



**STAFF REPORT
ACTION REQUIRED**

**Proposed Sale of Surplus Property
Portions of 3326 Bloor Street West and 1226 Islington
Avenue**

Date:	February 1, 2007
To:	General Government Committee
From:	Chief Corporate Officer
Wards:	Ward 5 – Etobicoke-Lakeshore
Reference Number:	P:\2007\Internal Services\F&re\Gg07012F&re – (AFS2930)

SUMMARY

On July 25, 26 and 27, 2006, City Council adopted Clause 25 of Report No. 5 of the Administration Committee declaring surplus approximately 8,526m² of land at the Bloor Islington intersection, subject to TTC operational requirements, with the intended method of disposal to be a lease and/or sale transaction with SNC Lavalin Group Inc. (SNC) on a sole-source basis for the development of an office tower. Negotiations with SNC have been ongoing, and if an offer to purchase that staff can recommend to Council is received from SNC, staff will report directly to Council at its meeting of March 5 and 6, 2007.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. If an offer to purchase from SNC that staff can recommend to Council for adoption is received by the City by February 26, 2007, then staff report directly to Council at its meeting of March 5 and 6, 2007.

Financial Impact

There are no financial implications resulting from the adoption of this report. If an offer to purchase from SNC is received by the City, then the financial implications of any transaction will be reported directly to Council at its meeting of March 5 and 6, 2007.

DECISION HISTORY

On September 25, 26, 27 and 28, 2006, City Council adopted recommendations in a September 26, 2006, confidential report from the Deputy City Manager and Chief Financial Officer regarding the Kipling/Islington Redevelopment Initiative (K/I Initiative) and the status of negotiations with SNC. City Council approved spending authority of \$1,700,000 for TTC design work up to the end of March 2007 on the K/I Initiative and requested a report on the associated business case and cost-sharing proposals in January 2007.

On January 15, 2007, the Executive Committee recommended to City Council that the K/I Initiative be approved subject to the confirmation of cost-sharing commitments from other government and transportation stakeholders in this project.

ISSUE BACKGROUND

Negotiations with SNC for this complex transaction are ongoing, but to date staff and SNC have not been able to reach agreement on a number of fundamental issues.

COMMENTS

Both parties continue to negotiate the difficult and complex issues remaining to be resolved and staff believes progress on these issues can still be made. If these issues can be resolved and an offer to purchase that staff can recommend to Council for adoption is received, staff will report directly to Council at its meeting of March 5 and 6, 2007.

If an offer to purchase is not submitted by SNC, the work to date on the proposed transaction has shown significant value in continuing with the K/I Initiative, with the goal of redeveloping both the Kipling/Islington Site and the Westwood Theatre site.

CONTACT

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SIGNATURE

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