



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Swansea - 207 Windermere Avenue - Ground Lease with  
Toronto District School Board**

<b>Date:</b>	April 2, 2014
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 13 – Parkdale-High Park
<b>Reason for Confidential Information:</b>	This report involves the security of property belonging to the City, and is about litigation or potential litigation that affects the City
<b>Reference Number:</b>	P:\2014\Internal Services\Re\Gm14007re - AFS 19390

**SUMMARY**

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This report seeks City Council authority to negotiate and enter into a ground lease agreement with the Toronto District School Board (the "TDSB") for that portion of the property municipally known as 207 Windermere Avenue, owned by the City and as identified in the attached Schedule "A" (the "Property"). The intent of the agreement is to enable the TDSB to construct the expansion of a wing of the Swansea Public School which currently resides on the Property, and confirm the City's ongoing use of the pool and community facilities.

**RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. City Council authorize granting a ground lease (the "Ground Lease") of the Property to the Toronto District School Board for nominal consideration and substantially on the terms and conditions set out in the attached Schedule "A", together with such other terms or amended terms, and such related documents, as may be negotiated and determined to be acceptable by the Chief Corporate Officer or her designate and in a form acceptable to the City Solicitor.

2. City Council authorize either of the Chief Corporate Officer or the Director of Real Estate Services to execute the Ground Lease and any related documents on behalf of the City.
3. City Council authorize the Director of Real Estate Services to execute, on behalf of the City in its capacity as land owner only (and not in its capacity as a planning/regulatory authority) such consents or other authorizations as may be required by the Toronto District School Board in connection with any planning application or regulatory approvals required for the school building expansion.
4. City Council authorize the Chief Corporate Officer to administer and manage the transaction, including the provision of any consents, approvals, waivers and notices (including termination), provided that she may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.
5. City Council authorize the City Solicitor to complete the transaction on behalf of the City, including paying any necessary expenses, amending the commencement and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.
6. That the confidential information contained in Attachment 1 remain confidential as it contains advice or communications that are subject to solicitor-client privilege.

### **Financial Impact**

A nominal consideration will be payable to the City of Toronto for a term of ten (10) years, with a renewal option up to another ten (10) year term, for a total not to exceed twenty (20) years.

The proposed Ground Lease will result in no financial implications to the City as the TDSB will assume all costs and responsibilities associated with the proposed school building expansion and on-going operating costs of the facilities.

All other costs related to the City's continuing use of the community centre and pool facilities within the school building will remain status quo.

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

## **ISSUE BACKGROUND**

The original Swansea Public School building was constructed in 1891. The school has been operated by the TDSB and its predecessors since that time, including the construction of a number of additions to the original building up to 1980. The City also operates a community centre located in the northeast corner of the building known as Toronto Olympic Club and shares use of the pool facilities with the TDSB.

TDSB is currently in the process of further expanding the existing building in order to increase the available classroom space and accommodate an all-day kindergarten program. Construction of the addition is intended to begin in June 2014. During the process of submitting its application for site plan approval for this new addition, it was discovered that a significant portion of the school site (i.e. the Property) is registered in the name of the City of Toronto. The split ownership of this site has recently become a barrier for finalizing the site plan agreement that is required for construction of the needed addition to proceed.

Furthermore, the City has been actively sharing the school building for community and recreational purposes since the 1980s. Archival research indicates that the City contributed funds for the construction of community facilities, particularly the pool.

## **COMMENTS**

City staff recognizes that the expansion of the current school building will provide a benefit to the surrounding community. In order to allow the TDSB to begin the construction process and to formalize a shared land arrangement that has existed for approximately 120 years, it is proposed that the City grant TDSB a ground lease for the Property at nominal consideration for a term of ten (10) years, with a possibility of renewal. In exchange, TDSB has also agreed to extend the City's right to continue making use of the community centre space and pool facilities at this site for the same time period. This will ensure that the City can continue to provide valuable community and recreational services.

In summary, the proposed Ground Lease will satisfy both City and TDSB objectives. By entering into a formal real estate agreement with the City, the TDSB is granted user rights over the Property that will enable it to obtain planning and building approvals for the proposed school building expansion. At the same time, the City will begin to formalize its long-standing arrangement with the TDSB and continue to provide valuable community services at this site.

Parks, Forestry & Recreation has reviewed this report and concurs with the recommendations.

