

**Amending Report on Sale of the Public Lane at the Rear  
of 709 and 711 Yonge Street, Extending Northerly from  
Hayden Street**

<b>Date:</b>	January 27, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Toronto Centre – Rosedale – Ward 27
<b>Reference Number:</b>	P:\2009\Internal Services\F&re\Gm09018F&re- (AFS 9370)

**SUMMARY**

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The purpose of this report is to seek an amendment to Recommendation No. (1) of Item GM12.12 adopted by Council at its meeting on March 3, 4 and 5, 2008 authorizing the sale of a public lane adjoining the easterly limit of 709 and 711 Yonge Street, to the adjoining land owners, One Bloor Street East Limited (“1BSEL”).

**RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. Recommendation No. (1) of Item GM12.12 adopted by Council at its meeting on March 3, 4 and 5, 2008 authorizing the sale of a public lane adjoining the easterly limit of 709 and 711 Yonge Street, to the adjoining land owners, 1BSEL, be deleted and replaced with the following recommendation:

- a. City Council accept the Offer to Purchase the public lane at the rear of 709 and 711 Yonge Street, being an unnamed road on Plan 163 and also shown as Part 1 on Sketch No. PS-2007-248 (the “Lane”) from Bazis International (One Bloor Street East) Inc. (the “Purchaser”), in the amount of \$1,170,000.00, substantially on the terms and conditions in the amended Appendix “A” to this report.

### **Financial Impact**

We anticipate revenue in the amount of \$1,170,000.00, (net of GST), less closing costs and the usual adjustments from this sale.

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

### **DECISION HISTORY**

In accordance with the City’s Real Estate Disposal By-law, No. 814-2007, the Lane was declared surplus on January 18, 2008 (DAF No. 2008-023) with the intended manner of disposal to be by inviting an offer to purchase the Lane from the abutting owners at Nos. 709 and 711 Yonge Street.

With the adoption of Item TE13.54, City Council, at its meeting on March 3, 4 and 5, 2008, approved the permanent closure of the Lane subject to compliance with the requirements of the City of Toronto Municipal Code, Chapter 162 and subject to City Council authorizing the sale of the Lane to the abutting owners, 1BSEL.

With the adoption of Item GM12.12, City Council, at its meeting on March 3, 4 and 5, 2008, approved the sale of the Lane and authorized the City of Toronto enter into an Agreement of Purchase and Sale with the abutting owners, 1BSEL.

### **ISSUE BACKGROUND**

According to the Purchaser’s solicitor, 1BSEL is a corporation which is co-owned by two companies, one controlled by Bazis International Inc. (the “Developer”) and one controlled by Lehman Brothers. Since Lehman Brothers filed for bankruptcy, 1BSEL is not able to advance funds in order to complete the Lane transaction.

The Developer intends to proceed with completion of the Lane transaction with the City and progress further with their development plan on the abutting lands collectively known as 1 Bloor Street East (the “Property”).

## **COMMENTS**

Since the Lehman Brothers bankruptcy proceedings will probably take some time to resolve, the Developer is proposing the Lane be conveyed to the Purchaser, a company that is controlled by the Developer, with the understanding that the Lane will eventually be merged with the Property and form part of the whole development site.

City Planning staff has advised they have no concern or objection to the Developer's request as the Lane has very limited development potential on its own and it has to be incorporated into the Property as part of the proposed development that is pending site plan approval. Moreover, as a measure to ensure title to the Lane will merge with the Property and form part of the overall development site, a condition to such effect can be added to the site plan agreement which must be satisfied prior to site plan approval being given by the Chief Planner.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P. Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix A – Terms and Conditions  
Appendix B – Site Map and Sketch No. PS-2007-248