



STAFF REPORT ACTION REQUIRED

Report on Executive Committee Motions Regarding EX32.5

Date:	May 19, 2009
To:	City Council
From:	City Manager
Wards:	2, 5, 6, 9,10, 11, 14, 16, 17, 20, 22, 23, 28, 35, 38 and 41
Reference Number:	P:\2009\Internal Services\F&re\ Cc09046F&re - AFS

SUMMARY

The Executive Committee considered EX32.5, “Principles of a Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto”, at its meeting on May 4, 2009, recommended the item to Council with amendments, and directed that the City Manager report to City Council on May 25, 2009 on the motion of Councillor Moscoe proposing further amendments. This report responds to that direction, and recommends a technical amendment.

RECOMMENDATIONS

The City Manager recommends that:

1. EX32.5 be amended by deleting Appendix 2(k), 150 Symes Road – Ward 11, and replacing it with the revised Appendix 2(k) attached as an Appendix to this report; and
2. Motion 1 referred to staff by the Executive Committee on May 4, 2009 in consideration of report EX32.5 not be approved by Council based on the rationale provided in this report.
3. The City Manager ensure that ABCD's have input into operational design considerations in transfer agreements with Build Toronto.

Financial Impact

There is no financial impact from this report.

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

DECISION HISTORY

In its consideration of Item EX32.5 on May 4, 2009 the Executive Committee referred the following motion 1 to the City Manager for a report directly to Council on May 25, 2009, as appropriate:

1. a. That the report (April 22, 2009) from the Deputy City Manager and Chief Financial Officer and the Chief Corporate Officer be amended as follows:
 - i. amend Recommendation 7 to read as follows:

“in lieu of applying the Housing First Policy, the Deputy City Manager responsible for the Affordable Housing Office negotiate with Build Toronto the number of affordable housing units and other opportunities for the delivery of affordable housing that Build Toronto may be required to provide on Properties with residential potential in accordance with maximizing City incentives and Federal/Provincial Affordable Housing Program funding on transferred sites.”
 - ii. defer consideration of Recommendation 3e. in order to allow for consultation with the local Councillor and for consideration of heritage aspects of the property.
- b. The following principle be added to the Real Estate Strategy as an incentive to release properties, ABC's and departments that voluntarily offer up properties not already listed, be awarded a percentage of the development profits without any adverse effect on their budgets.
- c. The City Manager be requested to develop an appropriate set of guidelines to steer this principle including an appropriate scale of compensation.
- d. Prior to the declaration of surplus, sale or turnover of any property, there be prior consultation with the local Councillor(s) and as part of that consultation staff be requested to submit a written report on the history of the property and an outline of local considerations that should be taken into consideration be prepared.

The Executive Committee also:

2. requested staff to submit a further report to the Executive Committee as soon as possible, on how Build Toronto will be developing potential protocols around community involvement, architecture, public open space, design and environmental standards; and
3. requested that when any decisions are made by Build Toronto with respect to affordable housing, a report be submitted to the Affordable Housing Committee outlining these decisions.

These issues will be addressed in a report entitled “Implementation Report #2 – New Model to Enhance Toronto’s Economic Competitiveness” to be considered by the Executive Committee at its meeting of June 2, 2009.

COMMENTS

Motion 1.a.i

The substance of Motion 1.a.i is provided for in Recommendation 21 of EX32.5.

Motion 1.a.ii

Recommendation 3e of report EX32.5 deals with 5151 Yonge Street. To address the issues raised at Committee, staff have consulted with the local Councillor and the Councillor’s concerns will be addressed when Build Toronto is given an opportunity to investigate development options for the property and consults with the Councillor and the community in the planning process. Throughout this process, the City will retain title to the property, and any future proposed transfer to Build Toronto will come before Committee/Council for consideration. In addition, the City Planning Division has recommended (report NY26.20) that this property be added to the Inventory of Heritage Properties. It is necessary that this property be declared surplus at this time, in order to proceed with Build Toronto’s investigation of development options on this property and proceed with the consultations requested. It is therefore recommended that Council not approve Motion 1.a.ii.

Motions 1.b and 1.c

These motions propose that City divisions and ABCs (ABCDs) that release properties be awarded a percentage of the profits without any adverse effect on their budgets and that guidelines for this process be developed.

The first 4 principles of the “Principles of a Real Estate Strategy” recommended by the Executive Committee in report EX32.5 deal with this issue. The basic premise of these principles is that all real estate utilized by ABCDs be considered corporate assets, and it is the City as a whole that receives benefits of development. The financial incentive to ABCDs is included in Principle 3 that permits ABCDs to utilize the “value in use” of the asset to offset project costs in their 10 year Capital Program. It is not the intent of the real

estate strategy to disadvantage any City program. Recommendation 5 of EX32.5 recommends that all operating costs and revenues from properties transferred to Build Toronto will be assumed by Build Toronto and that any ABCD budgets impacted by such arrangements will have adjustments made as part of the annual budget process.

