



## STAFF REPORT ACTION REQUIRED

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

<b>Date:</b>	March 26, 2007
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 5 – Etobicoke-Lakeshore
<b>Reference Number:</b>	P:\2007\Internal Services\F&re\Gm07025F&re – (AFS 4567)

#### SUMMARY

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On July 25, 26 and 27, 2006, City Council adopted Clause 25 of Report No. 5 of the Administration Committee declaring surplus approximately 8,526m<sup>2</sup> 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 are continuing. If an offer to purchase that staff can recommend to Council is received from SNC by March 30, 2007 staff will report further in a supplementary report to Government Management Committee or, if received subsequently, staff will report directly to Council at its meeting of April 23 and 24, 2007.

#### RECOMMENDATIONS

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**The Chief Corporate Officer recommends that:**

If an offer to purchase from SNC that staff can recommend to City Council for adoption is received by the City by March 30, 2007, then staff submit a supplementary report to Government Management Committee. If an offer to purchase that staff can recommend is received at a later date, then staff report directly to City Council at its meeting of April 23 and 24, 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 on fully in the transaction report.

## **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. 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.

On March 21, 2007, the Toronto Transit Commission considered a confidential report on the implications to the TTC of the proposed terms of the transaction with SNC and gave direction with respect to some of the terms of the proposed offer to purchase.

## **COMMENTS**

Negotiations with SNC for this complex transaction are ongoing. Agreement on a number of fundamental issues has been reached, but an executed agreement has not yet been received and several important issues have not yet been resolved. If an offer to purchase that staff can recommend to Council for adoption is received in sufficient time, staff will submit a supplementary report to Government Management Committee or will report directly to Council at its meeting of April 23 and 24, 2007.

If an offer to purchase is not submitted by SNC, the work to date on the proposed transaction will have 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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Bruce Bowes, P. Eng.  
Chief Corporate Officer