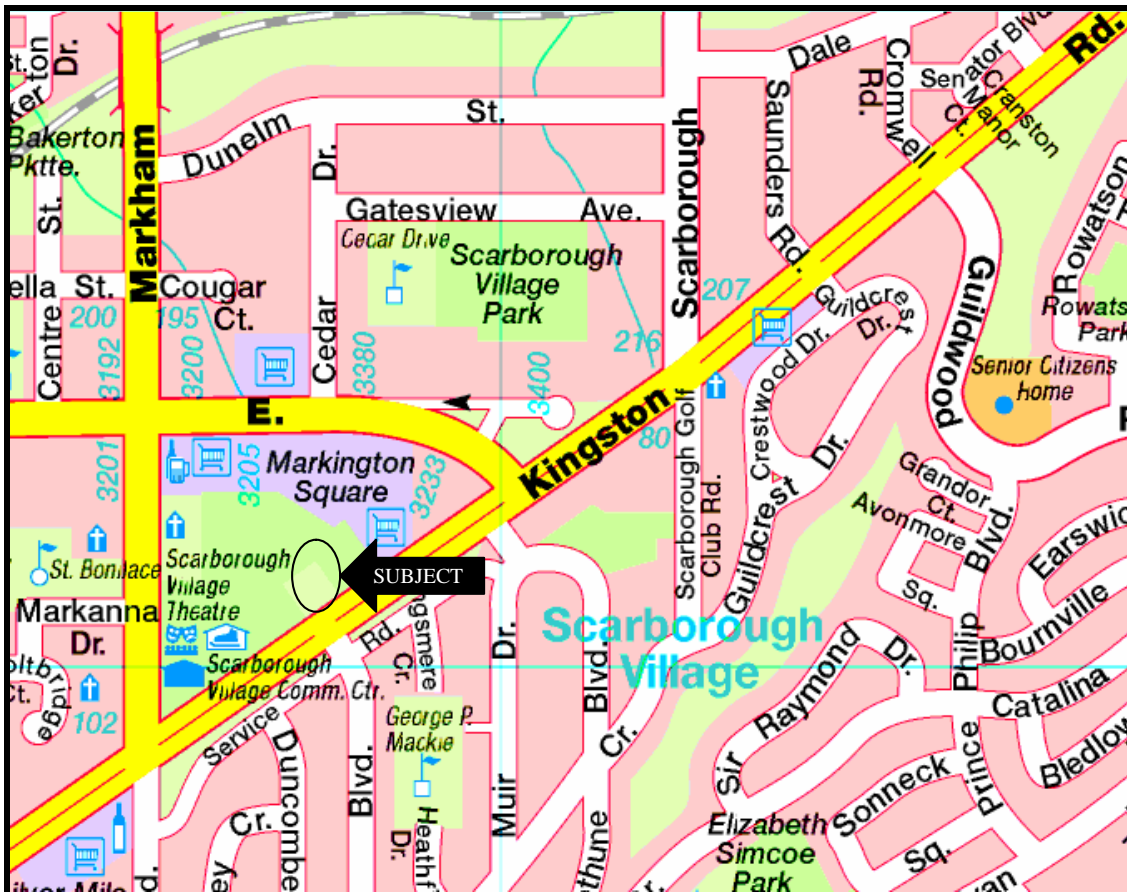
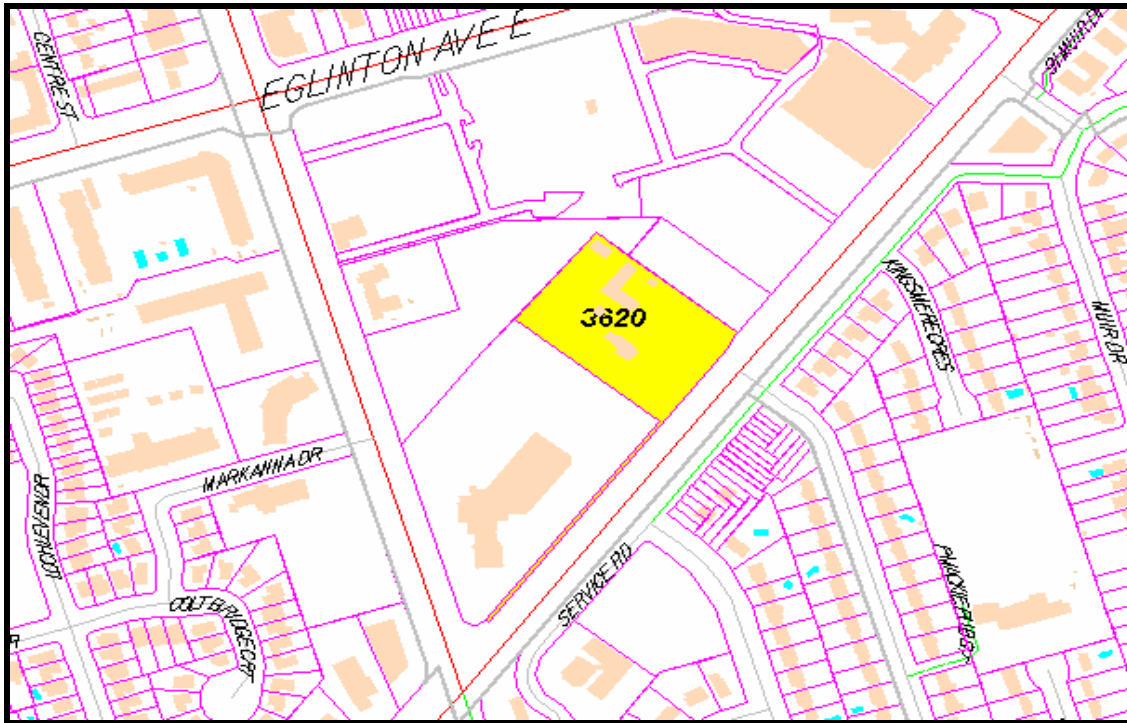
GST on Purchase Price \$84,000.00

