



STAFF REPORT ACTION REQUIRED

Transfer of Properties to Build Toronto and Declaration of Surplus – Second Quarter 2011

Date:	April 14, 2011
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	4, 13, 19, 20, 21, 26, 28, 38, 41, 44
Reference Number:	P:\2011\Internal Services\Re\Gm11014re – AFS # 13305

SUMMARY

This report recommends the terms of transfer to Build Toronto of eight properties previously declared surplus: 4620 Finch Avenue East; 4334 and 4340 Lawrence Avenue East and lands south of Glen Ash Terrace; 28 Bathurst Street; the northwest corner of Eglinton Avenue West and Widdicombe Hill Boulevard; lands north of Eglinton Avenue West east of Widdicombe Hill Boulevard; lands north of Eglinton Avenue West between Kipling Avenue and Wincott Drive; lands at the rear of 3090 – 3122 Eglinton Avenue East and 1978 and a portion of 2000 Lake Shore Boulevard West.

In addition, this report recommends that three properties be declared surplus for the purposes of turnover to Build Toronto: 45 Strachan Avenue and 10 Ordnance Street; 1250 Eglinton Avenue West and 1350 Eglinton Avenue West.

Three additional properties, 5 Eireann Quay, 11 Bay Street, and the northeast corner of Eglinton Avenue East and Don Mills Road, are the subject of a recommendation to give authority to Build Toronto to undertake a master planning process that may include applications for planning approvals, including amendments of the Official Plan.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council grant authority to enter into an agreement to transfer the property municipally known as 4620 Finch Avenue East, more particularly described in Appendix 2, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 2 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer (CCO), in a form satisfactory to the City Solicitor.
2. City Council grant authority to enter into an agreement to transfer the property municipally known as 4334 and 4340 Lawrence Avenue East and lands south of Green Ash Terrace, more particularly described in Appendix 3, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 3 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
3. City Council grant authority to enter into an agreement to transfer the property at the northwest corner of Eglinton Avenue West and Widdicombe Hill Boulevard, more particularly described in Appendix 4, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 4 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
4. City Council grant authority to enter into an agreement to transfer the property north of Eglinton Avenue West and east of Widdicombe Hill Boulevard, more particularly described in Appendix 5, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 5 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
5. City Council grant authority to enter into an agreement to transfer the property north of Eglinton Avenue West between Kipling Avenue and Wincott Drive, more particularly described in Appendix 6, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 6 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.

6. City Council grant authority to enter into an agreement to transfer the property municipally known as 28 Bathurst Street, more particularly described in Appendix 7, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 7 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
7. City Council grant authority to enter into an agreement to transfer the property at the rear of 3090–3122 Eglinton Avenue East, more particularly described in Appendix 8, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 8 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
8. City Council grant authority to enter into an agreement to transfer the property municipally known as 1978 Lake Shore Boulevard West and a portion of 2000 Lake Shore Boulevard West, more particularly described in Appendix 9, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 9 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
9. City Council declare the following properties surplus, substantially on the terms and conditions set out in Appendix 10, and on such other and amended terms and conditions as may be approved by the City Manager, in a form satisfactory to the City Solicitor, subject to the retention of those areas and interests required to satisfy operational requirements and subject to the retention of any interests required by by-law as well as those City and other interests required to be protected (Required Interests), with the intended method of disposal to be by way of a turnover to Build Toronto, on an “as is” basis, for nominal consideration:
 - a. 45 Strachan Avenue and 10 Ordnance Street (Appendix 10(a));
 - b. 1250 Eglinton Avenue West (Appendix 10(b));
 - c. 1350 Eglinton Avenue West (Appendix 10(c));
10. City Council authorize Build Toronto to undertake a master planning process for the properties municipally known as 5 Eireann Quay, 11 Bay Street, and the northeast corner of Eglinton Avenue East and Don Mills Road, as set out in Appendix 11, that may include applications, on terms and conditions as may be approved by the CCO, for planning approvals, including amendments of the Official Plan.

