



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Toronto Water Land Acquisition Source Water
Protection - Status Report and Updated Property
Acquisition List**

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| Date: | June 10, 2008 |
| To: | Public Works and Infrastructure Committee |
| From: | Lou Di Gironimo, General Manager, Toronto Water Brian Denney, Chief Administrative Officer, TRCA |
| Wards: | All |
| 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\Cluster B\TW\pw08012 |

SUMMARY

This report has been prepared jointly with the Toronto and Region Conservation Authority (TRCA) to provide an update on land purchased in 2007 using funds from the Land Acquisition for Source Water Protection Reserve and seek approval to revise the previously approved Property Acquisition List to add additional properties and remove properties that no longer meet the revised criteria.

RECOMMENDATIONS

The General Manager, Toronto Water recommends that:

1. Toronto and Region Conservation Authority (TRCA) be authorized to apply to use the approved funds identified in the Toronto Water 2008 Capital Budget to complete the acquisitions as set out in the confidential list dated June 6, 2008 included as Attachment 1;
2. TRCA complete the acquisitions according to the criteria set out in the Policy and Finance Committee Report 7, Clause 37, as adopted by City Council on July 19, 20, 21 and 26, 2005 in a form and manner acceptable to City officials;

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

Financial Impact

Sufficient funding is available for this purpose in the 2008 approved Toronto Water Capital Budget under WBS Element CWW473-01 Land Acquisition for Source Water Protection.

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

DECISION HISTORY

On November 30, December 1 and 2, 2004, City Council amended and adopted Clause 38 of Policy and Finance Committee Report 9, to create a new reserve called the 'Land Acquisition for Source Water Protection Reserve', for the purpose of providing funding for the acquisition of land to protect water sources to be controlled by Toronto Water.

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/2004/agendas/council/cc041130/cofa.pdf>

On July 16, 17, 18 and 19, 2007, City Council approved a list of properties that are eligible for funding from the Land Acquisition for Source Water Protection Reserve

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

On November 19 and 20, 2007, City Council approved closing the Land Acquisition for Source Water Protection Reserve and including a Capital Project titled "Land Acquisition for Source Water Protection" in Toronto Water's 2008 to 2012 Capital Budget and Council also modified the criteria to be used for the acquisition of land funded from the Capital Account.

A copy of the Council Decision Document can be found at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-11-19-cc14-dd.pdf>

ISSUE BACKGROUND

The protection of Lake Ontario as the source of potable water for the City of Toronto is a high priority of the City. It is recognized that protecting and improving the water quality of the various river systems and watersheds that flow into Lake Ontario through the City of Toronto is an important objective in source water protection. Currently, Toronto Water is implementing the Council approved Wet Weather Flow Master Plan (WWFMP) to help meet this objective.

Another important tool to help meet this objective is the protection of the river systems and watersheds through acquisition of key parcels of land, as they become available. Council has approved a list of properties that are eligible for funding from the Land Acquisition for Source Water Protection Reserve.

COMMENTS

Since August 6, 2005, TRCA has acquired seven properties with funding from the Land Acquisition for Source Water Protection Reserve. The following property was acquired in 2007, subsequent to the July, 2007 update report.

It is acknowledged that the City-funded portion of the purchase price is greater than 33% even though the property is outside of the City boundaries as the property was acquired before the criterion to limit funding for land outside of Toronto was established.

| | Reserve Funding | Total Costs | Acreage |
|--------------------------------|------------------------|--------------------|----------------|
| Boyer Property V – Peel Region | \$142,600 | \$285,000 | 5.180 |

Negotiations are at various stages for several other properties on the list and Council will be advised on an annual basis as these discussions are finalized.

TRCA staff has prepared an updated list of properties which have been reviewed by Toronto Water staff and are considered eligible for funding from the Land Acquisition for Source Water Protection Capital Account. Further, the listed properties are within the TRCA master plan for acquisition and meet TRCA criteria to be considered for acquisition.

The details of the new properties are included in Attachment #1, along with an updating of the list to identify properties purchased and removal of those that no longer meet the criteria, as amended by City Council on November 19 and 20, 2007. Specifically, properties that are outside the City of Toronto and not within Etobicoke Creek, Mimico Creek, Humber River, Don River, Highland Creek or Rouge River watersheds have been removed from the list.

By approving the amended list of properties, Council will enable TRCA, working with city officials, to secure purchase and sale agreements in a timely and accountable manner.

For all land acquisitions, TRCA will secure independent appraisals to ensure fair market value. Officials in the Facilities and Real Estate Division and in the office at the Deputy City Manager and Chief Financial Officer will have the opportunity to review all purchase and sale agreements and supporting documentation prior to agreements being finalized.

In accordance with approved policies, funding for acquisitions outside city boundaries will be no more than 33% of the total cost. Matching funds from other participating municipalities, the Province of Ontario or other sources to at least 67% must be secured.

Within the City of Toronto, because matching funding is difficult to secure, up to 100% City funds may be used.

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SIGNATURE

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ATTACHMENTS

Attachment 1 – (Confidential) – 2008 Revised Property Acquisition List