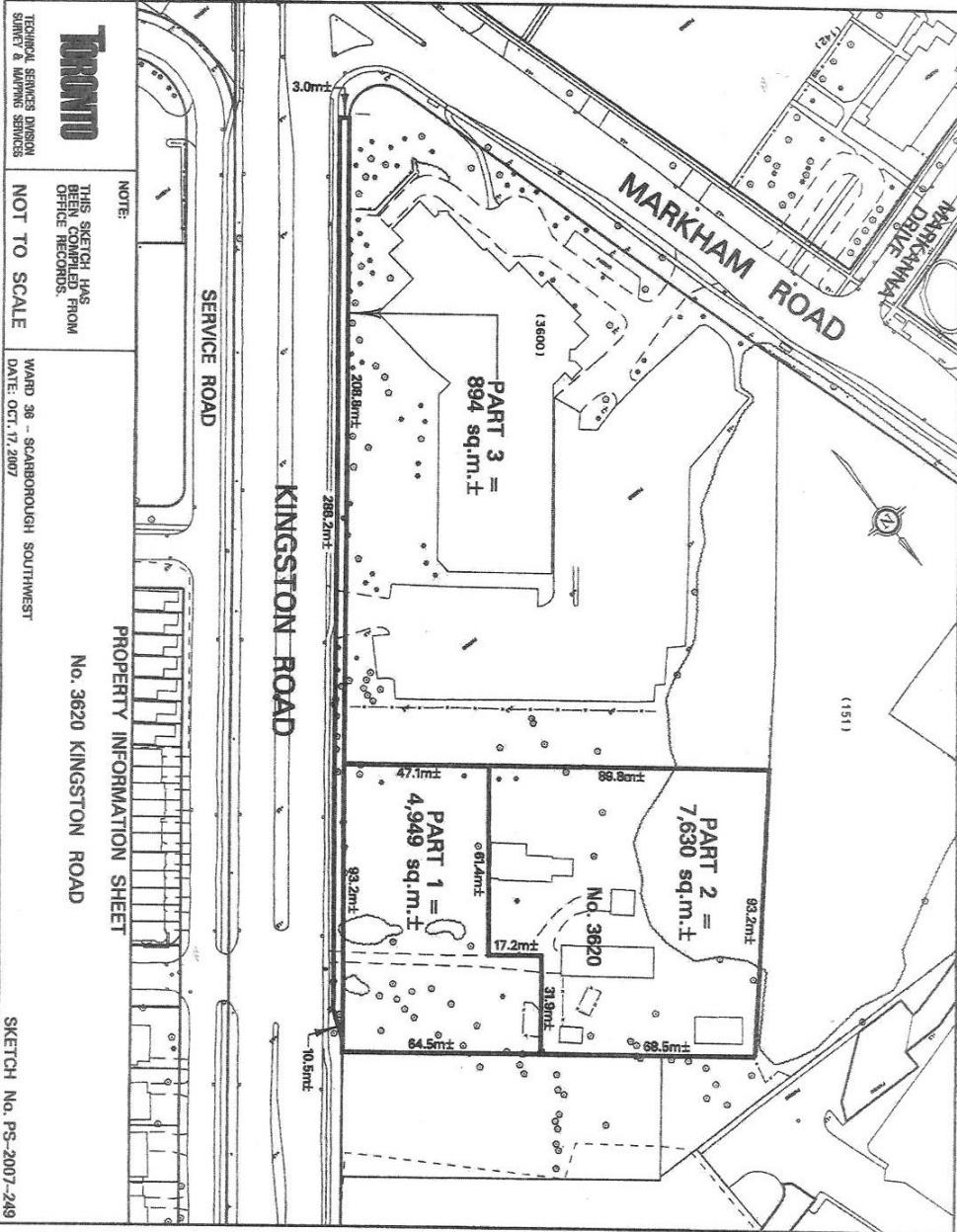
Appendix "A"