11. City Council grant authority to the CCO to permit Build Toronto to engage in licensing and leasing activities in respect of the properties in this report that are or become the subject matter of executed transfer agreements, during the period prior to the closing of the transfer transactions, on terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.
12. City Council grant authority to fund the City's outstanding expenses related to the properties in this report from the Approved Operating Budget for Facilities and Real Estate (F&RE), in the year(s) that the expenses are incurred, as necessary, and, once these expenses are known, to transfer the funding for these expenses from the Land Acquisition Reserve Fund (LARF), with appropriate adjustments to F&RE's Approved Operating Budget, as necessary, through subsequent Quarterly Variance Reports.
13. City Council approve, as the approving authority under the provisions of the *Expropriations Act*, the transfer to Build Toronto of any property in this report that was acquired by expropriation without giving the original owner from whom the property was expropriated the first chance to repurchase the property.
14. City Council authorize severally each of the CCO and the Director of Real Estate Services to execute the transaction documents required to implement the Recommendations in this report on behalf of the City, including the execution of any required consents, approvals or permissions.
15. City Council authorize the City Solicitor to complete the transactions provided for in this report on behalf of the City, including making payment of any necessary expenses, amending the closing and other dates to such earlier or later date(s), and amending or waiving the terms and conditions, as she may from time to time consider reasonable.
16. City Council authorize and direct the appropriate City officials to introduce in Council any Bills necessary to give effect to the foregoing.

Financial Impact

The transfer of the properties that are the subject of the Recommendations in this report providing for transfers to Build Toronto will defer the receipt of proceeds from the disposition of the properties during Build Toronto's development process. However, the transfer will optimize benefits to the City as a whole and achieve potentially greater returns over time.

As the properties to be transferred to Build Toronto are being transferred for nominal consideration, no revenue will be available to cover the expenses of effecting the transfers, such as registration charges that would normally be for the account of the vendor in a transaction of purchase and sale, survey fees, appraisal fees, etc. As the total of the expenses related to these properties is not known at this time, it is recommended that these expenses be accommodated within F&RE's Approved Operating Budget, in the

year(s) that the expenses are incurred, as necessary, and that, once these expenses are known, funds be provided from the LARF. Budget transfers to adjust F&RE's Approved Operating Budget, as necessary, funded from the LARF through subsequent Quarterly Variance Reports, are also recommended.

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

DECISION HISTORY

On May 25, 26, and 27, 2009, City Council adopted EX32.5, as amended, endorsed the Principles of a Real Estate Strategy and declared surplus, subject to the retention of required interests, sixteen properties, with the intended method of disposal to be a transfer to Build Toronto, and five properties, with the intended method of disposal to be a turnover to Build Toronto.

New Model to Enhance Toronto's Economic Competitiveness

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-15926.pdf>

Principles of a Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20629.pdf>

Appendices 2, 3 and 4 - Properties to be Declared Surplus

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20630.pdf>

Report on Executive Committee Motion Regarding EX32.5a

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21424.pdf>

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21647.pdf>

On September 30, and October 1, 2009, City Council adopted GM24.30, and approved the terms of transfer of four properties. On November 30 and December 1, 2, 4 and 7, 2009, City Council adopted GM26.30 as amended, and approved the terms of transfer of six properties. On May 11 & 12, 2010, City Council adopted GM30.17, and approved the terms of transfer of five properties.

On August 25 and 26, 2010, City Council adopted GM33.20, and approved the terms of transfer of three properties.

Report - Transfer of Properties to Build Toronto and Declaration of Surplus - Third Quarter 2010

<http://www.toronto.ca/legdocs/mmis/2010/gm/bgrd/backgroundfile-32972.pdf>

Appendices 1-4

<http://www.toronto.ca/legdocs/mmis/2010/gm/bgrd/backgroundfile-32973.pdf>

Appendix 5

<http://www.toronto.ca/legdocs/mmis/2010/gm/bgrd/backgroundfile-32974.pdf>

COMMENTS

Transfer Properties

Some of the properties that are recommended in this report to be the subject matter of transfer agreements with Build Toronto require comment.

Parts of the Eglinton West Corridor

There are three properties along the north side of Eglinton Avenue West from Richview Park to Wincott Drive which have been identified by the Real Estate Audit Committee (REAC), and subsequently reviewed by the Technical Working Committee (TWC) and the Property Management Committee (PMC), that are recommended for transfer to Build Toronto for development purposes. A 4.2 m strip of land along the north limit of Eglinton Avenue West is excluded from the proposed transfer at this time, as the Official Plan provides for a 45 m right-of-way for this section of Eglinton Avenue and the 4.2 m strip is required to achieve this right-of-way width. Through the development and planning process to be undertaken by Build Toronto, it may be determined that a smaller right-of-way is sufficient for this road and any future transit service, so that in the future this strip of land (or some parts of it) may be determined to be surplus and available for transfer to Build Toronto.

