

September 19, 2008

To: Executive Committee

From: Budget Committee

Subject: Land Exchange with the Toronto District School Board for Lands at Edithvale Park

Recommendations:

The Budget Committee recommended to the Executive Committee that City Council approve the following:

- 1. The City enter into a Land Exchange Agreement with the TDSB for lands shown as Part 3 on Sketch No. PS-2008-107a (the "Sketch") and described as being part of Lot 20, Concession 1 WYS, Township of York ("TDSB Lands") in exchange for lands shown as Part 1 and Part 2 on the Sketch and described as being Lots 85, 86, 87, 88, 89, 90 and 91 on Plan 4976 ("City Lands"), and monetary consideration in the amount of \$2,830,000.00 (plus GST if applicable), substantially on the terms and conditions outlined in Appendix "A" to this report and such other terms as the Chief Corporate Officer and the City Solicitor deem advisable to protect the interests of the City.**
- 2. The City enter into a new lease with the TDSB for that portion of the building and land shown as Part 4 and Part 5 on the Sketch to allow recreation programming to continue while construction of the new community centre takes place. The lease is to be for a term of two years commencing on the closing of the transaction, at a rental rate of \$87,000 per annum, substantially on the terms and conditions set out in the expired lease for the TDSB lands and such other terms as may be acceptable to the General Manager of Parks, Forestry and Recreation and the City Solicitor.**
- 3. The City acquire a permanent easement over Part 12 as shown on the draft Reference Plan attached as Appendix "C" to this report, for the operation and maintenance of existing storm and sanitary sewers.**
- 4. The 2008 Parks, Forestry and Recreation Capital Budget be amended by the addition of a new sub-project for the Land Acquisition and the Demolition of the Existing TDSB Building at 7 Edithvale Drive, with total project costs of \$3,111,625.00 and cash flow of \$2,911,625.00 in 2008 and \$200,000.00 in 2010, to complete the parkland acquisition**

and demolition work for the construction of a new community centre, funded from the following four reserve funds:

Parkland Acquisition – North York Local Reserve Fund (XR2041) in the amount of \$59,000.00 or the balance of the fund

Parkland Acquisition – North York City-Wide Reserve Fund (XR2039) in the amount of \$249,000.00 or the balance of the fund

Parkland Acquisition – North District Local Land Fund (XR2206) in the amount of \$2,103,764.00 or the balance of the fund

Parkland Acquisition – City Wide Land Acquisition Fund (XR2210) in the amount of \$699,861.00 or the balance required to fund this transaction of \$3,111,625.00.

- 5. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.**
- 6. Financial Planning Staff work with Parks, Forestry and Recreation Staff to ensure that the Parkland Acquisition Reserve Fund for the 2009-2018 Capital Plan is allocated in accordance with Council policies and priorities.**

Background:

The Budget Committee on September 19, 2008, considered a report (September 17, 2008) from the Government Management Committee, entitled “Land Exchange with the Toronto District School Board for Lands at Edithvale Park”.

for City Clerk

September 17, 2008

To: Budget Committee

From: Government Management Committee

Subject: **Land Exchange with the Toronto District School Board for Lands at Edithvale Park (GM17.15)**

Recommendations:

The Government Management Committee recommends that:

- 1. The City enter into a Land Exchange Agreement with the TDSB for lands shown as Part 3 on Sketch No. PS-2008-107a (the "Sketch") and described as being part of Lot 20, Concession 1 WYS, Township of York ("TDSB Lands") in exchange for lands shown as Part 1 and Part 2 on the Sketch and described as being Lots 85, 86, 87, 88, 89, 90 and 91 on Plan 4976 ("City Lands"), and monetary consideration in the amount of \$2,830,000.00 (plus GST if applicable), substantially on the terms and conditions outlined in Appendix "A" to this report and such other terms as the Chief Corporate Officer and the City Solicitor deem advisable to protect the interests of the City.**
- 2. The City enter into a new lease with the TDSB for that portion of the building and land shown as Part 4 and Part 5 on the Sketch to allow recreation programming to continue while construction of the new community centre takes place. The lease is to be for a term of two years commencing on the closing of the transaction, at a rental rate of \$87,000 per annum, substantially on the terms and conditions set out in the expired lease for the TDSB lands and such other terms as may be acceptable to the General Manager of Parks, Forestry and Recreation and the City Solicitor.**
- 3. The City acquire a permanent easement over Part 12 as shown on the draft Reference Plan attached as Appendix "C" to this report, for the operation and maintenance of existing storm and sanitary sewers.**
- 4. The 2008 Parks, Forestry and Recreation Capital Budget be amended by the addition of a new sub-project for the Land Acquisition and the Demolition of the Existing TDSB Building at 7 Edithvale Drive, with total project costs of \$3,111,625.00 and cash flow of \$2,911,625.00 in 2008 and \$200,000.00 in 2010, to complete the parkland acquisition and demolition work for the construction of a new community centre, funded from the following four reserve funds:**

Parkland Acquisition – North York Local Reserve Fund (XR2041) in the amount of \$59,000.00 or the balance of the fund

Parkland Acquisition – North York City-Wide Reserve Fund (XR2039) in the amount of \$249,000.00 or the balance of the fund

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Parkland Acquisition – City Wide Land Acquisition Fund (XR2210) in the amount of \$699,861.00 or the balance required to fund this transaction of \$3,111,625.00.

