
City Council

Motion without Notice

MM49.17	ACTION			Ward: 27
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Amendment to Section 37 Agreement for 146-160 Wellesley Street East - Former Wellesley Central Hospital - by Councillor Rae, seconded by Councillor McConnell

** This Motion has been deemed urgent by the Chair. Council has added this Motion to the agenda for debate.*

Recommendations

Councillor Rae, seconded by Councillor McConnell, recommends that:

1. City Council authorize the City Solicitor to amend the registered Section 37 Agreement to remove the indexing provisions associated with the Owner's obligation to design and construct the City Park in section 3.1 of the Agreement, and the Owner's obligation to pay a maintenance fund contribution for the City Park in section 3.4 of the Agreement.
2. City Council authorize City officials to take necessary steps, including the execution and registration of an amending Section 37 Agreement in a manner satisfactory to the City Solicitor, to give effect to Recommendation 1.

Summary

In May 2004, City Council approved an Official Plan amendment, Zoning Amendment, and Draft Plan of Subdivision for the development of the former Wellesley Central Hospital site at 146-160 Wellesley Avenue East (the "Site"). As part of the benefits to be provided to the City under Section 37 of the Planning Act the owner, originally the Wellesley Central Health Corporation, now the Wellesley Institute (the "Owner"), agreed to design and construct a park on the lands to be provided to the City for parkland purposes (the "City Park"). The Owner was required to pay up to \$1,000,000 for the design and construction of the City Park, and if the design and construction was less than \$1,000,000 such residual funds were to be paid to the City to be allocated towards specific public realm and open space improvements on the Site. A further Section 37 benefit required the Owner to provide the City with \$500,000 for a maintenance fund for the City Park. Both the \$1,000,000 and \$500,000 amounts are subject to an indexing provision detailed in the Section 37 Agreement. The City Park has been constructed and the land is ready to be transferred to the City pending the Owner's above noted payments. After calculating the indexing amounts, the \$1,000,000 design and construction cost of the City Park now totals \$1,110,000, and the \$500,000 maintenance cost for the City Park

now totals \$551,750. Currently, the Owner owes the City \$110,000 for public realm and open space improvements and \$551,750 for the maintenance fund for the City Park. The Wellesley Institute, a non profit organization, has asked the City to remove the indexing provisions in the Section 37 Agreement.

This matter is deemed urgent as the Owner requires the transfer of the parkland to the City to occur as soon as possible, and the transfer cannot occur until the maintenance amount is paid to the City.

Financial Impact:

If the Recommendations are approved by Council the City will not receive \$110,000 from the Owner to be used for public realm and open space improvements on the Site, and the City will receive \$500,000 from the Owner for future maintenance of the City Park rather than \$551,750.

(Submitted to City Council on May 11 and 12, 2010 as MM49.17)

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