



STAFF REPORT ACTION REQUIRED

Acquisition of 129 Peter Street

| | |
|--------------------------|--|
| Date: | March 26, 2007 |
| To: | Government Management Committee |
| From: | Bruce Bowes, Chief Corporate Officer Phil Brown, General Manager, Shelter, Support and Housing Administration |
| Wards: | Ward 20 – Trinity - Spadina |
| Reference Number: | P:\2007\Internal Services\F&re\Gm07026F&re – (AFS 4050) |

SUMMARY

The 110 Edward Street Assessment and Referral Centre is scheduled for redevelopment for 300 units of affordable housing in the spring of 2007. This will result in closure of the Referral Centre and 80 shelter beds on the site. Shelter, Support and Housing Administration (SSHA) has identified 129 Peter Street as a suitable replacement site for the 110 Edward Street facility.

Negotiations with the owner of this property have been on-going since February 2007. The Owner and the City have signed a purchase option agreement (the “Purchase Option”). If the City exercises the Purchase Option, the acquisition will be completed in accordance with an offer to sell (“Offer to Sell”) to the City. Attachment 1 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, Shelter, Support and Housing Administration recommend that:

- (1) the Purchase Option be exercised and the Offer to Sell from the Owner of the property municipally known as 129 Peter Street having a net cost to the City of \$4,708,275.00 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; and

- (2) 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.

Financial Impact

This acquisition will have no financial impact beyond what has already been approved in the 2007 Capital Budget. Funding of \$5,500,000.00 is available in the 2007 Approved Capital Budget for Shelter, Support and Housing Administration, Capital Account CHS030-01-4995 for the replacement of 110 Edward Street Shelter and Referral Centre Project. Total cost of this acquisition is \$4,708,275.00.

Source funding for this acquisition is the Federal Government's Supporting Communities Partnership Initiative (SCPI). Commitment of the funding, which was originally confirmed until March 31, 2007, has since been extended until December 31, 2007, if Council authorizes the acquisition of this property.

| | | |
|---------------------|----------------|----------------|
| Payments to Vendor: | | |
| | Purchase Price | \$4,640,000.00 |

| | | |
|--------------------------------|--|-----------------------|
| City's Closing Costs: | | |
| | Land Transfer Tax and Registration costs | \$68,175.00 |
| | GST on Purchase Price | \$278,400.00 |
| | Registration Costs | \$100.00 |
| | Total Costs | \$346,675.00 |
| Cost to City Net of GST | | \$4,708,275.00 |

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 September 25, 26 and 27, 2006, City Council adopted the recommendations contained in Clause No. 77 of the Policy and Finance Committee Report No. 7. Within that clause pre-spending was approved for the replacement of the 110 Edward Street Shelter and Referral Centre Project.

ISSUE BACKGROUND

The Shelter, Support and Housing Administration Division opened an Assessment and Referral Centre (ARC) and an 80 bed shelter at 110 Edward Street on December 16, 2004. The shelter and referral centre programs at 110 Edward Street have been an essential component in supporting the Streets to Homes strategy and works with a group

of clients who cannot or will not use the traditional shelter system. The program has been key in addressing homelessness on Nathan Phillips Square and street homelessness in other parts of the downtown.

The site at 110 Edward Street will be demolished in the spring to make way for the development of affordable housing. SSHA has identified 129 Peter Street as a suitable replacement site for the 110 Edward Street Shelter and Referral Centre Project.

In order to secure 129 Peter Street from being sold or leased on the open market, the City has entered into a purchase option agreement with the property owner, as authorized by Delegated Approval Form 2007-032 dated March 6, 2007, with an option period which will expire on May 31, 2007. This time period is for City staff to undertake due diligence, and for Council to consider the acquisition. Should Council approve the acquisition of 129 Peter Street, the City will exercise the option to purchase the property and the transaction will be completed in accordance with the terms of the Offer to Sell, a summary of which is set out in Appendix "A".

COMMENTS

The property municipally identified as 129 Peter Street is required to replace the services currently provided at 110 Edward Street Shelter and Referral Centre. 129 Peter Street meets the requirements of the Municipal Shelter By-law.

Negotiations with the Owner have resulted in an Offer to Sell as outlined in Attachment 1 of this report. Staff consider this Purchase Option and Offer to Sell to the City to be fair and reasonable and therefore recommend the approval of this transaction.

CONTACT

Joe Casali
Director, Real Estate Services
Tel: (416) 392-7202
Fax: (416) 392-1880
jacasali@toronto.ca

Chuck Donohue, P. Eng.
Executive Director, Facilities and Real Estate
(416) 397-5151
(416) 392-4828
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

Phil Brown
General Manager, Shelter, Support and Housing

ATTACHMENTS

Appendix "A" - Summary of Terms and Conditions
Appendix "B" - Location Map