



**STAFF REPORT  
ACTION REQUIRED**

**Acquisition of Toronto District School Board’s  
3495 Lakeshore Boulevard West and 432 Horner  
Avenue sites**

<b>Date:</b>	May 27, 2009
<b>To:</b>	Executive Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	6 - Etobicoke Lakeshore and 10 - York Centre
<b>Reference Number:</b>	P:\2009\Internal Services\F&re\Ec09047F&re – (AFS 10137)

**SUMMARY**

---

The Toronto District School Board (TDSB), at its meeting of June 25, 2008, adopted a resolution pursuant to Section 194(3) of the Education Act to declare 16 properties as not required for the purposes of the Board. Pursuant to Ontario Regulation 444/98, the Toronto Lands Corporation (TLC) which is the real estate arm of the TDSB circulated these properties under a Proposal for Sale. Children’s Services identified an interest in acquiring the site at 3495 Lakeshore Boulevard (Thomas Berry child care centre) which it currently leases from the Board. Parks, Forestry and Recreation identified an interest in acquiring 432 Horner Avenue (Franklin Horner community centre) which they currently lease from the Board and 819 Sheppard Avenue West which is in an area of low parkland provision. The Toronto Parking Authority expressed an interest in 140 Borough Drive and is independently pursuing acquisition of that property.

Negotiations with the Toronto District School Board (TDSB) have been ongoing since April of 2009. The City and TDSB have agreed to the Terms and Conditions as shown on Appendices “A” and “C” to this report and describe the salient terms of these proposed acquisitions which are considered fair and reasonable.

Real Estate Services seeks authority for the City to acquire the properties municipally known as 3495 Lakeshore Boulevard West and 432 Horner Avenue. A report regarding the potential acquisition of 819 Sheppard Avenue West is targeted for the September 17, 2009 meeting of the Government Management Committee.

## **RECOMMENDATIONS**

---

### **The Chief Corporate Officer, the General Manager, Children's Services and the General Manager, Parks, Forestry and Recreation recommend that:**

- (1) Authority be granted to enter into an Agreement of Purchase and Sale with the Toronto District School Board to acquire the property municipally known as 3495 Lakeshore Boulevard West at a purchase price of \$1,350,000.00 plus applicable taxes and registration fees, estimated at \$19,000.00 substantially on the terms outlined in Appendix "A" to this report and on such other terms and conditions as may be acceptable to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
- (2) The 2009 Capital Budget of Children's Services be amended by designating project New Child Care Centre D as "Thomas Berry Child Care Centre Acquisition" for \$1,369,000.00 with funding provided from the Child Care Capital Reserve Fund (XR-1103).
- (3) Authority be granted to enter into an Agreement of Purchase and Sale with the Toronto District School Board to acquire the property municipally known as 432 Horner Avenue at a purchase price of \$4,300,000.00 plus applicable taxes, environmental testing and registration fees, estimated at \$164,000.00 substantially on the terms outlined in Appendix "C" to this report and on such other terms and conditions as may be acceptable to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
- (4) The 2009 Capital Budget of Parks, Forestry and Recreation be amended by the addition of a project "Franklin Horner Community Centre Acquisition" for \$4,464,000.00 with funding provided from the Parkland Acquisition – West District Accounts in the following amounts: the balance of Parkland Acquisition – Etobicoke Reserve Fund (XR-2037) estimated at \$404,000.00; the balance of the Parkland Acquisition – Etobicoke Reserve Fund (XR-2035) estimated at \$108,000.00; the balance of the Parkland Acquisition – West District Local Land Reserve Fund (XR-2202) estimated at \$1,131,000.00 and \$2,821,000.00 from the Parkland Acquisition Reserve Fund – City Wide Land Acquisition (XR-2210).
- (5) The \$2,821,000.00 to be drawn from the Parkland Acquisition Reserve Fund – City Wide Land Acquisition (XR-2210) be repaid through allocation of future cash-in-lieu of parkland dedication from developments in Ward 6 exceeding the base 5% contribution.
- (6) Each of the Chief Corporate Officer and the Director of Real Estate Services be authorized severally to execute, on behalf of the City, the Agreement of Purchase and Sale(s) with the Toronto District School Board.

- (7) The City Solicitor be authorized to complete the transaction(s) on behalf of the City including making payment of any necessary expenses and amending the closing date 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.
- (8) The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**Financial Impact**

The total cost of these acquisitions, is approximately \$5,831,900.00 including all taxes and charges.

