



**STAFF REPORT
ACTION REQUIRED**

**Assumption of a Licence for a Portion of the Fieldway
Hydro Corridor for Commuter Parking Purposes**

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| Date: | October 25, 2007 |
| To: | Government Management Committee |
| From: | Chief Corporate Officer |
| Wards: | Ward 5 – Etobicoke-Lakeshore |
| Reference Number: | P:\2007\Internal Services\F&re\Gm07115F&re – (AFS 6237) |

SUMMARY

This report seeks authority to execute a partial assignment and amendment agreement with Finer Space (Fieldway) Corporation, as licensee, and Hydro One Networks Inc., as licensor, in respect of a parking lot area in the hydro corridor south of Bloor Street West and west and north of Fieldway Road for future TTC commuter parking use. The term of the current licence will end December 31, 2007. Authority is also sought to enter into a new licence in respect of the same parking area for a twenty year term with Ontario Realty Corporation, the current owner of the hydro corridor. The resolution of this license for parking use and a related easement for access across 2 Fieldway Road are conditions of a confidential offer to purchase with SNC-Lavalin Inc. that City Council has approved.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

- 1) the Chief Corporate Officer be authorized to execute a partial assignment and amendment agreement with Finer Space (Fieldway) Corporation (Finer Space) and Hydro One Networks Inc. (HONI), (the Assignment), for the purpose of assuming the interest of Finer Space as licensee in a parking lot area within the hydro corridor shown as Part 1 on Sketch PS-2007-215a (Part 1 lands) pursuant to a licence agreement dated March 5, 1998, for the remainder of the term ending December 31, 2007;
- 2) the Chief Corporate Officer be authorized to execute a new licence with Ontario Realty Corporation (ORC) for the Part 1 lands for the purpose of a commuter parking lot, which licence shall provide for the right of the City to assign this licence as required by the confidential terms of an offer to purchase approved by City Council on April 23 and 24, 2007.
- 3) the City Solicitor be authorized to attend to the closing of the transaction, including completion of necessary registration, payment of necessary expenses and amendment of any relevant transaction dates;
- 4) The appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.

Financial Impact

The City proposes that the licence fee from the effective date of the assignment of the licence to the City would be on the general terms on which HONI makes lands available for municipal purposes such as commuter parking lots, approximately \$87,000.00 per year including realty taxes. The current lease requires a monthly expenditure of \$18,400.00 including licence fees and realty taxes. When a staff report on a general policy for transactions in respect to hydro corridor lands has been finalized and adopted by City Council, the licence fee for the Part 1 lands would be adjusted to be consistent with this policy, and the licence fee may be reduced.

Funding for 2007 is available in the 2007 Operating Budget for TTC. Funding requirements for future years will be included in the respective year's TTC Budget Submission and accommodated within approved operating budget targets.

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

DECISION HISTORY

On July 25, 26 and 27, 2006, City Council adopted the recommendations in Clause No.7a of Report No.5 of the Etobicoke York Community Council regarding the Final Report – 2 Fieldway Road. The City Planning report recommended that the Section 37 Agreement for this condominium development secure an easement across the westerly portion of the property for access by the City, TTC and HONI to a future commuter parking lot to be constructed by the TTC in the adjoining hydro corridor on the Part 1 lands. The Section 37 Agreement was registered on September 11, 2006.

The TTC authorized the entering into the proposed Assignment on June 21, 2006.

On April 23 and 24, 2007, City Council adopted the recommendations in Clause 3:29 of the Government Management Committee authorizing the acceptance of an offer to purchase from SNC-Lavalin Inc. for portions of 3326 Bloor Street West and 1226 Islington Avenue on the terms and conditions set out in a confidential attachment. The recommendations adopted by Council included:

- “2) authority be granted to amend the Section 37 agreement with Finer Space (Fieldway) Corporation dated September 11, 2006, if necessary, and to negotiate an undertaking with Finer Space (Fieldway) Corporation, to expand the terms of an easement for access across 2 Fieldway Road to the Fieldway parking lot in the Hydro Corridor to include the right of access of the City, TTC, Hydro One, SNC and others.”

On September 14, 2007, City Council adopted the recommendations in Clause 7:22 of the Government Management Committee on the York University Busway and directed that the Chief Corporate Officer prepare a policy paper recommending the protocol and principles for undertaking land transactions between the City and ORC/HONI.

COMMENTS

Negotiations of the easement agreement with Finer Space are now finalized and the document should soon be ready for execution as directed by City Council in its adoption of Clause 3:29 of the Government Management Committee on April 23 and 24, 2007. Finer Space has requested that the assignment of the HONI licence proceed as soon as the easement is executed.

The Part 1 lands are approximately 12,326 m² (3.05 acres) in area. Finer Space will retain the balance of the hydro corridor under licence (Part 2) for on-going use as 15 parking spaces to serve the condominium being developed by Finer Space. Two other portions of the corridor, Parts 3 and 4, are currently licensed to other adjoining property owners.

Based on ORC's current formula for determining a licence fee for corridor lands, it is estimated that the annual licence fee for the Part 1 lands would be approximately \$79,000.00 with additional costs of 75% of the annual taxes. A new licence would be negotiated with a longer term of up to 20 years that would be subject to licence fee increases every 5 years. The licence would also make provision for the City to assign the use of the parking for a limited term to satisfy the confidential terms of the offer to purchase with SNC-Lavalin Inc. approved by City Council.

City Council has directed staff to negotiate with ORC and report on a proposed policy for undertaking transactions related to hydro corridor lands. These negotiations are continuing. The adoption of this policy may result in a reduction in the licence fee and additional costs that are projected for the Part 1 lands. The Part 1 lands licence would be structured to provide for the future adjustment of its terms to be consistent with the general policy, when it is adopted by City Council.

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – PS-2007-215a

Attachment 1

