



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Third Party Development Opportunity for a Portion of  
the Westwood Lands**

<b>Date:</b>	May 29, 2008
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	5 – Etobicoke Lakeshore
<b>Reason for Confidential Information:</b>	This report is about a proposed or pending land transaction by the City.
<b>Reference Number:</b>	P:\2008\Internal Services\F&re\Gm08053F&re – (AFS-7803)

**SUMMARY**

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On December 11, 12 and 13, 2007, City Council adopted the recommendations in Item PG11.3 of the Planning and Growth Management Committee regarding the vision of the West District Design Initiative for three properties, including the Westwood lands. A confidential attachment to the report indicated that a third party had expressed an interest in purchasing a portion of the Westwood property and had requested that their identity and intentions be kept confidential.

Negotiations with the third party of a Memorandum of Understanding (MOU) regarding the possible purchase and development of a portion of the Westwood lands have continued and they have delivered a signed MOU. The terms of the MOU are set out in the confidential attachment to this report. Staff is prepared to recommend to City Council the MOU for approval.

## **RECOMMENDATIONS**

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### **The Chief Corporate Officer recommends that:**

1. City Council authorize an MOU with the Ontario Realty Corporation (ORC) regarding the sale of a portion of the Westwood property generally on the terms set out in the confidential attachment and on such other terms as are acceptable to the Chief Corporate Officer.
2. City Council authorize the public release of the confidential information and recommendations in Attachment 1, if the sale of a portion of the Westwood property to ORC is completed.
3. Staff be directed to negotiate an agreement of purchase and sale in respect of the subject lands with ORC on the basis set out in the MOU and report on the proposed terms of the transaction to Government Management Committee and City Council for approval.
4. City Council exempt the lands south of the planned extension of Dundas Street through the Westwood property, as shown on Attachment 2, from the Housing First Policy.
5. City Council authorize the Director of Real Estate Services to sign and consent on behalf of the City to applications for planning approvals by ORC, as required, for the development of a portion of the Westwood lands, including applications for minor variances, for the removal of a Holding category in the zoning of the property, for zoning amendments, for site plan approval and /or building permits.
6. Staff report back on cost estimates to undertake the development of the Westwood property in accordance with the MOU and on the terms of any required development/servicing agreements and potential financial implications to the City.

### **Financial Impact**

Consulting work has to be undertaken to prepare a functional servicing plan, grading plan, public realm and urban design guidelines for the Westwood property and detailed design work must be completed to permit ORC and the City to set out the scope and cost of required services in a development agreement.

Council's adoption of the staff recommendations in this report and the entering into of the MOU as set out in the confidential attachment will obligate the City to repay ORC its proportionate share of the costs of consulting studies regarding the required services for the development of the Westwood property from future proceeds of the sale of these lands, whether or not the transaction with ORC is completed. If the MOU is terminated,

the City is to enter into a repayment agreement with ORC and will repay a proportionate share of the consulting costs. The cost estimates for the required consulting studies have not been finalized at this time. When an offer to purchase is negotiated with ORC, then the details of the financial implications of the transaction will be reported on to Government Management Committee and Council.

The City's 5 Year Capital Plan does not include any funds to undertake the development of the Westwood property. ORC has indicated that if it purchases a portion of the Westwood property it will be willing to undertake the required background studies and front-end the development of the roads and services required for the site's development, provided the City is prepared to reimburse ORC for the City's proportionate share of the cost of this site development work. Once available, estimated costs for this work will be reported back to the Government Management Committee and Council.

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

## **DECISION HISTORY**

On February 4, 5 and 6, 2003, City Council adopted Clause No. 3 of Report No. 1 of the Administration Committee and directed "the Commissioner of Corporate Services, in consultation with the relevant City Departments, [to] commence the process to develop the new West District Service centre and dispose of certain West District lands". This study process was referred to as the "West District Study".

On July 22, 23 and 24, 2003, City Council adopted, as amended, Clause 1 of Administration Committee Report No. 7, regarding the responses to a Request for Expressions of Interest focussed on the Bloor-Islington and Westwood lands as potential locations for the West District Service Centre.

On May 18, 2004, City Council adopted Clause 3 of Report No.5 of the Administration Committee, revised the work schedule for the West District Study and authorized staff to undertake the West District Design Initiative to determine development visions for the Etobicoke Civic Complex lands, the Bloor-Islington lands and the Westwood lands.

On December 11, 12 and 13, 2007, City Council adopted the recommendations in Item PG11.3 of the Planning and Growth Management Committee regarding the vision of the West District Design Initiative for the three properties. There was a confidential attachment to the report identifying the interest of a third party in purchasing a portion of the Westwood lands.

## **COMMENTS**

The Westwood property is a holding of approximately 7.0 ha (19.5 acres) in size with frontage on Bloor Street and Kipling Avenue. It has not been subdivided or serviced to accommodate the redevelopment contemplated by the Etobicoke Centre Secondary Plan and the West District Design Initiative. Portions of the Westwood property are currently utilized for the following City services:

- Toronto Police Services Division 22,
- a snow storage area for Transportation Services,
- an interim commuter parking lot for the TTC; and
- the former Westwood Theatre building, which is largely vacant, with the exception of a portion leased to private tenants.

The southwest corner of the Westwood property is proposed to be developed for a TTC Passenger Pick up and Drop-Off facility (PPUDO) and the TTC is currently pursuing the required planning approvals to implement this component of the Kipling Islington Redevelopment Initiative. The snow storage use is to be relocated to a New Toronto Street location, which will free up the majority of the Westwood property for other uses. Property Management Committee is reviewing existing and proposed municipal interests in the Westwood property and has not as yet released a decision on any parts that are surplus to municipal use.

The Westwood property is designated for Mixed Use Areas in the Official Plan and zoned Etobicoke Centre 2 (EC2) for mixed uses subject to a Holding prefix. The removal of the Holding category currently applied to the property requires the delivery of plans and the execution of development agreements securing the provision of municipal works such as municipal roads, watermains, sanitary sewers, storm water facilities, walkways and the dedication of land and /or easements for future public roads and walkways. In order to develop a functional servicing plan for any portion of the Westwood property and design the required roads and services for the development of these lands within the broader context of the future realigned Six Points Interchange and the other portions of the Westwood property, considerable engineering analysis and design work is required.

The preferred road reconfiguration option arising from the Six Points Interchange Reconfiguration Class Environmental Assessment Study (Six Points study) forms the basis for the urban design vision for the Westwood Theatre Lands as shown in Attachment 2. Without the introduction of a road system and the extension of municipal services, Westwood suffers from significant limitations which undermine its potential redevelopment and ultimate market value. The Six Points preferred option would create a stronger urban connection and much improved pedestrian and vehicular access between Westwood and lands to the north and west.

The City has not at this time budgeted funds to undertake the development of the Westwood property or the reconfiguration of the Six Points Interchange. In order to advance the development of the portion of the Westwood property south of the planned extension of Dundas Street for its use, ORC has agreed to front-end these engineering, design and servicing costs. The development opportunity that will be made possible by the work that ORC is prepared to undertake will provide a significant benefit to the City's retained lands by making them ready for development and adding value to them.

The opportunity to commence development of the Westwood lands is an impetus to move forward with the Six Points Interchange reconfiguration and will result in the release of additional land for development. A Fiscal Impact and Economic Assessment should be

undertaken of the interrelated Six Points Interchange reconfiguration and the Westwood redevelopment, and staff should report on this Assessment to Government Management Committee and Council.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P. Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Attachment 1 – Confidential Information  
Attachment 2 - Westwood Development Concept