The 2009 purchase of the property for the Thomas Berry Child Care Centre (3495 Lakeshore Blvd W) is \$1,369,000.00 with funding provided from the Child Care Capital Reserve Fund (XR-1103). The Thomas Berry Child Care Centre Capital Project, with cash flow of \$1.369 million in 2009 is recommended to replace the “Centre D” project with cash flows of \$0.02 million in 2009, \$1.2 million in 2010 and \$1.1 million in 2011. “Centre D” project is included in the 2009 approved capital budget for Children’s Services and funded from the Child Care Capital Reserve Fund and Development Charges Reserve Fund.

The total cost to purchase the land at 432 Horner Avenue for the Franklin Horner Community Centre is ) is \$4,464,000.00 with funding provided from the Parkland Acquisition – West District Accounts XR2037 – Parkland Acquisition – Etobicoke Local in the amount of \$404,000.00; XR2035 – Parkland Acquisition – Etobicoke in the amount of \$108,000.00 and XR2202 – Parkland Acquisition – West District Local Land in the amount of \$1,131,000.00 and XR2210 – Parkland Acquisition – City Wide Land Acquisition Reserve Fund in the amount of \$2,781,000.00.

A break down of the contemplated costs for the various properties can be found in Appendices “A” and “C”.

<b>Payments to all Owners:</b>	Purchase price (less GST)	\$5,650,000.00
	<b>Total Payment to TDSB</b>	<b>\$5,650,000.00</b>
<b>City’s Closing Costs:</b>	Land Transfer Taxes – app.	\$81,700.00
	Environmental Testing – app.	\$100,000.00
	Registration Costs –app.	\$200.00
<b>Net Cost to City less GST</b>		<b>\$5,831,900.00</b>

GST on Total Purchase Price of all Properties \$282,500.00

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

## DECISION HISTORY

The subject properties are owned by the Toronto District School Board (TDSB) and were declared surplus to their needs pursuant to the provisions of *Ontario Regulation 444/98* made under the *Education Act, R.S.O. 1990* at its meeting of June 25, 2008. Pursuant to *Ontario Regulation 444/98* any offers to purchase the above noted properties needed to be received by the TDSB by December 12, 2008.

The TLC was advised in writing on November 27, 2008 that the City has interest in the above noted properties but requires further time to complete reviews. In a letter dated December 9, 2008 Real Estate Services (Acquisitions & Expropriations) followed up with the TLC to confirm City interest in the identified properties and TLC's willingness to negotiate for the identified properties.

## ISSUE BACKGROUND

The subject properties are owned by the Toronto District School Board (TDSB) and have been declared surplus to their needs pursuant to the provisions of *Ontario Regulation 444/98* made under the *Education Act, R.S.O. 1990*. Under *Ontario Regulation 444/98* there is a "pecking order" of who has first right to the property. Several educational institutions (TCDSB, French School Board, French Separate School Board, Universities & Colleges and independent schools funded by the Ministry of Education) have priority over the City to these properties if they submit an offer. No other party has expressed interest in the properties the City is pursuing acquisition of

Concern has been expressed by Children's Services regarding the TDSB's action of declaring 3495 Lakeshore Boulevard West surplus to its needs, as the property is currently leased by the City. The City runs the risk of losing this property if it does not purchase it. The Thomas Berry child care centre operated by Children's Services has leased 3495 Lakeshore Boulevard from TDSB since 1979. This child care centre has an operating capacity of 107 children. Over 90% of the children enrolled live in the ward and 78% of the enrolled children are from single parent families and 28% live in families receiving social assistance. Loss of this child care centre would have a major impact on service provision for this area. Children's Services would like to acquire this site in order to maintain the child care centre as a continuous fixture in the community.

432 Horner Avenue is a 3.0 acre site, the TDSB has only declared surplus to its needs the 2.0 acre open space component of 423 Horner Avenue. The remaining 1.0 acre portion of the property with the Franklin Horner community centre leased by Parks, Forestry and Recreation has not been declared surplus at this time. Parks has expressed an interest in acquiring the entire property municipally known as 432 Horner Avenue. The TLC has indicated a willingness to recommend the property in its entirety be declared surplus to the needs of the TDSB. In order to do this, the TLC will be required to circulate the school portion of 432 Horner Avenue as per *Ontario Regulation 444/98* to all interested parties. If no other party identifies an interest in the property, the TDSB can proceed with the sale of the property in its entirety to the City. Any Offer to purchase the

property will be pending on TDSB's approval to sell the property in its entirety to the City. Parks has leased the former school located at 432 Horner Avenue since 1986. This is a successful and well used community centre that services the senior citizens of this community. Loss of this site would result in Parks having to relocate within the area. It is more cost efficient to acquire this site at this location versus relocating and acquiring another site within this community. As such Parks would like to acquire this site in order to maintain the facility at this location.

