



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Expropriation – TTC Dufferin Station Modernization Project

Date:	July 29, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	18 - Davenport
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.
Reference Number:	P:\2010\Internal Services\F&re\Gm10073 re - (AFS – 12492)

SUMMARY

In August 2009 and January 2010 City Council authorized the acquisition of portions of two privately owned properties and a portion of the ground lease, either temporarily or permanently (the “Properties”) as set out in Appendix “A”, for the Dufferin Station Modernization Project (the “Project”).

This report seeks approval from City Council as the approving authority under the *Expropriations Act* to expropriate the Properties in order to proceed with the construction of the necessary components in the Project.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council, as approving authority under the *Expropriations Act*, approve the expropriation of the Properties as set out in Appendix “A” for the purpose of the Project;
2. City Council, as expropriating authority under the *Expropriations Act*, authorize all necessary steps to comply with the *Expropriations Act*, including but not

- limited to the preparation and registration of an Expropriation Plan, service of Notices of Expropriation, Notices of Election as to a Date for Compensation and Notices of Possession;
3. City Council grant leave to introduce the necessary Bill in Council to give effect thereto; and
 4. 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 for the Properties by arbitration, appeal or settlement to the satisfaction of the City Solicitor.

Financial Impact

Funding for the expected costs associated with the expropriation of this property are included in the Council approved 2010 Capital Budget and 2011-2019 Capital Plan. Changes in revenues from this lease, due to expropriation, will be accounted for and reported through the 2011 Operating Budget submission for Facilities and Real Estate.

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

DECISION HISTORY

On January 26 and 27, 2010, City Council adopted Report GM27.1 of the Government Management Committee thereby authorizing staff to negotiate to acquire the Properties, and if unsuccessful to initiate expropriation proceedings, where necessary.

ISSUE BACKGROUND

The Dovercourt Baptist Church Foundation (the “Foundation”) is the City of Toronto’s ground lease tenant at 1140 Bloor Street West. It operates New Horizons Tower, a retirement residence occupying most of the building on the site, which sits over the Dufferin Station below grade platforms and concourse levels and adjacent to the above grade Dufferin Station main entrance at the south-west corner of Bloor Street West and Dufferin Street. The Dovercourt Baptist Church (the “Church”) is a subtenant of the Foundation and occupies a portion of building adjacent to the Dufferin Station main entrance.

COMMENTS

As authorized by City Council, Notices of Application for Approval to Expropriate were published and served on the registered owners and tenants of the Properties in accordance with the *Expropriations Act*. The Foundation requested an inquiry as to whether the proposed expropriation is fair, sound and reasonably necessary to achieve the City's objectives as provided in section 7 of the *Expropriations Act*.

Prior to the date set for the Hearing of Necessity, City and TTC staff met with the Foundation, the Church and the Foundation's solicitor to find a mutual agreement for resolving or mitigating their concerns with respect to the expansion of the Dufferin Station main entrance. The expansion will separate the Church's main entrance and its signage from Dufferin Street during and post construction. A course of action has been developed and the Foundation's solicitor has advised that due to the continued co-operation as shown by City and TTC staff, his instructions from his client are to withdraw the request for the Hearing of Necessity.

The lease to the Foundation of the City's property at 1140 Bloor Street West was entered into in January 1973 for a term of thirty-three years and includes three options to renew the lease for an additional twenty-two years each. The first option to renew was exercised by the Foundation in 2005. The lease generates revenue in the amount of \$44,000.00 in net rent annually. By expropriating the leasehold interest, the City will forgo revenue in the amount of \$17,718.00 net per year during the four year construction period and \$11,028.00 per year after the construction period to December 2027 at which time a further rent review will take place should the Foundation elect to renew the lease.

In order to secure the Properties in a timely manner and to costly delays in the construction schedule, this report recommends that City Council approve the proposed expropriation of the Properties and authorize all necessary steps to proceed with the expropriation in compliance with the *Expropriations Act*.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – Confidential Attachment
Appendix “A” –Property Requirements To Be Expropriated
Appendix “B” – Excerpts from Draft Plans of Survey
Appendix “C” – Site Map