The northwest corner of Kipling Avenue and Eglinton Avenue West is being retained in City ownership to preserve a woodlot that is a significant natural feature at this location.

28 Bathurst Street

This property abuts a major rail corridor to the south, accommodating CN, CP and GO traffic. Fort York, a national historic site, is located further to the south. The property is within an employment area that is constrained by intensively developed industrial operations in close proximity to a growing residential population. The planned Fort York Pedestrian and Cycling Bridge over the rail corridor to connect Fort York with the neighbourhoods to the north is to be constructed and completed by 2012. The construction of the bridge and the Metrolinx construction of a grade separation on Strachan Avenue have displaced some parking uses by employers in this area. 28 Bathurst Street has been licensed to Toronto Abbatoirs Limited until December 31, 2012 for parking for its employees, in order to replace parking displaced from other City lands. Build Toronto will assume this parking arrangement and will permit this parking to continue until development of the property requires its removal.

There is also community interest in the reservation of a right-of-way across the south limit of this property for pedestrian and bicycle access between the future bridge structure to the west of Tecumseh Street and Bathurst Street. The reservation of this right-of-way will be provided for in the transfer agreement with Build Toronto

1978 Lake Shore Boulevard West and a portion of 2000 Lake Shore Boulevard West

1978 Lake Shore Boulevard West was designated as being of architectural value and interest by By-law 415-89 passed on June 15, 1989, in recognition of the only intact Chateau-style Joy Oil gas station in Toronto that occupied the site at that time. The Official Plan requires that a heritage easement be secured on the sale of a designated property. As the historic structure has been relocated from the site, it would be expected that through the planning approval process for this property, Build Toronto would seek the repeal of the designation by-law and relief from the requirement for a heritage easement. The property is also identified in the Western Waterfront Master Plan as a potential site for the relocation of parking currently located south of Lake Shore Boulevard West, and Build Toronto will be required to review with the Waterfront Secretariat the implications of the Western Waterfront Master Plan for these lands.

Turnover Properties

Strachan/Ordnance Area

Two City-owned properties east of Strachan Avenue and fronting on Ordnance Street, 45 Strachan Avenue and 10 Ordnance Street, are proposed to be declared surplus for turnover to Build Toronto, in recognition of the multiple municipal interests affecting these properties. Build Toronto may undertake a master planning process while the properties remain in City ownership.

Municipal Licensing and Standards staff occupy 45 Strachan Avenue, and the division has invested funds in the renovation and improvement of the building for its use. The costs of relocation and fit-out of new space for this program will have to be accommodated by Build Toronto in its development plans for this area.

10 Ordnance Street is currently vacant but will be used for construction staging for the Fort York Pedestrian and Cycle Bridge, as well as accommodating a major support for the bridge structure. Metrolinx has also requested use of this property for construction staging for the later stages of the grade separation on Strachan Avenue, after the pedestrian and cycle bridge is completed. City Council has directed City Planning staff to initiate the rezoning of 10 Ordnance Street to (G) Park Land with the adoption of TE30.42 on January 26 and 27, 2010.

There is one privately owned parcel at 30 Ordnance Street and City Council has directed that the Official Plan be amended to permit residential uses as well as employment uses on this property.

1250 Eglinton Avenue West and 1350 Eglinton Avenue West

Both 1250 Eglinton Avenue West and 1350 Eglinton Avenue West are operated as commuter parking lots by the TTC and will be required for construction of the Eglinton transit line. Although redevelopment of these two properties for higher order uses will have to await the completion of the Eglinton transit line through this section (projected for 2017-18), it is important that the TTC coordinate their planning and design process with Build Toronto in order to maximize future development potential. Build Toronto will work with the TTC to address its needs within an integrated redevelopment strategy. By declaring these properties surplus for turnover to Build Toronto, City Council is clarifying Build Toronto's role in maximizing their development potential.