Parks has also identified the acquisition of the 3.61 acre open space component associated with 819 Sheppard Avenue West for park purposes. The property as a whole has a site area of 5.0 acres and has a school building located on it which is currently leased to the Herschel School. The surrounding community has a low level of parkland provision and opportunities such as this to acquire a large piece of open space in this part of the City are limited. This existing school yard has functioned and served as the open space for the surrounding area. Loss of this open space from the public realm would impact to the surrounding community's ability to readily access open space. The TLC has indicated it is not willing to sever the property into two separate parcels of land. However, they are willing to give the City some additional time to determine other options that may be available to acquire the property in its entirety. A report regarding those options is targeted for the September 17, 2009 Government Management Committee meeting.

## **COMMENTS**

If the City does not purchase 3495 Lakeshore Boulevard (Thomas Berry child care centre) the loss of these child care spaces in the community will have a major impact on provision of child care services for this area. The City has also invested substantial amounts of capital into this facility since taking it over in 1979. Remaining at this location is a more cost effective method then relocating.

Franklin Horner community centre (432 Horner Avenue) is a successful and well used facility for local area seniors. Loss of this site would result in Parks having to relocate within the area. P, F&R has identified substantial amounts of capital investment into this facility as part of its future Capital Plan between 2010 and 2013. It is more cost efficient to acquire this site at this location versus relocating and acquiring another site within this community.

Acquisition of the open space component of 819 Sheppard Avenue West is desirable for park purposes, as the surrounding community has a lower level of parkland provision. Opportunities to acquire parkland of this size are very limited in this area of the City. However, options to acquire this property need to be further explored and reported back on.

Negotiations with the Board for the acquisition of these properties have been on-going since April 2009.

The TLC will be reporting back to the TDSB in June on whether any firm offers to purchase these properties have been received.

## **CONTACT**

Joe Casali  
Director, Real Estate Services  
Facilities & Real Estate  
Tel: (416) 392-7202  
Fax: (416) 392-1880  
[jcasali@toronto.ca](mailto:jcasali@toronto.ca)

Anne Marra  
Director, Parks Dev. & Infrastructure Mgt  
Parks, Forestry & Recreation  
(416) 394-5723  
(416) 394-8935  
[amarra@toronto.ca](mailto:amarra@toronto.ca)

Petr Varmuza  
Director, Service Planning and Support  
Children Services  
Tel: (416) 392-8284  
Fax: (416) 392-4576  
[Varmuza@toronto.ca](mailto:Varmuza@toronto.ca)

## **SIGNATURE**

---

Bruce Bowes, P. Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix "A"-Summary of Terms and Conditions -3495 Lakeshore Boulevard West  
Appendix "B" - Location Map- 3495 Lakeshore Boulevard West  
Appendix "C" - Summary of Terms and Conditions 432 Horner Avenue  
Appendix "D" - Location Map - 432 Horner Avenue  
Appendix "E" - Location Map 819 Sheppard Avenue West

Appendix "A"  
 Terms and Conditions – 3495 Lakeshore Boulevard West

Owner: Toronto District School Board

Location: 3495 Lakeshore Boulevard West, Toronto (Appendix "B")

Legal Description: Part of PIN No. 07591 0246 – Part lot 8, BFC Southern Division Fronting Lake Ontario; parts of Lots 117, 377 & 378 and Lots 379-388, Plan1545.

Approximate Lot Size: 0.50 acres (approx.)