- 5. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.**

Background:

The Government Management Committee, at its meeting on September 17, 2008, considered the report (September 5, 2008) from the Chief Corporate Officer, and the General Manager of Parks, Forestry and Recreation, seeking authority to enter into an agreement to exchange lands owned by the City for lands owned by the Toronto District School Board for the purpose of the city constructing a new community centre.

The Committee directed that this report be forwarded to the Budget Committee for consideration at its meeting on September 19, 2008.

City Clerk

Yvonne Davies/tk
Item GM17.15

- c. Chief Corporate Officer
General Manager of Parks, Forestry and Recreation
Director of Real Estate Services
Director of Parks Development and Infrastructure Management



STAFF REPORT ACTION REQUIRED

Land Exchange with the Toronto District School Board for Lands at Edithvale Park

Date:	September 5, 2008
To:	Government Management Committee
From:	Chief Corporate Officer and General Manager of Parks, Forestry and Recreation
Ward:	Ward 23 - Willowdale
Reference Number:	P:\2008\Internal Services\F&re\Gm08082 F&re – (AFS 8306)

SUMMARY

The purpose of this report is to seek authority to enter into an agreement to exchange lands owned by the City for lands owned by the Toronto District School Board (the “TDSB”) for the purpose of the City constructing a new community centre.

The terms for completing the transaction, as set out in this report, are considered to be fair, reasonable and reflective of market value.

RECOMMENDATIONS

The Chief Corporate Officer and General Manager of Parks, Forestry and Recreation recommend that:

1. The City enter into a Land Exchange Agreement with the TDSB for lands shown as Part 3 on Sketch No. PS-2008-107a (the “Sketch”) and described as being part of Lot 20, Concession 1 WYS, Township of York (“TDSB Lands”) in exchange for lands shown as Part 1 and Part 2 on the Sketch and described as being Lots 85, 86, 87, 88, 89, 90 and 91 on Plan 4976 (“City Lands”), and monetary consideration in the amount of \$2,830,000.00 (plus GST if applicable), substantially on the terms and conditions outlined in Appendix “A” to this report and such other terms as the Chief Corporate Officer and the City Solicitor deem advisable to protect the interests of the City.
2. The City enter into a new lease with the TDSB for that portion of the building and land shown as Part 4 and Part 5 on the Sketch to allow recreation programming to continue while construction of the new community centre takes place. The lease is to be for a term of two years

commencing on the closing of the transaction, at a rental rate of \$87,000 per annum, substantially on the terms and conditions set out in the expired lease for the TDSB lands and such other terms as may be acceptable to the General Manager of Parks, Forestry and Recreation and the City Solicitor.

3. The City acquire a permanent easement over Part 12 as shown on the draft Reference Plan attached as Appendix "C" to this report, for the operation and maintenance of existing storm and sanitary sewers.
4. The 2008 Parks, Forestry and Recreation Capital Budget be amended by the addition of a new sub-project for the Land Acquisition and the Demolition of the Existing TDSB Building at 7 Edithvale Drive, with total project costs of \$3,111,625.00 and cash flow of \$2,911,625.00 in 2008 and \$200,000.00 in 2010, to complete the parkland acquisition and demolition work for the construction of a new community centre, funded from the following four reserve funds:

Parkland Acquisition – North York Local Reserve Fund (XR2041) in the amount of \$59,000.00 or the balance of the fund

Parkland Acquisition – North York City-Wide Reserve Fund (XR2039) in the amount of \$249,000.00 or the balance of the fund

Parkland Acquisition – North District Local Land Fund (XR2206) in the amount of \$2,103,764.00 or the balance of the fund

Parkland Acquisition – City Wide Land Acquisition Fund (XR2210) in the amount of \$699,861.00 or the balance required to fund this transaction of \$3,111,625.00.

5. The report be forwarded to the Budget Committee for consideration at its meeting scheduled for September 19, 2008.
6. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.

Financial Impact

Land Exchange and Existing Building Demolition

The proposed transaction will result in expenditures in the amount of \$3,111,625.00 to cover the following:

1. The land exchange costs of \$2,911,625.00 (net of G.S.T.), including the land transfer tax and other closing costs, as illustrated in the chart below, to be cash flowed in 2008.

Lands to be Exchanged	Area	Appraised Value
City Lands to TDSB: Part 1 on Sketch	0.379 ha (0.936 ac.)	
Part 2 on Sketch	0.061 ha (0.150 ac.)	
Total	0.439 ha (1.086 ac.)	\$2,700,000.00

Lands to be Exchanged	Area	Appraised Value
TDSB Lands to City: Part 3 on Sketch	1.203 ha (2.972 ac.)	\$5,530,000.00
Difference	0.763 ha (1.886 ac.)	\$2,830,000.00
Land Transfer Tax		\$81,425.00
Registration Costs		\$200.00
Other Costs		0
Total Net of GST		\$ 2,911,625.00

2. Costs associated with the demolition of the existing TDSB school building on the land purchased by the City to allow construction of the new community centre parking lot, following the completion of construction of the new community centre, in the amount of \$200,000.00 (net of G.S.T.) to be cash flowed in 2010.

