



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Follow-Up Report: Acquisition of 129 Peter Street

Date:	May 9, 2007
To:	Government Management Committee
From:	Bruce Bowes, P.Eng., Chief Corporate Officer, and Phil Brown, General Manager, Shelter, Support and Housing Administration
Ward:	Ward 20 – Trinity - Spadina
Reason for Confidential Information:	This follow-up report provides information about alternative locations for a proposed property acquisition by the City for Shelter, Support and Housing Administration Division.
Reference Number:	P:\2007\Internal Services\F&re\ Gm07039F&re – (4050)

SUMMARY

The purpose of this follow-up report is to:

1. present information on the sites that were offered to the City for consideration as alternative locations for the proposed shelter and referral centre at 129 Peter Street as directed by Government Management Committee at its meeting on April 10, 2007; and
2. recommend the adoption of the recommendations contained in the report (March 26, 2007) from the Chief Corporate Officer and the General Manager, Shelter, Support and Housing Administration.

RECOMMENDATIONS

The Chief Corporate Officer and the General Manager, Shelter, Support and Housing Administration, recommend that:

1. Attachment 1 (Confidential) of this report be received for information;

2. the Offer to Sell from the Owner of the property municipally known as 129 Peter Street be accepted substantially on the terms outlined in the staff report entitled "Acquisition of 129 Peter Street" dated March 26, 2007 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;
3. 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
4. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

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 the 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 acquisition of this property. This funding must be expensed by December 31, 2007.

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.

At its meeting held on April 12, 2007, Government Management Committee deferred consideration of the acquisition of 129 Peter Street as a replacement site for the 110 Edward Street Assessment and Referral Centre to its next meeting on May 10, 2007 and requested the Chief Corporate Officer and General Manager, Shelter, Support and Housing Administration (SSHA) to report back to the Government Management Committee at that time on other potential properties that could be acquired in the downtown core.

ISSUE BACKGROUND

The SSHA's Assessment and Referral Centre site at 110 Edward Street will be demolished in spring/early summer 2007 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 late 2006, staff of Shelter, Support and Housing Administration initiated a search for a property to replace 110 Edward Street. Close to 50 sites were identified in a number of ways, including: reviewing the City's surplus and vacant property list; through a broker engaged by Facilities and Real Estate; referrals from community agencies; and, staff of Shelter, Support and Housing Administration who also identified suitable sites.

As the site needs to be close to Nathan Phillips Square the search was focused in the downtown area. Boundaries for the site search were Bloor Street to Lake Ontario and the Don River to Bathurst Street.

Primary criteria used in the property search were:

1. Property was for sale;
2. Property met the distancing provision of the Municipal Shelter By-Law – was more than 250 metres from another municipal shelter or emergency shelter, hostel or crisis care facility;
3. Property met the road provision of the Municipal Shelter By-Law – was on a major or minor arterial road or was on a flanking street and within a distance of 80 metres from the corner of the major or minor arterial road and the flanking street;
4. Property was vacant;
5. Property was not a shared use;
6. Property was accessible to 24 hour transit;
7. Property was easily converted to required use; and
8. Property had existing kitchen or capacity to convert.

Additionally, staff had identified that the property required should be 10,000 – 15,000 square feet of useable space.

Staff considered 49 different addresses and also reviewed a list of surplus City properties. The surplus City properties list did not yield any potential properties and of the 49 other

properties few met all the criteria listed above and only a small number met enough of the criteria to be further considered.

Of all the sites, only 129 Peter met the Municipal Shelter By-Law, was of appropriate size, was vacant, was a single stand alone use and was considered an appropriate design that could be easily converted for use as an Assessment and Referral Centre and Shelter.

In order to secure 129 Peter Street from being sold or leased on the open market, the City 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 was needed 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" of the March 26, 2007 staff report entitled "Acquisition of 129 Peter Street".

At its April 10, 2007 meeting, Government Management Committee heard deputations both for and against the use of 129 Peter Street as an assessment and referral centre. Several property owners in the general vicinity of 129 Peter Street gave deputations stating much more affordable properties were available for acquisitions in the downtown core. The deputants were concerned that the City was paying too much for this property and that the location was inappropriate. General Management Committee invited the deputants to submit potential properties for consideration as an alternative site for the referral centre and shelter. Submissions were to be forwarded to the Director, Real Estate Services for review and consideration. The properties that were submitted for consideration are identified in Attachment 1 (confidential).

COMMENTS

Staff from Shelter, Support and Housing Administration and Real Estate have reviewed the 12 properties that were submitted for consideration. As the information regarding some sites is confidential this information is provided in a confidential attachment for the consideration of the Committee. Properties were assessed based on cost, the Municipal Shelter By-law and Shelter, Support and Housing Administration's criteria.

Based on the analysis of these 12 properties, staff continue to recommend that the Offer to Sell from the Owner of the property municipally known as 129 Peter Street be accepted as recommended in the report before Government Management committee on April 12th and that Shelter, Support and Housing Administration staff proceed to develop 129 Peter Street as the replacement site for the Assessment and Referral Centre.

CONTACT

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SIGNATURE

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Chief Corporate Officer

Phil Brown
General Manager
Shelter, Support and Housing Administration

ATTACHMENTS

Attachment 1 – Confidential Information
Appendix “A” – Location Map 129 Peter Street