## **CONTACT**

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## **SIGNATURE**

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Josie Scioli,  
Chief Corporate Officer

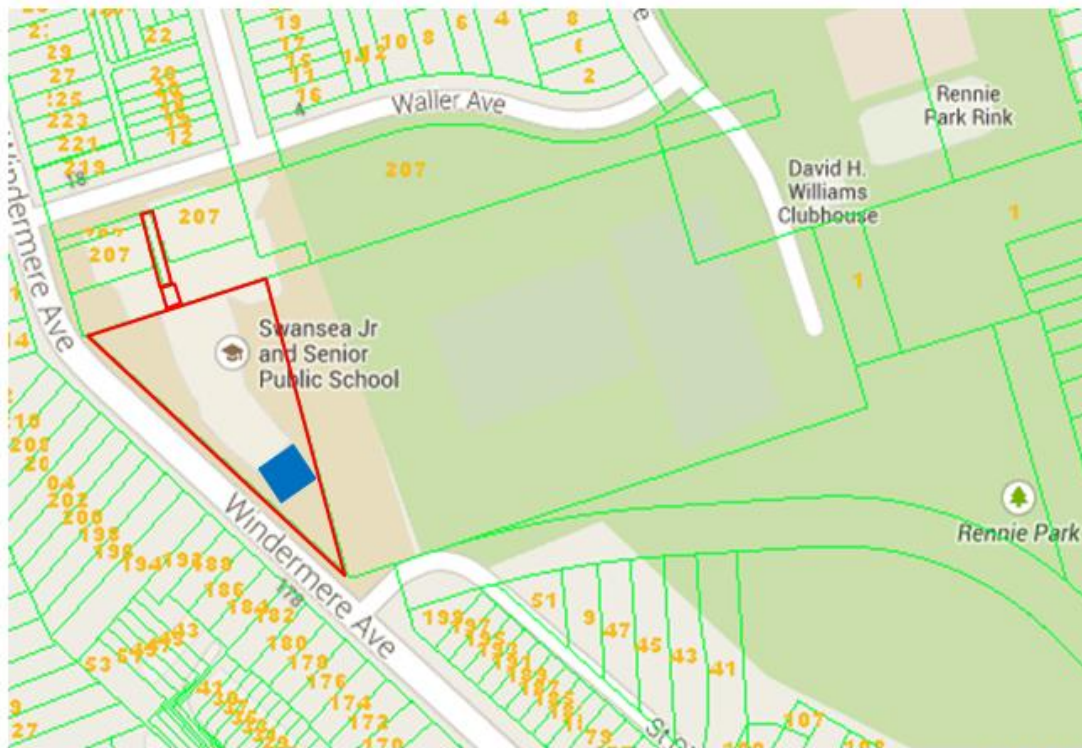
## **ATTACHMENTS**

Schedule "A" – Major Terms and Conditions  
Schedule "B" – Location Map & Proposed Leased  
Attachment 1 – Confidential Information

**Schedule "A"**  
**Proposed Ground Lease Key Terms and Conditions**

- Property Address:** Portion of 207 Windermere Avenue, being that portion of the site owned by the City of Toronto, including:  
PIN 21373-0745 (LT);  
PIN 21373-0094;  
PIN 21373-0706 (LT)
- Tenant:** Toronto District School Board
- Lease Condition:**
1. The Tenant accepts use of the Property on an "as-is, where-is" basis.
  2. The Tenant shall complete the construction of the school addition in accordance with all applicable laws and requisite approvals and policies, including any site plan approvals to permit construction and building permits (all to be obtained by the Tenant at its expense).
  3. The Tenant shall be responsible for all capital and operating costs associated with the proposed school addition.
  4. The Tenant shall be responsible for the environmental condition of the Property and any costs related thereto.
- Rent:** The Tenant shall pay a nominal rent amount of \$1.00 per year.
- Lease Term:** Ten (10) years, commencing on or about June 1, 2014, with the possibility of rights of renewal, provided that the total term shall not exceed twenty (20) years.
- Use of Pool and Community Space** TDSB will continue to allow the City's current use of the pool at this site after 4:30 pm, as well as exclusive use of the existing multipurpose room, for a further period of ten years. The current cost sharing arrangement in relation to these facilities shall also continue, subject to such amendments as may be introduced in the future to reflect any multiple site cost sharing arrangement entered into between the City and TDSB.

## Schedule "B" Location Map and Proposed Leased



- Legend**
- City-owned lands - Title is registered with the City of Toronto (two small parcels) or the Township of York (large triangular parcel)
  - Proposed TDSB Swansea Public School Addition

NOT TO SCALE