No provision has been made in the Approved 2008 Capital Budget or 2008-2012 Capital Plan for this acquisition and demolition of the existing building. Funds are currently available in the following Parkland Acquisition Funds:

Parkland Acquisition – North York Local Reserve Fund (XR2041)	\$59,000
Parkland Acquisition – North York City-Wide Reserve Fund (XR2039)	\$249,000
Parkland Acquisition – North District Local Land Fund (XR2206)	\$2,103,764
Parkland Acquisition – City Wide Land Acquisition Fund (XR2210)	\$6,536,000

Edithvale Community Centre

The 2008 Parks, Forestry and Recreation Capital Budget includes a project known as Edithvale Community Centre Construction (Ward 23) (CC 223, CPR123-38-07) in the amount of \$15,000,000.00, cash flowed over years 2008 through 2010 (\$1 million in 2008, \$10 million in 2009, and \$4 million in 2010). Parks, Forestry and Recreation is ready to tender this project and the subject land transfer is required to enable commencement of construction later in 2008.

When the new 50,000 square foot community centre is complete the operating cost for a full year of operation (2011) is estimated to be approximately \$810,000 per year greater than the estimated current annual operating costs for the existing 25,000 square foot facility (phased in over 2010-2011).

Somewhat offsetting this will be a reduction and ultimate elimination in the lease expense paid to the TDSB. The existing lease expense for the full school building in 2008 is approximately \$190,000 per year. The proposed lease of the south portion of the school and associated parking lot will be reduced to \$87,000 per year for each of years 2009 and 2010 after which there will be no further leasing expenses.

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

DECISION HISTORY

In accordance with the City's Real Estate Disposal By-law, No. 814-2007, the City Lands were declared surplus on August 29, 2008 (DAF No. 2008-123) with the intended manner of disposal to be by way of a land exchange with the TDSB.

ISSUE BACKGROUND

Immediately adjacent to Edithvale Park is TDSB's Edithvale Public School. This building has not been used as a school for the past several years and has been leased to the City, and Parks, Forestry and Recreation operate a community centre in the building. The lease expired in December 2003 but has been on overhold on a month-to-month basis.

In 2005, the Parks, Forestry and Recreation Division and the TDSB received approval from City Council and the TDSB Board respectively to begin design of a two-phase community centre and elementary school project for the school and park site. The design exercise resulted in the design of a community centre at the southeast corner of Finch Avenue West and Edithvale Drive and the schematic design of a new school to be located at the northeast corner of Holcolm Road and Edithvale Drive.

The TDSB has since started conducting area reviews to establish long term planning on the use of their schools and properties. Edithvale Public School is in one of the review areas and at this time there is no decision on the necessity of a new school at the Edithvale site. The TBSB is not prepared to build a new school at this time but are prepared to enter into a land exchange agreement with the City so that the community centre construction can begin.

COMMENTS

In view of the need to create a sufficiently large development parcel for the proposed community centre, Parks, Forestry and Recreation has determined that Part 3 on the Sketch should be acquired from the TDSB. In exchange, the City would declare surplus Part 1 and Part 2 on the Sketch for conveyance to the TDSB.

Negotiations between the City and the TDSB have been completed and the parties have agreed that the values of their respective properties are \$2,700,000 for the City Lands, and \$5,530,000.00 for the TDSB Lands, with the difference of \$2,830,000.00 payable to the TDSB by the City.

The Edithvale Park lands (Part 1 on the Sketch) are located within the Parks and Open Space Areas of the Official Plan. Section 4.3, Parks and Open Space Areas ("POSA"), Policy 8 of the Official Plan states that the sale or disposal of publicly owned lands in POSA is discouraged and no City owned lands in POSA will be sold or disposed of. However, City owned land in POSA may be exchanged for other nearby land of equivalent or larger area and comparable or superior green space utility.

The General Manager of Parks, Forestry and Recreation confirmed that the TDSB land is (i) nearby, (ii) larger and (iii) comparable or superior green space utility. The Chief Planner & Executive Director has advised that Planning is generally satisfied that the proposed exchange of lands meets the intent of Section 4.3, Policy 8 of the Official Plan.

As of the writing of this report, not all of the steps necessary to comply with the City's real estate disposal process, as set out in Chapter 213 of the City of Toronto Municipal Code, have been complied with, as notice of the proposed sale has not been given. However, by the date of consideration by City Council, the required public notice will have been given.

Additional details of the terms and conditions of the land exchange are set out in Appendix "A" and are considered to be fair, reasonable and reflective of market value.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

Brenda Patterson
General Manager
Parks, Forestry and Recreation

ATTACHMENTS

Appendix "A" – Terms and Conditions
Appendix "B" - Site Map and Sketch No. PS 2008-107a
Appendix "C" – Draft Reference Plan