



**STAFF REPORT
ACTION REQUIRED**

**Statutory Offer of Compensation
Expropriation of 5341 Dundas Street West
Kipling Redevelopment Initiative**

Date:	September 3, 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 5 – Etobicoke-Lakeshore
Reference Number:	P:\2008\Internal Services\F&re Gm08077F&re - (AFS 8411)

SUMMARY

A new interregional terminal is to be constructed on the TTC Kipling Station lands as part of the Kipling/Islington Redevelopment Initiative approved by Council in 2007. 5341 Dundas Street West (the “Property”) is required for establishing a new driveway entrance to the new TTC/GO/Mississauga Transit terminal. In April 2008, City Council authorized staff to complete the expropriation process to acquire the Property. This report seeks Council approval to serve the Section 25 Offer of Compensation (the “Offer”) to, 1127792 Ontario Limited (the “Owner”), as required by the *Expropriations Act*.

RECOMMENDATIONS

1. Each of the Chief Corporate Officer and the Director of Real Estate Services, in consultation with TTC staff, the City Solicitor and independent environmental and appraisal consultants retained to assist in the valuation of the property, be authorized severally to make and serve the Offer on the Owner of the Property, together with the supporting appraisal report, in accordance with Section 25 of the *Expropriations Act* (the “Act”) in an amount up to \$650,000.00 for its fee simple interest.
2. Each of the Executive Director of Facilities and Real Estate Services and the Director of Real Estate Services be authorized severally to sign the Offer on behalf of the City in a form satisfactory to the City Solicitor.

3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

In February 2007, City Council approved the Kipling/Islington (“K/I”) Initiative and allocated \$17.5 million of capital funding from the Land Acquisition Reserve Fund for this project, subject to confirmation of funding commitments from Mississauga Transit, GO Transit, the Province of Ontario, the Greater Toronto Transportation Authority, (now known as “Metrolinx”), and the Federal Government. For the Kipling portion of the K/I Initiative, the Province has since committed to capital funding of \$30 million and Mississauga Transit has committed to \$5.5 million.

Funding for the Offer in the amount of \$650,000.00 is available in the TTC 2008-2012 Approved Capital Budget, Account CTT 130.

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

DECISION HISTORY

On July 16, 17, 18 and 19, 2007, City Council adopted GM6.14 titled “Real Estate Acquisitions for the Kipling/Islington Redevelopment Initiative” thereby authorizing staff to acquire the Property and if necessary initiate the expropriation process, for the Kipling portion of the Kipling/Islington Redevelopment Initiative.

On April 28 and 29, 2008, City Council adopted GM13.19 titled “Expropriation of 5341 Dundas Street West – Kipling Redevelopment Initiative” thereby approving the expropriation of the Property and authorizing staff to complete the expropriation process and enacted Expropriation Bylaw 360- 2008 to expropriate land and certain interests in land for the use of the Toronto Transit Commission for the purpose of constructing an interregional bus terminal and replacement commuter parking spaces in conjunction with the Kipling Station Redevelopment Initiative.

COMMENTS

Pursuant to the *Act* and the Expropriation Bylaw 360- 2008, Expropriation Plan AT1799028 was registered on June 6, 2008 to vest ownership of the required property in the City’s name. Notices of Expropriation, Notices of Election and Notices for Possession were served on the Owner and the tenant on July 7, 2008, requiring the Owner to provide possession of the Property to the City on October 17, 2008. The Notices to the tenant were returned as the tenant’s lease had expired and the tenant had vacated the building.

The Property details are as follows:

Municipal Address: 5341 Dundas Street West and shown as Part 1 on attached Sketch No. PS-2007-151

Registered Owner: 1127792 Ontario Limited

Legal Description: PIN 07549-0094; Part of Lot 7, Concession 5, Colonel Smiths Tract, in the City of Toronto (formerly Etobicoke), and designated as Part 6 on Reference Plan 64R-5004

Approximate Dimensions: Irregular
Dundas Street West Frontage: 18.9 m (62.00 feet)
West Property Limit: 42.0 m (137.79 feet)

Approximate Site Area: 672 m² (7,231 ft²)

Improvements: Two storey residential building converted for office uses
GFA: 154.2 m² (1,660 ft²)

Official Plan: Mixed Use Area

Zoning: EC2- Etobicoke Centre 2 Zone

Requirement: The entire site was expropriated on June 6, 2008

Possession Date: Notices of Possession have been served identifying October 17, 2008 for the Owner to give up possession

Appraised Value:

Under the *Act* each former property owner may, by means of their Notice of Election given to the City, "elect" one of three valuation dates specified in the *Act* and, where no election Notice is received (within the time limit required by the *Act*), such expropriated property shall be valued as of the registration date of our Expropriation Plan. No Notice of Election was given to the City by the Owner.

Furthermore, prior to the City taking possession of the expropriated property pursuant to the serving of a Notice of Possession, the *Act* requires that the City's Offer must be served with a copy of the property appraisal report upon which the Offer is based. GSI Real Estate Appraisers and Consultants Inc. (the "Appraiser") was commissioned by the City to complete an appraisal of the Property interest in order for the City to make the required Offer. The recommended Offer assuming a clean property, free of any environmental contamination is \$650,000.00. However, this appraisal has been complicated by the potential for environmental contamination on the Property given historical uses in the immediate vicinity. An environmental consultant has been commissioned to complete a Phase II environmental site assessment and if remediation would be required, determine such costs which would have a direct impact on the

appraised value of the expropriated land. The determination of highest and best use, and therefore market value could be effected by potential environmental remediation costs.

Access to the property by the Environmental Consultant was delayed and therefore, remediation costs, if any, have not yet been provided to the Appraiser to factor into their analysis.

Under the *Act*, the City is not entitled to take possession of the Property unless the City has first made and served the City's Offer of Compensation. The Notice of Possession which was served on the Owner requires the Owner to provide possession of the Property to the City on October 17, 2008. In light of the inability to finalize the appraisal and in order to proceed with serving the Offer prior to October 17, 2008, this report seeks authority to make an Offer which allows some flexibility to reflect any changes in the final valuation, if necessary. It appears that the value conclusion could be up to \$650,000.00.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Site Maps