



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Toronto-York Spadina Subway Extension – Acquisition
of Land From Parc Downsview Park**

Date:	June 18, 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 9 – York Centre
Reason for Confidential Information:	This report is about a proposed or pending land acquisition by the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2008\Internal Services\F&re\Gm08065F&re – (AFS 8097)

SUMMARY

The proposed Toronto York Spadina Subway Extension Project (the “Project”) will extend through and include a station at Parc Downsview Park (“PDP”). In order to accommodate continued Project planning and design, the City of Toronto (“City”) and the Toronto Transit Commission (“TTC”) have negotiated, subject to Council approval, a preliminary agreement with PDP setting out the general principles to govern both the acquisition of necessary property interests for the Project and its future construction and operation on this site, described as the Memorandum of Principles (“MOP”). As Project construction and design proceed, a more detailed agreement(s) containing specific terms and conditions will be negotiated amongst the parties in accordance with the general provisions as enumerated in the MOP.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Authority be granted for the City to enter into the MOP with the TTC and PDP, substantially on the terms and conditions as set out in Appendix A to Attachment 1 - Confidential Information, together with such revisions as satisfactory to the Chief Corporate Officer, in a form satisfactory to the City Solicitor;

2. Each of the Chief Corporate Officer and the Director of Real Estate Services be severally authorized to execute the MOP with the TTC and PDP, on the City's behalf;
3. City Council authorize the public release of the confidential information contained in Attachment 1 upon the later of, completion and final settlement of all agreements or claims with PDP to the satisfaction of the City Solicitor, or commencement of revenue service of the Project; and,
4. City Council waive the condition contained in the Spadina Subway Extension Update Report, Item 8.5 of the Executive Committee adopted by Council on May 23, 24 and 25, 2007, requiring that no agreement be entered into with PDP until such time as it has agreed to comply with the City's planning process with respect to future development of the site.

Financial Impact

The total Project capital cost has been estimated at \$2.6 billion, including \$100 million allocated for overall property acquisition costs. Actual amounts expended for Project costs will be included in annual reporting to Council.

Council has previously approved funding for the Project as included in the following summary table:

Funding Partner:	\$ millions	% of funding
Federal	\$697	26.5%
Provincial	\$1,059*	40.2%
Municipal:		
City of Toronto	\$526	
York Region	\$352	
	<u>\$878</u>	33.3%
Total	\$2,634	100.0%

*including investment income

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

DECISION HISTORY

In February and April 2006, the TTC approved property acquisition principles to assist staff in negotiations with PDP for the acquisition of the necessary property to construct the Project.

On May 23, 24 and 25, 2007, City Council passed the following motion attached to a Spadina Subway Extension Progress Report:

“City Council direct staff not to enter into any agreement with Park Downsview as it pertains to the Park Downsview Station until such time as Park Downsview has agreed to abide by the City’s official plan and the area secondary plan and has agreed to respect the City’s planning protocol as it pertains to all non-park-related development.”

At the April 28 and 29, 2008 meeting of City Council, a City staff report was approved directing Planning staff to undertake a review and update of the Downsview Area Secondary Plan. This approval was intended to satisfy the requirements of the May 2007 City Council motion; however, City Legal staff have advised that a waiver of this direction or condition must be approved by City Council in order for the City to execute the MOP and to fulfil future commitments in facilitating further negotiations and entering into further agreements with PDP as necessary to complete the Project.

COMMENTS

In order to proceed with Project construction, it is necessary to acquire certain lands and interests located at PDP for both temporary and permanent Project facilities. Because the Project is still in the preliminary stages of design, however, the exact nature and extent of the property interests required on the site cannot yet be finalized. The City, TTC and PDP staff have therefore negotiated general terms intended to acknowledge the parties’ intent to co-operate with respect to the Project and to guide negotiation of future agreements and their implementation. These principles, as set out in the MOP, relate primarily to the acquisition of land for the Project and its construction. Although the MOP refers to the limitations and constraints that the Project may impose on adjoining PDP lands, City Planning issues are not within the scope of the MOP. The MOP acknowledges, however, that the PDP lands are currently undergoing a Secondary Planning Review Study.

The terms and conditions of the MOP are summarized in Appendix A included with the confidential attachment to this Report. More detailed agreements will be negotiated with PDP concerning the terms of the property acquisition, as the design of the transit facilities and the construction related requirements of the Project progress, based on these principles.

The MOP is consistent with the following:

- Federal Canadian Environmental Assessment approvals have been secured for the Project, conditional upon various Project commitments to PDP.
- Federal parameters in respect of the acquisition of PDP lands.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.

Chief Corporate Officer

ATTACHMENTS

Confidential Attachment