



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Land Acquisition for Source Water Protection Reserve –
Updated Proposed Property Acquisition List**

Date:	June 12, 2007
To:	Public Works and Infrastructure Committee
From:	Lou Di Gironimo, General Manager, Toronto Water Brian Denney, Chief Administrative Officer, TRCA
Wards:	All
Reason for Confidential Information:	This report is about a proposed or pending land acquisition by the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2007\Cluster B\TW\pw07030

SUMMARY

This report has been prepared by Toronto Water and the Toronto and Region Conservation (TRCA) to provide an update on land purchased in 2005 and 2006 using funds from the Land Acquisition for Source Water Protection Reserve and to seek approval to add additional properties to the previously approved Property Acquisition List for TRCA. This approval is necessary to allow TRCA to proceed on negotiations for the purchase of land against the \$1.5 million identified in the approved Toronto Water 2007 Capital Budget.

RECOMMENDATIONS

The General Manager of Toronto Water recommends that:

1. Toronto and Region Conservation Authority (TRCA) be authorized to apply to use the \$1.5 million identified in the Toronto Water 2007 Capital Budget from the Land Acquisition for Source Water Protection Reserve to complete the acquisitions as set out in the confidential list dated March 5, 2007, included as Attachment 1;

2. TRCA complete the acquisitions according to the criteria set out in the Policy and Finance Committee Report 7, Clause 37, as adopted by City Council on July 19, 20, 21 and 26, 2005 in a form and manner acceptable to City officials; and
3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Sufficient funding is available for this purpose in the 2007 approved Toronto Water Capital Budget under WBS Element CWW473-01 Land Acquisition for Source Water Protection Reserve.

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

DECISION HISTORY

On November 30, December 1 and 2, 2004, City Council amended and adopted Clause 38 of Policy and Finance Committee Report 9, to create a new reserve called the 'Land Acquisition for Source Water Protection Reserve', for the purpose of providing funding for the acquisition of land to protect water sources to be controlled by Toronto Water.

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/2004/agendas/council/cc041130/cofa.pdf>

On July 19, 20, 21 and 26, 2005, City Council adopted recommendations of the Policy and Finance Committee, Report 7 which established the policies and approval criteria for funding requests for use of the Reserve.

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050719/cofa.pdf>

On September 28, 29 and 30, 2005, City Council approved a list of properties submitted by TRCA and reviewed by City of Toronto staff that is eligible for funding from the Land Acquisition for Source Water Protection Reserve

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050928/cofa.pdf>

ISSUE BACKGROUND

The protection of Lake Ontario as the source of potable water for millions of people living near this body of water is of highest priority to the City of Toronto. It is recognized that protecting and improving the water quality of the various river systems and watersheds that flow into Lake Ontario through the Toronto region is an important objective in source water protection. Currently, Toronto Water is implementing the Council approved Wet Weather Flow Master Plan (WWFMP) to help meet this objective.

Another important tool to help meet this objective is the protection of river systems and watersheds through acquisition of key parcels of land, as they become available. In 2005, a Reserve Account was established with funding from Toronto Water to purchase lands identified on the approved Property Acquisition List to provide protection and improvement of the water quality of the river systems and watersheds that flow into Lake Ontario through the Toronto region.

The September 2005 report referenced earlier identified a condition that this approved list could only be changed or amended upon receipt of Council approval and that as the purchase transactions were completed, Council would be advised of accordingly.

COMMENTS

Since August 6, 2005, TRCA has used the reserve to financially support the acquisition of five properties from the list. Council provided further authorization to use the reserve to purchase a sixth site from the Toronto District School Board (Wanita Road Site) and to provide funding for special studies.

A total of \$2.5 million from the Land Acquisition for Source Water Protection Reserve was used to help acquire 488 acres of sensitive lands with a total acquisition cost of just over \$12 million. The table below summarizes the acquisitions to date:

	Reserve Funding	Total Costs	Acreage
2005 Funding			
Rivett Property (Toronto)	\$350,000	\$350,000	3.460
Renwick Property (Durham)	\$87,375	\$262,125	30.000
Slokker (York)	\$1,000,000	\$2,900,000	172.470
TDSB (Wanita Road/Toronto)	\$462,625	\$5,300,000	8.100
commitment to special studies	\$100,000	\$100,000	
SUBTOTAL	\$2,000,000	\$8,912,125	214.030

2006 Funding			
Wilder (Durham)	\$270,000	\$2,190,000	248.594
Bayview Oakridges (York)	\$230,000	\$988,000	25.000
SUBTOTAL	\$500,000	\$3,178,000	273.594
TOTAL	\$2,500,000	\$12,090,125	487.624

TRCA staff has prepared an updated list of properties which would be eligible for funding from the City of Toronto Land Acquisition for Source Water Protection Reserve. The listed properties are within the TRCA master plan for acquisition and meet TRCA criteria to be considered for acquisition. Toronto Water staff have reviewed the list and confirm that the properties meet the criteria as set out in the Policy Finance Committee, Report 7, Clause 37, as adopted by Council on July, 19, 20, 21 and 26, 2005.

The City's funding policy also includes provisions that for land acquisitions outside the city boundaries, Toronto's contribution will be no more than 50% of the total land purchase cost. Matching funds from other participating municipalities, the Province of Ontario or other revenue sources to at least 50% must be secured. Within the limits of the City of Toronto, because matching funding has been difficult to secure, up to 100% of City funds may be used.

For all land acquisitions, TRCA will secure independent valuations or appraisals to ensure that fair market value is being obtained. City staff in the Facilities and Real Estate Division and in the office of the Deputy City Manager and Chief Financial Officer have the opportunity to review all purchase and sale agreements and supporting documentation prior to agreements being finalized.

The proposed list includes properties for which discussions are already underway or where negotiations are at a stage that a purchase and sale agreement is likely. Time is always of the essence in the purchase of lands. A willing seller needs the comfort of a signed agreement as soon as possible and public agencies such as the TRCA need the security of a signed agreement to obtain matching funding from multiple sources, each of which has its own approval process. By pre-approving this list of properties, Council will allow the TRCA, working together with City staff, to finalize purchase and sale agreements in a timely and accountable manner.

Upon Council approval of the attached confidential list, the TRCA will proceed with negotiations to secure the identified properties as matching funds become available and acceptable purchase and sale agreements can be achieved, it being understood that the City's funding commitment shall at no time exceed \$1.5 million for 2007.

CONTACTS

Lee Anne Jones, P.Eng
Manager, Capital Programming and
Facility Asset Planning Unit
Toronto Water
Tel: 416-338-2840
Fax: 416-338-2828
Email: ljones@toronto.ca

Jim Dillane
Director, Finance and Business Services,
Toronto Region Conservation Authority
Tel: 416-667-6292,
Fax: 416-661-6898,
Email: jdillane@trca.on.ca

SIGNATURE

Lou Di Gironimo
General Manager
Toronto Water

Brian Denney
Chief Administrative Officer
Toronto Region Conservation Authority

ATTACHMENTS

Attachment 1 – (Confidential) – 2007 Revised Property Acquisitions List