Improvements: School Building

Zoning: C1 - Commercial

Official Plan: Mixed Use Area

City Appraised Value: \$1,350,000.00

Irrevocable Date: 90 days

Due Diligence: 120 business days (with a possible extension of 30 days) following acceptance by the Toronto District School Board

Closing Date: 30 business days following the expiry of the Due Diligence Condition

Deposit: \$2.00

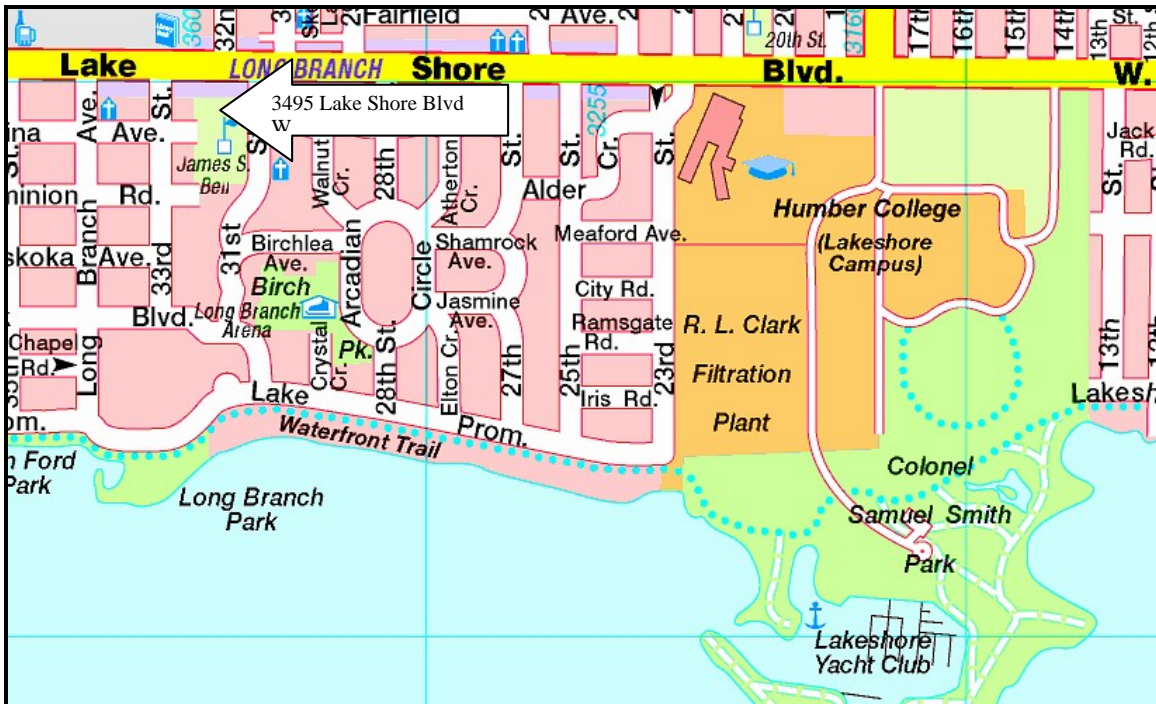
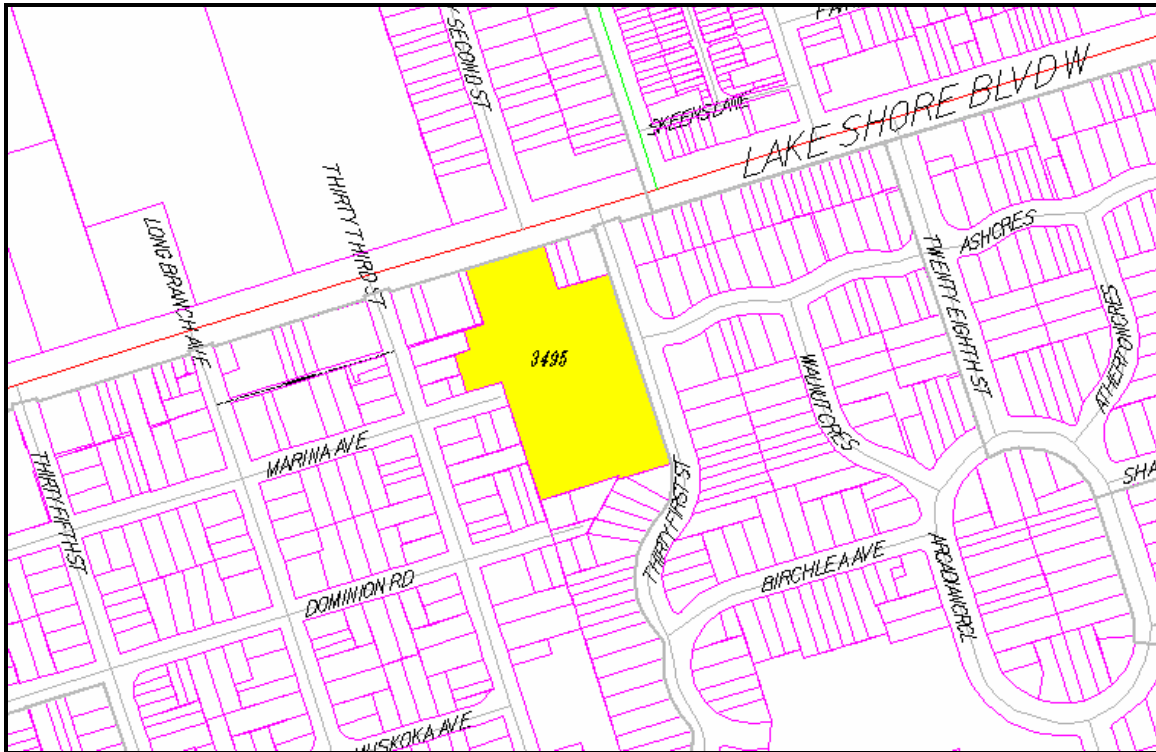
Conditions: Satisfactory results of the Due Diligence Condition

