

Government Management Committee

Meeting No.	17	Contact	Yvonne Davies, Committee Administrator
Meeting Date	Wednesday, September 17, 2008	Phone	416-392-7443
Start Time	9:30 AM	E-mail	ydavies@toronto.ca
Location	Committee Room 1, City Hall		

15a Land Exchange with the Toronto District School Board for Lands at Edithvale Park

(September 5, 2008) Report from Chief Corporate Officer, and General Manager of Parks, Forestry and Recreation

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 Part 2 on Sketch	0.379 ha (0.936 ac.) <u>0.061 ha (0.150 ac.)</u>	
Total	0.439 ha (1.086 ac.)	\$2,700,000.00
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.

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.

Background Information

Report - Land Exchange with the Toronto District School Board for Lands at Edithvale Park
(<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-15556.pdf>)

Appendix A - GM17.15

(<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-15557.pdf>)

Appendix B - GM17.15

(<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-15558.pdf>)

Appendix C - GM17.15

(<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-15559.pdf>)