



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Acquisition of 330 Progress Avenue

Date:	January 20, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 37 – Scarborough Centre
Reason for Confidential Information:	This report is to authorize a pending land acquisition by the City (subsection 190(2)(c) City of Toronto Act) Purchase of property known as 330 Progress Avenue for the Toronto Police Service
Reference Number:	P:\2010\Internal Services\RE\gm10001re – (AFS-11303)

SUMMARY

The purpose of this report is to seek authority for the City to acquire the property municipally known as 330 Progress Avenue from Sanmina-Sci Systems (Canada) Inc. This property is required by the Toronto Police Service to meet its evidence management space requirements for the next 25 years.

Negotiations with the owner of this property have been ongoing since September 2009. Prior to this report going to Council, the owner will have signed an irrevocable Offer to Sell their property to the City. Proposed terms of the offer are set out in Appendix “A” and confidential Attachments “1”. The terms are considered to be fair and reasonable.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the City to accept the Offer to Sell from the owner of 330 Progress Avenue, Sanmina-Sci Systems (Canada) Inc. (the “Owners”), on the terms outlined in Appendix “A” and confidential Attachment 1 to this report.

2. The Chief Corporate Officer and the Director of Real Estate Services, be severally authorized to execute the Offers to Sell on behalf of the City.
3. City Council authorize the public release of the confidential information in Attachment 1 once this transactions has closed.
4. The City Solicitor be authorized 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.
5. The Chief Corporate Officer communicate to the Toronto Police Service Board that in order for the TPS to be given operation and management control of 330 Progress Avenue, it is required for the Board to declare operationally surplus 799 Islington Avenue.
6. Upon completion of Recommendation No. 5, the Chief Corporate Officer shall provide operation and management control of 330 Progress Avenue to the TPS, at the same time, operation and management control of 799 Islington Avenue is provided to the Real Estate Services Division.
7. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

This proposed transaction will result in an expenditure for the purchase price of the property as well as land transfer tax costs, as detailed in confidential Attachment 1. Closing costs are set out in Appendix “A”. These expenditures will be funded from the 2010 Approved Capital Budget for Toronto Police Services, Capital Account PL-100068 (Property Evidence Management Unit).

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

DECISION HISTORY

In 2007 the Toronto Police Service (TPS) undertook a study to determine what the TPS required from an evidence management technology perspective and also the long-term physical storage requirements to adequately store evidence and property. This study was undertaken due to the fact that the existing Property and Evidence Management Unit (PEMU) located at 799 Islington Avenue will reach maximum capacity by 2012.

The study recommended a multi-functional facility is required to incorporate vehicles seized as evidence, cargo-theft seizures, to account for future growth and the long-term/indefinite storage of homicide and forensic exhibits. It was determined that a building of 228,800 ft² (21,256 m²) situated on a 10 acre site was required to meet these needs. The expected life span of the recommended facility is 25 years.

ISSUE BACKGROUND

In September 2007 the TPS identified the need to relocate the existing PEMU facility to accommodate the future growth of its space requirements. In 2008 Real Estate Services began its search for the required property. Over the course of 2008 and 2009 Real Estate Services and TPS inspected several potential properties. Either the cost to acquire those properties, the condition of the existing building on site or both made those various sites unacceptable. Given the nature of the proposed facility and the associated costs, leasing of an existing building was not feasible.

The recommended property is owned by Sanmina-Sci Systems (Canada) Inc and was listed for sale on the open market in 2009. This property has an area of 23.9 acres (9.7 ha) of which 8.0 acres (3.2 ha) are still developable. The industrial building on this property, constructed in 2001, is in very good condition and it has a total gross floor area of 287,752 ft² (26,732 m²). Accordingly, this property is acceptable and is strongly recommended because it meets both the site size and the storage building facility requirements of the Toronto Police Service.

COMMENTS

Negotiations with Sanmina-Sci Systems (Canada) Inc. have resulted in agreement for the purchase price of the subject property substantially on the terms and conditions outlined in Appendix “A” and Confidential Attachment 1.

Staff considers this Offer to Sell to the City to be fair and reasonable and therefore, recommends the approval of this transaction.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – 330 Progress Avenue, Confidential Information
Appendix “A” – Terms (330 Progress Avenue)
Appendix “B” - Location Map 330 Progress Avenue

Appendix “A” – Terms
Sanmina-Sci Systems (Canada) Inc Offer to Sell to City of Toronto

330 Progress Avenue, Toronto

Terms	
(1) Owner:	Sanmina-Sci Systems (Canada) Inc
(2) Location:	330 Progress Avenue, Toronto, as shown in Appendix "B"
(3) Legal description:	Parts of Lots 25 and 26, concession 2, geographic township of Scarborough, designated as PART 1 and as PART 2 on Reference Plan 64R-5718, saving and excepting therefrom PART 1 on Reference Plan 64R-11021, in the City of Toronto, Ontario, Canada, comprising all of the lands recorded under PIN 06000-0072 (LT). 46, Plan 3163, City of Toronto (formerly City of North York), PIN 10143-0066
(4) Closing registration costs:	\$100.00
(6) GST/HST	The City will pay applicable GST/HST
(7) Irrevocable date:	30 days after owner's execution of Offer to Sell
(8) Due diligence period:	75 days following City's acceptance of Offer to Sell
(9) Closing date:	April 28, 2010
(10) Conditions:	Satisfactory results of due diligence inquiries

Appendix “B” – Location Map

330 Progress Avenue, Toronto