The benefits to individual ABCDs that contribute properties will be different for each situation and could include renewed program space, opportunities for increased revenues, or other benefits. It is therefore not advisable to pre-determine a standard financial incentive.

Motion 1.d

The substance of Motion 1.d is provided for in Recommendation 20 of EX32.5, “prior to the declaration of surplus of any additional property with the intended manner of disposal to be by way of turnover or sale to Build Toronto, there be a prior consultation with the local Councillor(s) on local considerations” as well as in the existing protocol that provides for notice to the local Councillor prior to the disposition of a property.

Replacement of Appendix 2(k)

Appendix 2(k) has been replaced by a new sketch that reflects an addition to the area of the property at 150 Symes Road.

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SIGNATURE

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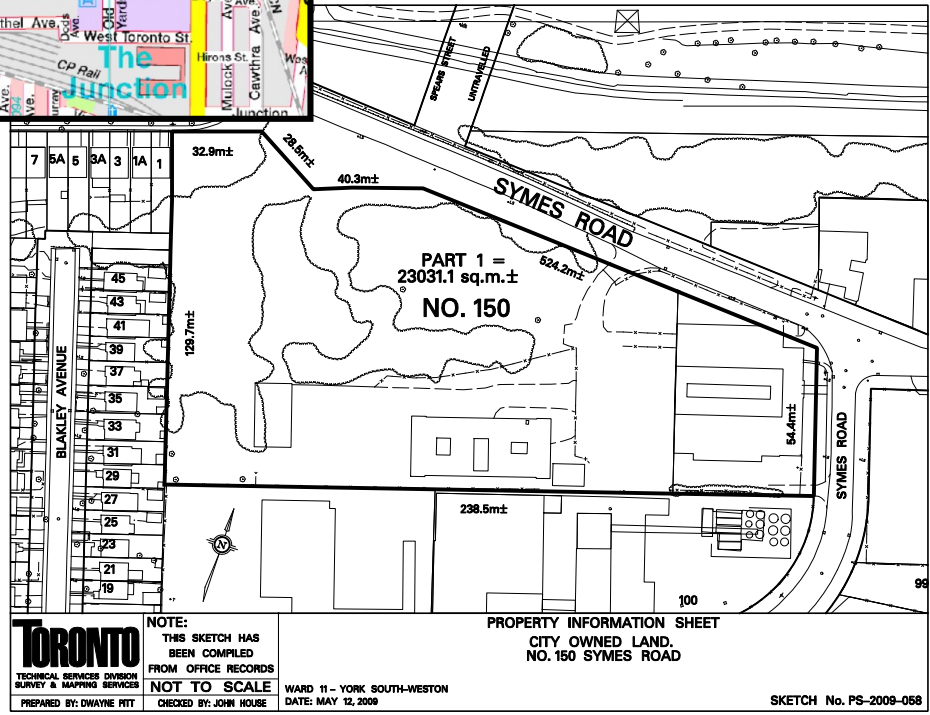
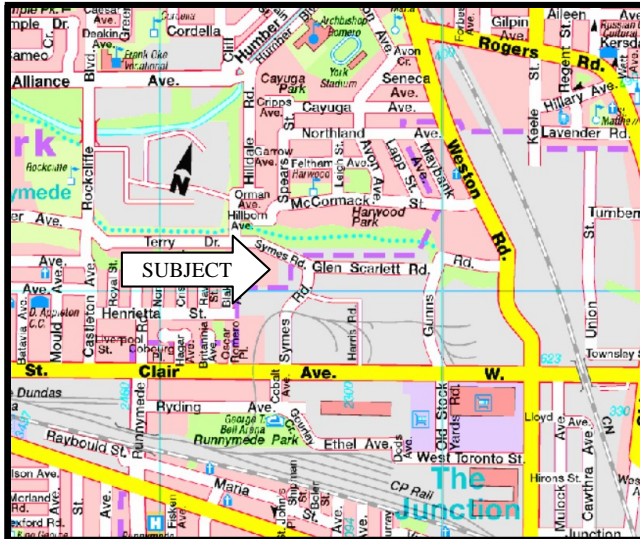
APPENDIX

Appendix 2(k) 150 Symes Road – Ward 11

APPENDIX 2(k)

150 SYMES ROAD – WARD 11

Declare Surplus: 150 Symes Road, shown as Part 1 on Sketch PS-2009-094, be declared surplus, subject to the retention of any Required Interests which are those interests required by law as well as those City and other interests required to be protected, with the intended method of disposal to be by way of transfer to Build Toronto.



Additional Property Information:

Approximate Area:	5.5 acres
Current Use:	Vacant
Issues/Comments:	Included in Etobicoke York District Yard Consolidation Study.