



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Real Estate Expropriations – Toronto-York Spadina
Subway Extension Project (South of Steeles)**

Date:	February 24, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 8 – York West
Reason for Confidential Information:	This report is about a proposed or pending land acquisition by the City or one of its agencies, boards, and commissions and deals with litigation or potential litigation that affects the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2010\Internal Services\ Re\Gm10015re - (AFS 11247)

SUMMARY

In January 2009, City Council authorized City staff to initiate expropriation proceedings, if necessary, for thirty two properties required for the construction of a portion of the Toronto-York Spadina Subway Extension Project (the “Project”) within the geographical boundaries of the City of Toronto (“City”). For three of those properties, all the necessary steps required under the *Expropriations Act* have been taken and this report recommends that City Council, as approving authority under the *Expropriations Act*, approve the expropriation of 3933 Keele Street, 3941 Keele Street and 3955 Keele Street.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council, as the Approving Authority, approve the expropriation of 3933 Keele Street, 3941 Keele Street and 3955 Keele Street for the purpose of constructing the Finch West subway station and all works ancillary thereto, in connection with the construction of a portion of the Toronto-York Spadina Subway Extension.

2. City Council grant leave for introduction of the necessary Bill in Council to give effect thereto.
3. City Council authorize City staff to take all necessary steps to comply with the *Expropriations Act*, including but not limited to, the preparation and registration of an Expropriation Plan and the service of Notices of Expropriation, Notices of Election as to a Date for Compensation and Notices of Possession, for these three properties.
4. City Council further authorize City staff to obtain appraisal reports to value these three properties, updated to the date of expropriation; and to prepare and serve offers of compensation on all registered owners, at the appraised values, all in accordance with the requirements in the *Expropriations Act*.
5. City Council authorize the Director of Real Estate or his designate to sign the Notices of Expropriation, Notices of Possession and the Offers of Compensation on behalf of the City for these three properties.
6. City Council authorize the public release of the confidential information contained in Attachment 1 once there has been a final determination of the compensation payable to the Owners by arbitration, appeal or settlement to the satisfaction of the City Solicitor.

Financial Impact

Total estimated property acquisition costs for the Project were estimated preliminarily at \$125 million (in as spent dollars), with 59.96% of the cost, attributable to the City and the remainder to York Region.

Confidential Attachment 1 to this report identifies the initial appraised values for the properties recommended for expropriation, namely 3933 Keele Street, 3941 Keele Street and 3955 Keele Street.

Funding is available in the Council Approved 2010 Capital Budget and 2011-2019 Capital Plan within the Spadina Subway Extension Capital Project.

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

DECISION HISTORY

On January 27 and 28, 2009, City Council adopted Item GM20.4 thereby authorizing the Director of Real Estate to commence negotiations to acquire the identified property requirements from thirty two property owners, including the initiation of expropriation proceedings where necessary, for the purposes identified in that report, in connection

with the construction of a portion of the Project within the geographical boundaries of Toronto. The report can be found at:

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-01-27-cc30-dd.pdf>

ISSUE BACKGROUND

The \$2.6 billion Project involves an 8.6 km, 6 station, extension of the TTC Spadina Subway system from the existing Downsview station to the Vaughan Corporate Centre at Highway 7 in York Region. Each municipality will be responsible for acquiring properties within its own geographical boundaries, and for resolving all related claims for compensation.

The City portion of the Project is 6.2 km in length, and includes four stations: Sheppard West; Finch West; York University; and Steeles West (this station crosses the municipal boundary). As the design progresses, TTC identifies its property requirements to the City for acquisition either by negotiation or expropriation to ensure City ownership in sufficient time for the commencement of construction.

TTC has identified that the full properties at 3933 Keele Street, 3941 Keele Street and 3955 Keele Street are required in connection with the construction of the Finch West Subway Station, including utility relocation, traffic diversions, construction of a bus terminal and driveway, entrance building and other construction requirements.

COMMENTS

As authorized by City Council, negotiators have approached the various property owners identified in the January, 2009 report. Negotiations are still underway with certain owners but for others, where construction time lines are tight, notices of application for approval to expropriate were published and served.

The owners of 3933 Keele Street, 3941 Keele Street and 3955 Keele Street have not requested an Inquiry and the time limitation set out in the *Expropriations Act* for the receipt of such requests has expired. Therefore, this report seeks approval from City Council, as the Approving Authority under the *Expropriations Act*, to expropriate 3933 Keele Street, 3941 Keele Street and 3955 Keele Street to ensure that ownership is secured to meet construction time lines.

Once an expropriation plan is registered and the property interests are expropriated, the *Expropriations Act* requires the City to serve an offer of compensation based on an appraisal report valuing the expropriated property as of the date of expropriation. Interest at the statutory rate and costs may also be payable. The City has already received initial draft appraisals for these three properties. Real Estate Services has reviewed the appraisals and is satisfied they represent a fair estimate of the market value.

This report also seeks direction to have the appraisals updated to the date of expropriation and served on the property owners along with an Offer of Compensation for the appraised value, plus interest and costs as required by the *Expropriations Act*.

It is always preferred that the acquisition of property can be reached by mutual agreement. However, in order to protect construction schedules, authority to initiate expropriation proceedings for the necessary property requirements is being sought in the event that initial negotiations are not successful.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Confidential Attachment 1 – Confidential Information
Appendix A – Property Requirements To Be Expropriated
Appendix B – Location map