



STAFF REPORT ACTION REQUIRED

Proposed Acquisition of 77 Whitbread Crescent from Toronto Hydro

Date:	August 24, 2010
To:	City Council
From:	Chief Corporate Officer and General Manager of Parks, Forestry and Recreation
Wards:	Ward 9 – York Centre
Reference Number:	P:\2010\Internal Services\RE\Cc10075re-(AFS 12798)

SUMMARY

The purpose of this report is to seek City Council’s authority to negotiate acquisition of 77 Whitbread Crescent (the “Property”) from Toronto Hydro.

RECOMMENDATIONS

The Chief Corporate Officer and the General Manager of Parks, Forestry and Recreation recommend that:

1. Authority be granted to negotiate acquisition of the Property with Toronto Hydro as set out substantially in the attached Appendix “A”, and on such other terms as may be approved by the Chief Corporate Officer and the Director of Real Estate Services in a form satisfactory to the City Solicitor;
2. The 2010 Parks, Forestry and Recreation Capital Budget be amended to include a new land acquisition capital project “77 Whitbread Crescent” costing \$310,000.00 funded from Reserve Fund “Ward 9 Parkland” (XR2212);
3. Upon receipt of the negotiated Offer to Sell from Toronto Hydro for the Property, either the Chief Corporate Officer or the Director of Real Estate Services, be authorized severally to execute the Offer to Sell on behalf of the City;
4. The City Solicitor be authorized to complete the transaction on behalf of the City including making payment of any necessary expenses, and amending the closing date

and other dates to such earlier date(s) and on such terms and conditions as may from time to time consider reasonable.

Financial Impact

There is no funding in the Council approved 2010 Parks, Forestry and Recreation Capital Budget for the acquisition or development of 77 Whitbread Crescent. The estimated cost to acquire this property totals \$308,885.00 and includes the purchase price of \$258,000.00, Land Transfer Tax of \$2,345.00, HST of \$33,540.00, a Phase II environmental assessment of \$15,000.00 plus closing costs. This report recommends that the 2010 Parks, Forestry and Recreation Capital Budget be amended to include a land acquisition capital project for \$310,000.00 to be funded from Reserve Fund "Ward 9 Parkland" (XR2212). The current balance of this Reserve Fund is \$851,961.00. The cost to remove the current structure and build the new park is estimated at \$325,000.00. A funding source for this work must be identified and a Capital Budget project approved by Council before work can proceed. This report does not provide for that.

A Phase II Environmental Assessment Study will be carried out to determine if the property requires further remediation to meet residential/parkland standards. The cost of the environmental assessment of \$15,000.00 is included in the \$310,000.00. The potential remediation costs are unknown at this time with no funding available in the 2010 Parks, Forestry and Recreation Capital Budget.

The ongoing maintenance cost of the new park is estimated at \$26,000.00 per year. There is currently no provision for this future expenditure in the 2010 Parks, Forestry and Recreation Base Operating Budget; future consideration of Council would be required.

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

DECISION HISTORY

At its meeting of August 12, 2010, the Government Management Committee reviewed a new business item entitled, "Proposed Acquisition of 77 Whitbread Crescent from Toronto Hydro – Ward 9 – York Centre," which identified the site as a desirable location for a small park by the Ward Councillor.

Among other things, the Government Management Committee directed the Chief Corporate Officer and the General Manager of Parks, Forestry and Recreation to report directly to Council on the required funding for maintenance and build out of the proposed park at 77 Whitbread Crescent.

Committee Decision (Item GM33.44):

<http://www.toronto.ca/legdocs/mmis/2010/gm/decisions/2010-08-12-gm33-dd.htm>

ISSUE BACKGROUND

77 Whitbread Crescent is a former Toronto Hydro transformer station located directly west of the newly opened Jane/Sheppard branch of the Toronto Public Library at 1906 Sheppard Ave. West. The Property is also two doors down from 1900 Sheppard West, which is a 3-storey, 27 unit apartment approved by City Council in July 2006.

The property was declared surplus to Hydro's needs and was listed for sale along with other surplus Hydro properties through DTZ Barnicke, a commercial real estate brokerage.

City staff have been in discussions with Toronto Hydro and have submitted an offer to sell in the amount of \$258,000.00 for a clean site. At the time of writing this Report, Toronto Hydro advised they are agreeable to the proposed purchase price and will advise further on the other terms and conditions.

COMMENTS

This site, located next to the new public library, is available for purchase from Toronto Hydro. This 1,209 m² site has frontage on both Whitbread Crescent and Sheppard Avenue West. Currently there is a structure on site that resembles a residential building, but is, in fact, a hydro substation. This site is no longer needed by Toronto Hydro.

This site is in an area of the City that has the second highest level of local parkland provision (of the 5 levels of identified local parkland provision levels as compared across the City). Because of this, the site is not a priority parkland acquisition. This site, however, is in the Jane-Finch Priority Investment Area, one of the City's 13 Priority Neighbourhoods. According to the local ward councillor, the Jane and Sheppard Community is one of the neediest and most challenged in the City of Toronto and in need of parkland, and therefore wishes to take the opportunity to acquire the Property which is now available for sale by Toronto Hydro.

Since 2009, the City of Toronto has had in place an alternative Parkland By-law that increases the parkland rate above 5% for certain parkland acquisition neighbourhoods. This area is within this PAPA, and as a result there are additional funds generated from new development. These additional funds are accumulated and with input from the local ward councillor, the funds are used for either park maintenance and development, or for parkland acquisition close to the development site. The local ward councillor has indicated that she would like these above 5% parkland cash-in-lieu funds to be used for this acquisition.

A key concern of this potential acquisition will be the environmental condition of the land. Toronto Hydro's practice is to clean their lands to industrial/commercial standard only. For this land to be used for park purposes, the lands must be cleaned to residential/parkland standards. In terms of cost and time efficiency, it is the City's objective that this land be remediated only once; in doing so, this may require that the

City acquire the land in as is condition, but with an agreement set in place that fairly accounts for the cost to clean the site to the level required for its intended use. Should Toronto Hydro not agree to this condition, then the City shall have the option to terminate the deal.

A proposed design for this property was circulated at the August 12th Government Management Committee meeting. The cost to build the circulated design would be approximately \$325,000.00. A scaled back design would cost substantially less.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.,
Chief Corporate Officer

Brenda Patterson,
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ATTACHMENTS

Appendix "A" – Terms and Conditions
Appendix "B" - Subject Location Map