



STAFF REPORT ACTION REQUIRED

Sale of 11 Spadina Road

Date:	February 24, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	20 Trinity-Spadina
Reference Number:	P:\2010\Internal Services\Re\Gm10009re - (AFS-10638)

SUMMARY

The purpose of this report is to obtain approval for the sale of 11 Spadina Road.

The property was listed for sale on the open market, and the Offer to Purchase from Akram Bousaleh is being recommended for acceptance by the City.

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

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the City to accept the Offer to Purchase from Akram Bousaleh to purchase 11 Spadina Road, being part of PCL 9-1, Section M2, designated as Parts 3 and 4 on Plan 66R-23383, subject to the retention of an easement in Part 3 for transit purposes (the "Property"), in the amount of \$761,100.00, substantially on the terms and conditions outlined in Appendix "A" to this report.
2. City Council 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.
3. City Council authorize a portion of the proceeds of closing be directed to fund the outstanding expenses related to the Property and the completion of the sale transaction.

4. City Council 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

Revenue in the amount of \$761,100.00, less closing costs, real estate commission fees, applicable taxes and the usual adjustments, is anticipated.

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

DECISION HISTORY

On January 27, 28 and 29, 2004, City Council by its adoption of Clause No. 10 of Report No. 1 of the Administration Committee, declared the Property surplus with the intended manner of disposal to be by way of listing the Property for sale on the open market.

In 2009, by its enactment of By-law No. 212-2009, City Council designated the Property as being of cultural heritage value or interest and by its enactment of By-law 65-2009 provided for the entering into of a Heritage Easement Agreement for the conservation of the Property. The Offer being recommended requires the Purchaser to enter into a Heritage Easement Agreement with the City.

ISSUE BACKGROUND

11 Spadina Road was acquired for \$44,500.00 by the former Municipality of Metropolitan Toronto in 1971, in connection with the Spadina Expressway project. The project did not proceed and the Property was leased in the following years with the last tenant vacating in May 2007. The Property is currently vacant. The Property was not acquired through expropriation proceedings.

Toronto Transit Commission has advised that there is a below grade tunnel and track running under a portion of the rear of 11 Spadina Road (Parts 1 and 2, Plan 66R-23383) and they have no objection to the sale of the Property, provided that the City reserves an easement in Part 3, Plan 66R-23383 for transit purposes and the Purchaser enters into a transit agreement in respect of transit operations in the vicinity of the Property.

COMMENTS

Further details of the Property are:

1. Frontage – Spadina Road:	7.57 m (24.84 ft)
2. Depth:	39.64 m (130.05 ft)
3. Area:	299.9 m ² (3,228.2 ft ²)

In September 2009, the Property was listed for sale with Colliers Macaulay Nicolls

(Ontario) Inc., Brokerage at an asking price of \$755,000.00, but no recommendable offers were received.

On January 18, 2010, the Property was again listed for sale on the open market with Colliers Macaulay Nicolls (Ontario) Inc., Brokerage at an asking price of \$749,000.00. Six offers were received prior to the noon offer submission deadline on February 17, 2010. However, three of the six offers were non compliant and therefore could not be considered.

The following three compliant offers were received:

Offeror's Name	Offer Amount	Deposit	Additional Terms
Akram Bousaleh	\$761,100.00	\$38,500.00 (Bank Draft)	None
Margarete Maria Wacker	\$750,000.00	\$50,000.00 (Bank Draft)	None
Kenneth Ivan Chestney o/a Heritage Investments	\$740,000.00	\$37,000.00 (Certified Cheque)	None

The Offer to Purchase submitted by Akram Bousaleh in the amount of \$761,100.00 is considered fair, reasonable and reflective of market value and is recommended for acceptance substantially on the terms and conditions outlined in Appendix "A" to this report. Real estate commission fees payable on the sale are 3% of the purchase price.

All 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. A Cost Centre has been put in place to charge costs directly related to the sale of City-owned properties. A recommendation is included in this report to direct a portion of the sale proceeds to fund the outstanding expenses related to the Property.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" – Terms and Conditions of Offer to Purchase
Appendix "B" – Site Map and Reference Plan 66R-23383