

Proposed Permanent Closure and Sale of the Portion of the Public Lane at the Rear of 860-862 Richmond Street West

Date:	January 19, 2009
To:	Toronto and East York Community Council
From:	General Manager, Transportation Services and Chief Corporate Officer
Wards:	Trinity-Spadina – Ward 19
Reference Number:	Ts09016te.top.doc

SUMMARY

The General Manager, Transportation Services and the Chief Corporate Officer recommend that the portion of the public lane at the rear of 860-862 Richmond Street West be permanently closed, and that the City accept the Offer to Purchase the said portion of the lane from the adjoining land owner, King Lofts Toronto I Ltd., substantially on the terms and conditions outlined in Appendix “A” to this report.

The terms for completing the transaction, as set out herein, are considered to be fair, reasonable and reflective of market value.

RECOMMENDATIONS

The General Manager, Transportation Services and the Chief Corporate Officer recommend that City Council:

1. Permanently close the portion of the public lane, shown as Part 1 on the attached Sketch No. PS-2008-105 (the “Lane”), subject to compliance with the requirements of City of Toronto Municipal Code Chapter 162.
2. Direct Transportation Services staff to give notice to the public of a proposed by-law to close the Lane, in accordance with the requirements of City of Toronto Municipal Code, Chapter 162, with the Toronto and East York Community

Council to hear any member of the public who wishes to speak to the matter during consideration of the proposed by-law.

3. Direct Transportation Services staff to advise the public of the proposed closure of the Lane prior to implementation, in accordance with the requirements of the Municipal Class Environmental Assessment for Schedule “A⁺” activities, by posting notice of the proposed closure on the notices page of the City’s Web site for at least five working days prior to the Toronto and East York Community Council meeting at which the proposed by-law to close the Lane will be considered.
4. Authorize the City to accept the Offer to Purchase from the adjoining owner, King Lofts Toronto I Ltd. (the “Purchaser”), to purchase the Lane, in the amount of \$106,000.00, substantially on the terms outlined in Appendix “A” to this report.
5. Authorize each of the Chief Corporate Officer and the Director of Real Estate Services severally to accept the Offer to Purchase on behalf of the City.
6. Grant authority to direct a portion of the proceeds of the closing to fund the outstanding expenses related to the Lane and the completion of the sale transaction.
7. Authorize the City Solicitor to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.

Financial Impact

The closing of the Lane will not result in any costs to the City as the Purchaser is required to pay all costs associated with the closing of the Lane as part of the sale transaction. The City anticipates revenue in the amount of \$106,000.00, (net of GST), less closing costs and any appropriate 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 19, 2009 (DAF No. 2009-002), with the intended manner of disposal to be by inviting an offer to purchase the Lane from the adjoining owner at 860-862 Richmond Street West, King Lofts Toronto I Ltd.

ISSUE BACKGROUND

Transportation Services received a request from the Purchaser’s solicitor to investigate the feasibility of permanently closing and conveying the Lane to the Purchaser. The Purchaser’s building, which was constructed between 1913 and 1919, is constructed on the Lane and the Purchaser wishes to obtain legal ownership of the land upon which this portion of its building is located.

COMMENTS

Transportation Services has reviewed the feasibility of closing the Lane and has determined that the Lane can be permanently closed and sold.

Negotiations between City staff and the Purchaser have been completed and the Purchaser and staff have agreed that the value of the Lane is \$106,000.00. Additional details of the terms and conditions of sale are set out in Appendix “A” and are considered to be fair, reasonable and reflective of market value.

There are no municipal services or public utilities located within the Lane.

Details of the Lane are as follows:

Approximate Size	North/South: 16.9 m± (55.45 ft.) East/West: 3.7m± (12.14 ft.)
Approximate Area:	61.7 m ² (664.13 ft ²)
Current Status:	Public Lane

A Cost Centre has been put in place to charge costs directly related to the sale of City-owned properties, and includes such terms as commissions and surveying. A recommendation is included in this report to direct a portion of the sale proceeds to fund the outstanding expenses related to the Lane.

As of the writing of this report, not all of the steps necessary to comply with the City’s real estate disposal process as set out in Chapter 213 of the City of Toronto Municipal Code have been complied with, as notice of the proposed sale has not yet been given. By the date of consideration of this report by the Community Council, the required public notice will have been given.

Closing Process:

The closing process requires two separate approvals from City Council. The first approval initiates the process to close the Lane and authorizes the terms and conditions of the sale of the Lane. The second City Council approval authorizes the closing by-law. In addition, the public has the opportunity to speak to the matter if they wish to do so at Toronto and East York Community Council during consideration of the draft by-law.

The requirements of the Municipal Class Environmental Assessment (Schedule “A⁺”) will be incorporated into the public notice advising the public of the draft by-law to close the Lane.

CONTACT

Andre Filippetti
Manager, Traffic Planning
Toronto & East York District
Telephone: 416-392-7713
Facsimile: 416-392-1920
E-mail: afillipp@toronto.ca

Joe Casali
Director, Real Estate Services
Telephone: 416-392-7202
Facsimile: 416-392-1880
E-mail: jcasali@toronto.ca

SIGNATURE

Gary Welsh, P. Eng.
General Manager
Transportation Services

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix “A” – Terms and Conditions of Offer to Purchase
Appendix “B” – Site Map and Sketch No. PS-2008-105

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