



STAFF REPORT ACTION REQUIRED

Sale of a Portion of 258 Acton Avenue

Date:	March 11, 2008
To:	North York Community Council
From:	Chief Corporate Officer
Wards:	Ward 10 – York Centre
Reference Number:	P:\2008\Internal Services\F&re\Ny08027F&re - (AFS 3200)

SUMMARY

The purpose of this report is to obtain approval for the sale of a City-owned vacant parcel of land being a portion of 258 Acton Avenue.

The property was listed for sale on the open market, and the Offer to Purchase from Victor Manuel Ferreira is being recommended for acceptance by the City.

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

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. The City of Toronto accept the Offer to Purchase from Victor Manuel Ferreira to purchase the City-owned vacant parcel of land, known municipally as part of 258 Acton Avenue, described as Part of PIN 10176-0394 (LT) being Part of Tillplain Road Plan 1899 Twp of York, City of Toronto, designated as Part 1 on Plan 66R-23556 and shown as Part 4 on Sketch No. PS-2006-028 (the “Property”), in the amount of \$375,100.00, substantially on the terms and conditions outlined in Appendix “A” to this report.
2. Each of the Chief Corporate Officer and the Director of Real Estate be authorized severally to accept the Offer to Purchase on behalf of the City.

3. Authority be granted to direct a portion of the proceeds of closing to fund the outstanding expenses related to the Property and the completion of the sale transaction.
4. The net proceeds be directed to the Land Acquisition Reserve Fund – Parks, Forestry and Recreation, Account No. XR1214.
5. The City Solicitor be authorized to complete the transaction(s) on behalf of the City, including making payment of any necessary expenses and amending and/or waiving the closing and other dates to such earlier or later date(s) and on such terms and conditions as she may from time to time consider reasonable.

Financial Impact

Revenue in the amount of \$375,100.00 plus GST if applicable, less closing costs and the usual adjustments is anticipated.

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

DECISION HISTORY

At its meeting held on September 25, 26 and 27, 2006, City Council adopted Clause 28 of Report No. 6 of the Administration Committee, thereby declaring the Property and other City-owned lands in the vicinity, including Part 6 on Sketch No.PS-2006-028 (the “Sketch”), surplus to the City’s requirements. Council further authorized the Chief Corporate Officer to invite an offer to purchase Part 6 from the owner of 260 Acton Avenue, and if, in the opinion of staff, no recommendable offer is received, then to list Part 6 together with the Property for sale on the open market.

At its meeting of November 19 and 20, 2007, City Council adopted Item NY10.23 authorizing the sale of Part 6 on the Sketch to the owner of 260 Acton Avenue, which transaction closed on February 15, 2008.

City Council at its meeting held on July 18, 19 and 20, 2002, adopted, as amended, Clause 1 of Report No. 9 of the Policy and Finance Committee titled “Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments (“ABCD”) and Proceeds from Sale of Surplus City-owned Real Property” thereby establishing a corporate policy governing land transactions among the City’s ABCD’s and allocating the net proceeds arising from the sale of City-owned real property. Pursuant to the Policy, where City property has been under the operational jurisdiction of an ABCD for a minimum of 10 years, the net proceeds shall be deposited in the City reserve fund allocated for the future capital requirements of the ABCD. Accordingly, the net proceeds from the future sale of the Property would be deposited to the Land Acquisition Reserve Fund for Parks, Forestry and Recreation.

ISSUE BACKGROUND

In July 1974, pursuant to By-law No. 25707, the former Borough of North York stopped up and closed Tillplain Road and it became known as Tillplain Park, part of which is shown as Part 4 on the Sketch. In 1988 the former North York City Council determined that Tillplain Park served no useful park purposes, but Parks Forestry and Recreation continued to maintain the vacant parcel until it was declared surplus in September 2006.

Part 5 on the Sketch, a 3.0 metre wide walkway designated as Parks and Open, separates Part 4 from Part 6, and is to be retained by the City. In 1989, the former Township of North York acquired Part 6 on the Sketch, a 7.2 metre wide strip to the east of 260 Acton Avenue, through the Municipal Tax Sale process.

Staff invited an offer from the owner of 260 Acton to purchase Part 6, but agreement on price was not reached. As such, the Property was listed for sale on the open market together with Part 6 starting in April of 2007 and ending in September of 2007, but no offers were received.

Part 5, the walkway separating the Property and Part 6 was identified as being a deterrent to offers being submitted by potential purchasers. Part 6 on its own was not a viable building lot, and because of the location of the walkway which is to be retained by the City, did not add value to the Property. Staff once again approached the owner of 260 Acton and was able to negotiate the sale of Part 6.

COMMENTS

Details of the Property are:

Approximate Acton Ave. frontage:	17.0 m (55.77 ft)
Approximate North/South Measurement:	70.0 m (229.66 ft)
Approximate Site Area:	781 m ² (8,406.89 ft ²)

On October 16, 2007, the Property was listed for sale on the open market at an asking price of \$375,000.00. No offers were received by the offer submission deadline of November 1, 2007. The listing was extended and 2 offers were received by the offer submission deadline of November 12, 2007, however, both offers were not recommendable. The listing was extended and once again, 2 non recommendable offers were received by the offer submission deadline of December 12, 2007.

The Property was listed with a different broker, Royal LePage Real Estate Services Ltd. Brokerage, on February 1, 2008, at an asking price of \$375,000.00. The following offers were received prior to the noon offer submission deadline on March 4, 2008:

Purchasers Name	Offer Amount	Deposit	Additional Terms
Victor Manuel Ferreira	\$375,100.00	\$37,510.00 Certified Cheque	Nil
Galati Homes Inc. Nicholas Galati	\$305,000.00	\$30,500.00 2 Bank Drafts	Nil

The Offer to Purchase submitted by Victor Manuel Ferreira in the amount of \$375,100.00 is considered fair, reasonable and reflective of market value and is recommended for acceptance substantially on the terms and conditions outlined in Appendix “A” to this report.

A Cost Centre has been put in place to charge costs directly related to the sale of the City-owned properties, and includes such items as commissions and surveying. We have included in this report a recommendation to direct a portion of the sale proceeds to fund the outstanding expenses related to the Property.

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SIGNATURE

Bruce Bowes, P. Eng.,
Chief Corporate Officer

ATTACHMENTS

Appendix “A”, Terms and Conditions of Offer to Purchase
Appendix “B”, Site map and Sketch No. PS-2006-028