Master Planning Process by Build Toronto

5 Eireann Quay

5 Eireann Quay is located on the waterfront at the foot of Bathurst Street. It is shared by the Harbourfront Community Centre and School, a Parks and Forestry yard, Ireland Park and the heritage silo structures once owned by Canada Malting. Interest has been expressed by the Toronto Port Authority in leasing a portion of the property for taxi queuing and/or parking to serve Billy Bishop Airport. The entire property is designated Parks in the Official Plan, so that unless the property is exchanged for "other nearby land of equivalent and larger area and comparable or superior green space utility" the Official Plan prevents the property from being disposed of by the City. If this prohibition did not exist, it would be appropriate to declare this property surplus for turnover to Build Toronto. Given the Official Plan restriction, it is recommended Build Toronto be given authority to undertake a master planning process for the property, and to seek an appropriate amendment of the Official Plan to permit the sale or other disposal of the property.

Northeast Corner of Eglinton Avenue East and Don Mills Road

This property is no longer required for the operation of a snow melter by Transportation Services. The property is also part of the dedicated road allowance of Eglinton Avenue East. The TTC has advised that the Environmental Assessment for the Eglinton transit line has proposed a new bus terminal at this location. The design work for this proposed bus terminal would be undertaken at a later date, so it is uncertain at this time how much of the site will be required for the TTC's use. Build Toronto will co-ordinate with the TTC on planning and design work in order to maximize the future development of the property.

11 Bay Street

11 Bay Street is currently leased to SCG Toronto Property Company until 2030, for the purposes of the convention centre serving the Toronto Westin Harbour Castle hotel. Although the convention centre serves an important economic and tourism function, the property is appropriate for much more intensive development. It will be necessary for Build Toronto to work with the tenant in order to realize any development potential while the lease is in place, and it is appropriate that Build Toronto facilitate master planning for the site.

Conclusion

This report recommends the terms of transfer to Build Toronto of the surplus properties at 4620 Finch Avenue East; 4334 and 4340 Lawrence Avenue East and lands south of Green Ash Terrace; 28 Bathurst Street; the northwest corner of Eglinton Avenue West and Widdicombe Hill Boulevard; lands north of Eglinton Avenue West east of Widdicombe Hill Boulevard; and lands north of Eglinton Avenue West between Kipling Avenue and Wincott Drive; lands at the rear of 3090 – 3122 Eglinton Avenue East; and 1978 and a portion of 2000 Lake Shore Boulevard West.

This report further recommends that 45 Strachan Avenue and 10 Ordnance Street; 1250 Eglinton Avenue West; and 1350 Eglinton Avenue West be declared surplus for the purposes of turnover to Build Toronto.

In addition, it is recommended that Build Toronto be authorized undertake a master planning process for 5 Eireann Quay; 11 Bay Street; and the northeast corner of Eglinton Avenue East and Don Mills Road that may include applications for planning approvals, including amendments of the Official Plan.

Implementation of the recommendations in this report will contribute to Build Toronto's portfolio of development properties and help to enhance and realize the value of the City's real estate holdings.

CONTACT

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix 1– Terms & Conditions for All Transfer Agreements

Appendix 2 – 4620 Finch Avenue East

Appendix 3 – 4334 and 4340 Lawrence Avenue East and lands south of Green Ash Terrace

Appendix 4 – northwest corner of Eglinton Avenue West and Widdicombe Hill Boulevard

Appendix 5 – north of Eglinton Avenue West, east of Widdicombe Hill Boulevard

Appendix 6 – north of Eglinton Avenue West, Kipling Avenue to Wincott Drive

Appendix 7 – 28 Bathurst Street

Appendix 8 – rear of 3090 – 3122 Eglinton Avenue East

Appendix 9 – 1978 Lake Shore Boulevard W & portion of 2000 Lake Shore Boulevard West

Appendix 10 – Terms & Conditions for All Turnover Agreements

Properties to be Declared Surplus for Turnover to Build Toronto

10 (a) 45 Strachan Avenue and 10 Ordnance Street

10 (b) 1250 Eglinton Avenue West

10 (c) 1350 Eglinton Avenue West

Appendix 11 – Master Planning Process by Build Toronto

(a) 5 Eireann Quay

(b) 11 Bay Street

(c) Northeast corner of Eglinton Avenue East and Don Mills Road