Terms and Conditions – 3620 Kingston Road

Owner:	Mary Isabel Austin
Location:	3620 Kingston Road, being shown on the attached sketch as Parts 1, 2 and 3, more or less (Location maps shown on Appendix "B")
Legal Description:	All of PIN 06404-0024 (LT) Part Lot 18 Con C Scarborough, Part 3 on 64R-8659 and Part 1 on 64R-3749, Toronto
Purchase Price:	Part 1 and 3 by the cash amount stated on the Confidential Attachment 1 Part 2 by the issuance of a Tax Donation Receipt in the amount stated on Confidential Attachment 1
Approximate Lot Size:	1.3 hectares or 3.22 acres
Improvements:	2-storey Heritage Building, number of smaller additional buildings
Irrevocable Date:	December 10, 2007
Due Diligence:	90 days following acceptance by the City of Toronto
Closing Date:	15 days following the expiry of the Due Diligence
Deposit:	\$1.00
Conditions:	Satisfactory results of Due Diligence Condition Donor's Declaration Form: Vendor to sign and deliver on Closing the City's Donor Declaration Form confirming that the Vendor does not have any outstanding approval, permit or license, including procurement decision form the City or its agencies and that the donation is given to the City of Toronto unconditionally and voluntarily
Vacant Possession:	Vacant possession on closing

Appendix "B"





Toronto
 TECHNICAL SERVICES DIVISION
 SURVEY & MAPPING SERVICES

NOTE:
 THIS SKETCH HAS
 BEEN OBTAINED FROM
 OFFICE RECORDS.

PROPERTY INFORMATION SHEET
 No. 3620 KINGSTON ROAD

WARD 36 - SCARBOROUGH SOUTHWEST
 DATE: OCT. 17, 2007

SKETCH No. PS-2007-249

NOT TO SCALE