



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**City Clerk's Office 2008 Capital Budget Amendment and
Potential Acquisition of 89 Northline Road**

Date:	October 8, 2008
To:	Budget Committee
From:	Chief Corporate Officer and City Clerk
Wards:	Ward 31 – Beaches East York
Reference Number:	P:\2008\InternalServices\F&re\Bc08092\F&re – (AFS 8494)

SUMMARY

The purpose of this report is to seek City Council's authority to acquire the property known as 89 Northline Road (the "Northline Property") and to establish a new capital project in the 2008 Capital Plan for the City Clerk's Office for the acquisition of the Northline Property. The Northline Property is required for the core requirements of the City Clerk's Office to run elections.

RECOMMENDATIONS

The Chief Corporate Officer and City Clerk recommend that:

1. City Council authorize the "Elections Facility Project", a new capital project to be added to the City Clerk's Office 2008 Capital Budget, to enable the acquisition of the Northline Property as an elections office site. The acquisition cost and details of the funding sources for the Elections Facility Project are set out in Confidential Attachment 1;
2. Authority be granted to enter into an agreement of purchase and sale with the owner of the Northline Property, Northline 89 Inc., to acquire the Northline Property at the acquisition cost set out in Confidential Attachment 1, on terms and conditions deemed appropriate by the Chief Corporate Officer and in a form satisfactory to the City Solicitor.

3. The Chief Corporate Officer and the Director of Real Estate Services be severally authorized to accept and execute the agreement of purchase and sale on behalf of the City.
4. The City Solicitor be authorized to complete all transactions contemplated above on behalf of the City including making payment of any necessary expenses, and amending the closing date and other dates to such earlier date(s) and on such terms and conditions as she may from time to time consider reasonable.
5. City Council authorize the public release of the Confidential Information contained in Attachment 1 upon completion of all terms of the purchase and sale agreement with Northline 89 Inc. to the satisfaction of the City Solicitor.

Financial Impact

No provision has been made for the acquisition of an elections office in the City Clerk's Office 2008 Approved Capital Budget. City Council's approval is required to amend the 2008 Approved Capital Budget of the City Clerk's Office by the addition of the Elections Facility Project and corresponding funding. The details of the Elections Facility Project and funding sources are described in Confidential Attachment 1.

Additional costs to retrofit the Northline Property, estimated in the amount of \$2 million, are included in the City Clerk's Office 2009 Capital Budget for consideration in the 2009 Capital Budget process.

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

DECISION HISTORY

The City Clerk's Office requires a minimum of 50,000 square feet of combined warehouse and office space in order to properly execute the 2010 Municipal Election. The Northline Property contains a building that satisfies these requirements.

ISSUE BACKGROUND

In 1999 when Election Services was searching for a site, it requested 40,000 square feet of warehouse space. Given that no adequate site was available at the time, Elections Services moved into 3 Dohme Avenue (approximately 26,000 square feet). The facility was used for three elections (2000, 2003 and 2006). In preparing for the 2006 municipal election, this facility was found to be inadequate to accommodate elections staff, resulting in significant inefficiencies. In addition, a storage unit had to be purchased for storage of critical and highly sensitive equipment, which put the City at significant risk.

A feasibility study was conducted at the end of 2007 to consider the possibility of expanding the space capacity at 3 Dohme Avenue. Environmental restrictions and prohibitive preliminary cost estimates proved that proposal to be unacceptable. Facilities and Real Estate subsequently identified the possibility of acquiring the Northline Property, as a site that would accommodate all of the elections office requirements of the City Clerk's Office.

Upon the acquisition of the Northline Property, the City Clerk's Office will be able to vacate the 3 Dohme Avenue facility, making this facility available for use by other City groups. A potential use for this facility has already been identified by Purchasing and Materials Management Division as a site for stockpiling and warehousing the critical Tier One supplies required for operational continuity of City divisions under the Toronto Public Health Plan for an Influenza Pandemic. This would eliminate the requirement for the City to source a new facility for this purpose.

The Northline Property is situated south of Eglinton Avenue East and west of Victoria Park Avenue. It is currently owned by Northline 89 Inc. and is used as storage warehouse and office space. The site contains approximately 2.564 acres and is improved with a single storey building measuring approximately 52,766 square feet.

Facilities and Real Estate staff and the owner of the Northline Property have provisionally agreed to the substantive terms and conditions of a purchase and sale agreement. Appendix "A" and Confidential Attachment 1 to this report describe the salient terms and conditions of this proposed acquisition.

COMMENTS

Acquisition of the Northline Property would enable the City Clerk's Office to meet its legislated requirement to conduct municipal elections.

As of the writing of this report, negotiations with the owner have concluded, but an agreement of purchase and sale has not been executed. However, by the date of consideration by City Council, it is anticipated that such an agreement will have been executed by the owner.

Staff considers the terms of the proposed agreement of purchase and sale to be fair and reasonable, and therefore recommends the approval of this transaction.

CONTACT

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Director, Real Estate Services

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Acting Director, Elections & Registry Services
City Clerk's Office

SIGNATURE

Bruce Bowes, P. Eng.,
Chief Corporate Officer

Ulli Watkiss,
City Clerk

ATTACHMENTS

Confidential Attachment 1 – Capital Project Cash Flow and Funding details
Appendix “A” – Terms and Conditions
Appendix “B” – Site Map