



**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

**Additional Report on the Sale of City-owned Leased
Property at 192A Bloor Street West to McDonald’s
Restaurants of Canada Limited**

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| Date: | March 3, 2008 |
| To: | City Council |
| From: | Chief Corporate Officer |
| Wards: | Ward 20 – Trinity-Spadina |
| Reason for Confidential Information: | The security of the property of the municipality |
| Reference Number: | P:\2008\Internal Services\F&re\Cc08024F&re – (AFS 7204) |

SUMMARY

The purpose of this report is to recommend adoption of Item GM12.7 with respect to the sale of a City-owned surplus property municipally known as 192A Bloor Street West (the “Property”), currently leased to McDonald’s Restaurants of Canada Limited (“McDonald’s”) but with an additional provision relating to control of part of the site for a ten (10) year period from the closing date of the sale.

It is also to provide information, in the confidential attachment, with regards to the motion made during the in camera session of the Government Management Committee meeting on February 14, 2008.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Recommendations 1 to 3 contained in the report dated February 13, 2008 from the Chief Corporate Officer (Item GM12.7a) with respect to the sale of a City-owned surplus property municipally known as 192A Bloor Street West, currently leased

to McDonald's Restaurants of Canada Limited, be adopted with amendments as described in Appendix 1.

2. The confidential information in Attachment 1 to this report and to the reports dated January 3, 2008 and February 13, 2008 remain confidential.

Financial Impact

The financial impact is the same as described in Item GM12.7a, irrespective of whether or not this report is adopted.

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

DECISION HISTORY

The Government Management Committee, at its meeting on February 14, 2008, considered Item GM12.7 and recommends to Council that City staff be instructed to proceed renewing the lease of 192A Bloor Street West, in accordance with the lease. The Government Management Committee also gave in camera, confidential instructions to the Chief Corporate Officer. This report is provided in response to those instructions.

ISSUE BACKGROUND

Staff's previous reports, Items GM12.7 and Gm12.7a, recommending the sale of the Property, were considered at the Government Management Committee meeting on February 14, 2008. The Government Management Committee, during the in camera session of its meeting on February 14, 2008, also directs staff to report directly to Council, if necessary, on this matter.

COMMENTS

Staff conducted further discussions with McDonald's subsequent to the Government Management Committee meeting with a view to determining whether McDonald's was willing to improve its Offer to Purchase. McDonald's was not prepared to make any changes to the financial terms of the Offer to Purchase, but has agreed to an additional provision whereby the land (airspace) measuring from 100 metres above grade of the Property is leased back to the City for a nominal sum, for a period of ten (10) years from the closing date of the sale and substantially on the terms as described in Appendix 1 of this report. In this way, the City would be in control of this area for a ten (10) year period.

CONTACT

Joe Casali
Director of Real Estate Services
Tel: (416) 392-7202
E-Mail: jcasali@toronto.ca

Chuck Donohue, P. Eng,
Executive Director, Facilities & Real Estate
Tel: (416) 397-5151
E-Mail: cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – Confidential Information
Appendix 1 – Terms of Lease Back of Stratified Portion of the Property