

Transfer of Properties to Build Toronto

Date:	June 19, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	11, 17, 20, 28 – York South-Weston, Davenport, Trinity-Spadina, Toronto Centre-Rosedale
Reference Number:	P:\2009\Internal Services\F&re\Gm09058F&re – AFS 9285

SUMMARY

By its adoption of EX32.5, as amended, on May 25, 26, and 27, 2009, City Council, among other matters, declared sixteen properties surplus, with the intended method of disposal to be by way of a transfer to Build Toronto Inc. (Build Toronto) on an “as is” basis, for nominal consideration.

This report recommends the terms on which four of those properties - 120 and 130 Harbour Street, 150 Symes Road, 383–425 Old Weston Road and 51 Power Street - are to be transferred to Build Toronto.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Authority be granted to enter into an agreement to transfer the property municipally known as 120 and 130 Harbour Street, more particularly described in Appendix 2, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 2 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor;
2. Authority be granted to enter into an agreement to transfer the property municipally known as 150 Symes Road, more particularly described in Appendix 3, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 3 attached, and on such other

and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor;

3. Authority be granted to enter into an agreement to transfer the property municipally known as 383–425 Old Weston Road, more particularly described in Appendix 4, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 4 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor;
4. Authority be granted to enter into an agreement to transfer the property municipally known as 51 Power Street, more particularly described in Appendix 5, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 5 attached, and on such other terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor;
5. Each of the Chief Corporate Officer and the Director of Real Estate Services be authorized severally to execute the transfer agreements on behalf of the City;
6. Authority be granted to fund the City’s outstanding expenses related to these properties from the Approved 2009 Operating Budget for Facilities and Real Estate (F&RE) and, that once these transactions are finalized, the funding for the expenses be transferred from the Land Acquisition Reserve Fund (LARF), with appropriate adjustments to F&RE’s Approved 2009 Operating Budget through a subsequent Quarterly Variance Report;
7. Authority be granted to make appropriate budget adjustments to F&RE’s Operating Budget to address the net revenue loss arising from the transfer of 120 Harbour Street to Build Toronto, effective January 1, 2010;
8. Appendix 2(k) in EX32.5, as amended, in respect of 150 Symes Road, be further amended to correct an inadvertent typographical error by deleting the words “Sketch PS-2005-094” in line 1 and replacing them with “Sketch PS-2009-058”; and
9. The City Solicitor be authorized to complete the transactions to be provided for in the transfer agreements on behalf of the City, including making payment of any necessary expenses, amending the closing and other dates to such earlier or later date(s), and amending or waiving the terms and conditions, as she may from time to time consider reasonable.

Financial Impact

Consistent with the policy approved by City Council, the transfer/sale of properties to Build Toronto results in the timing of the receipt of proceeds from the development and disposition of surplus properties being delayed in order to optimize benefits to the City as a whole and achieve potentially greater returns.

As the properties that are the subject of this report are being transferred for nominal consideration, no revenue will be available to cover the expenses of effecting the transfers, such as registration charges that would normally be for the account of the vendor in a transaction of purchase and sale, survey fees, appraisal fees, etc. As the total of the expenses for these properties is not known at this time, it is recommended that these expenses be accommodated within the F&RE's 2009 Approved Operating Budget and that, once known, funds be provided from the LARF. A budget transfer to adjust F&RE's 2009 Approved Operating Budget for these expenses, funded from the LARF through a subsequent Quarterly Variance Report is also recommended.

F&RE has jurisdiction over 120 Harbour Street and receives revenue from it, which according to the terms of the transfer will become revenue for the account of Build Toronto starting in 2010. Pursuant to Recommendation 5 of EX32.5, effective 2010, an adjustment of \$57,623 will be required to the F&RE Operating Budget. This reflects the net revenue received for 2008 from the parking lot on 120 Harbour Street operated by Toronto Parking Authority (TPA).

The other three properties are currently vacant and contribute no revenue to the City. Build Toronto's development activities on these properties should result in a positive revenue gain for the City from realty taxes and future dividends from Build Toronto's developments.

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

DECISION HISTORY

On May 25, 26, and 27, 2009, City Council adopted EX32.5, as amended, endorsed the Principles of a Real Estate Strategy and declared surplus, subject to the retention of Required Interests, sixteen properties, with the intended method of disposal to be a transfer to Build Toronto, and five properties, with the intended method of disposal to be a turnover to Build Toronto.

New Model to Enhance Toronto's Economic Competitiveness

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-15926.pdf>

Principles of a Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20629.pdf>

Appendices 2, 3 and 4 - Properties to be Declared Surplus
<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20630.pdf>

Report on Executive Committee Motion Regarding EX32.5a
(<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21424.pdf>)
(<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21647.pdf>)

COMMENTS

This report gives effect to EX32.5 with respect to the properties municipally known as 120 and 130 Harbour Street, 150 Symes Road, 383–425 Old Weston Road and 51 Power Street, and will contribute to Build Toronto’s portfolio of development properties.

In adopting EX32.5, as amended, at its meeting on May 25, 26, and 27, 2009, City Council, among other matters, declared the whole of 150 Symes Road, shown as Part 1 on Sketch PS-2009-058 surplus. However, in the text accompanying Sketch PS-2009-058 in Appendix 2(k) in EX32.5 there was a typographical error, and reference was mistakenly made to “Sketch PS-2005-094”. Recommendation 7 in this Report corrects this technical error.

CONTACT

Joe Casali
Director, Real Estate Services
Tel: (416) 392-7202
jcasali@toronto.ca

Chuck Donohue, P.Eng.
Executive Director, Facilities & Real Estate
(416) 397-5151
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.,
Chief Corporate Officer

ATTACHMENTS

Appendix 1 - Terms and Conditions of Transfer for All Properties
Appendix 2 - 120 and 130 Harbour Street
Appendix 3 - 150 Symes Road
Appendix 4 - 383–425 Old Weston Road
Appendix 5 - 51 Power Street