COSTS: Payment to Vendor:

Sale Price:	\$1,350,000.00
City's Closing Costs (approximately):	
Land Transfer Tax	\$ 18,725.00
Registration Costs	<u>\$ 100.00</u>
Total Closing Costs	\$ 18,825.00
Total Acquisition Costs of City	\$1,368,825.00

**GST on Purchase Price \$67,500.00**

Appendix "B" Map - 3495 Lakeshore Boulevard West





Appendix "C"  
 Terms and Conditions – 432 Horner Avenue

Owner: Toronto District School Board

Location: 432 Horner Avenue, Toronto (see Appendix "D")

Legal Description: Part of Lot 17, Plan 2418, City Of Toronto (formerly City of Etobicoke) – PIN-07584-0158

Approximate Lot Size: 3.0 acres

Improvements: School Building

Zoning: R3- Residential

Official Plan: Neighbourhoods

Appraised Value: \$4,300,000.00

Irrevocable Date: 90 days

Due Diligence: 120 business days (with a possible extension of 30 days) following acceptance by the Toronto District School Board

Closing Date: 30 business days following the expiry of the Due Diligence Condition

Deposit: \$2.00

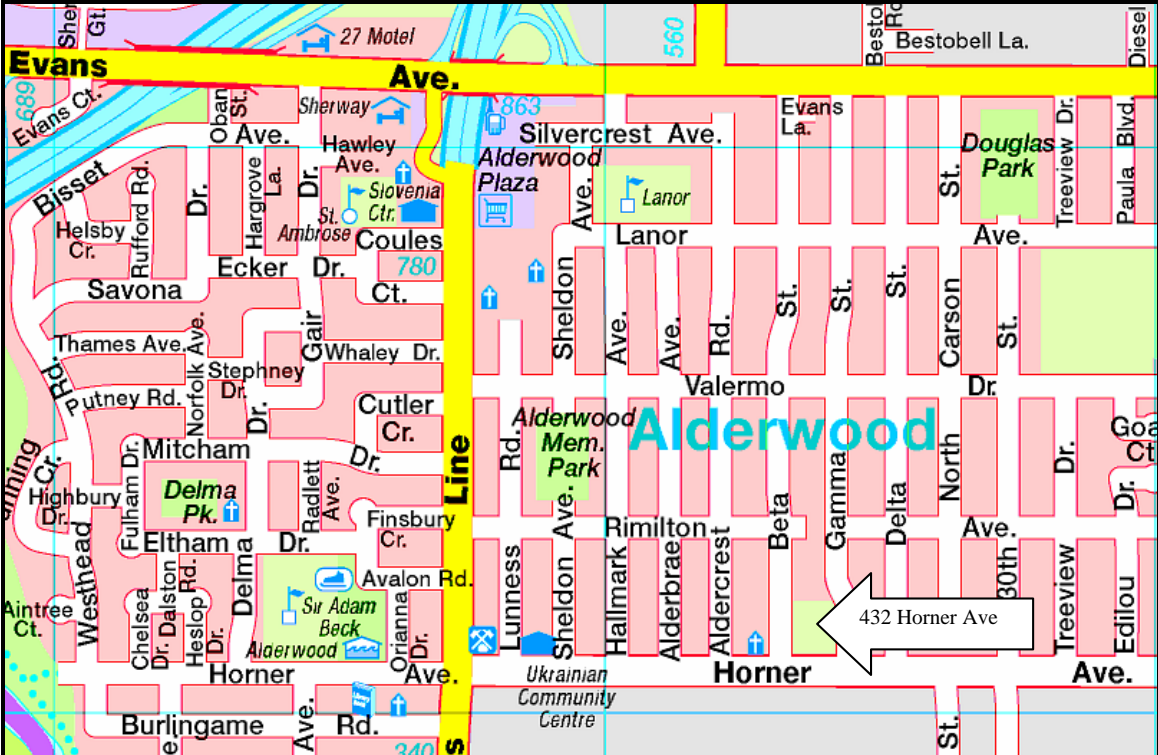
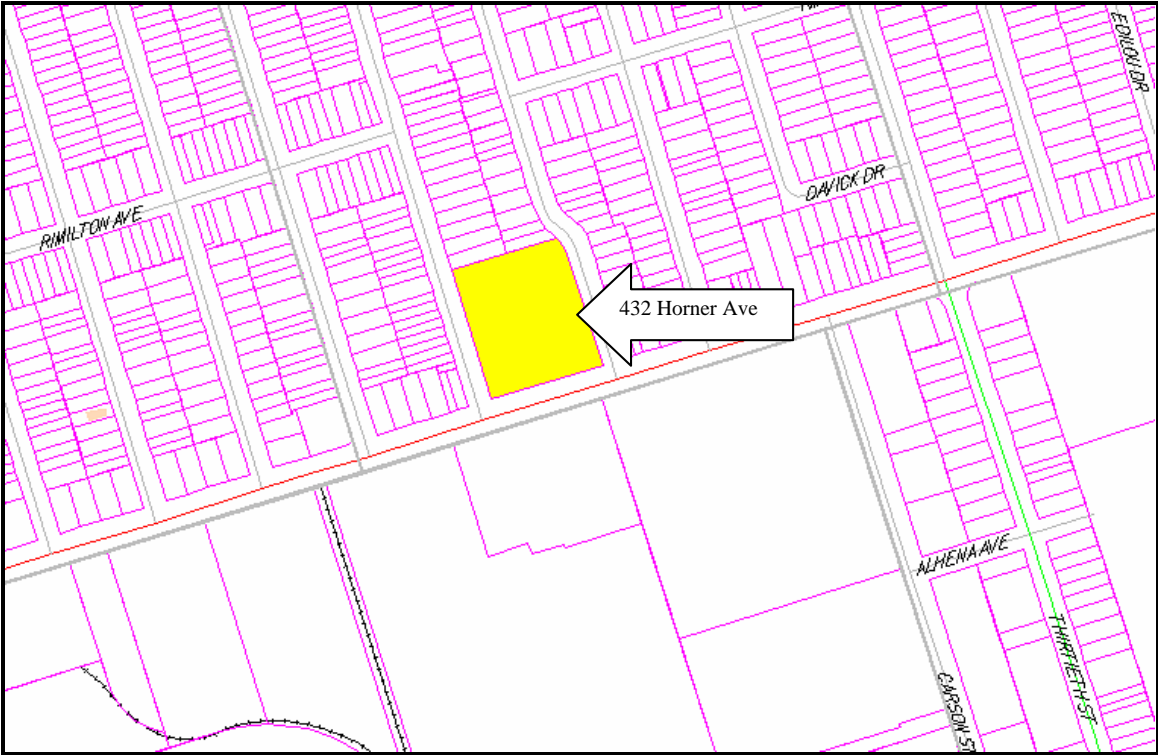
Conditions: Satisfactory results of the Due Diligence Condition

COSTS: Payment to Vendor:

Sale Price:	\$4,300,000.00
City's Closing Costs (approximately):	
Land Transfer Tax	\$ 62,975.00
Environmental Testing	\$ 100,000.00
Registration Costs	<u>\$ 100.00</u>
Total Closing Costs	\$ 63,075.00
Total Acquisition Costs of City	\$4,463,075.00

**GST on Purchase Price \$215,000.00**

Appendix "D" Map – 432 Horner Avenue



Appendix "E" - Map 819 Sheppard Avenue West

