



STAFF REPORT ACTION REQUIRED

Ground Lease of Pantry Park in Exchange for the Release of Toronto District School Board Option on 80 Northern Dancer Boulevard

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| Date: | March 19, 2015 |
| To: | Government Management Committee |
| From: | General Manager, Parks, Forestry and Recreation |
| Wards: | Ward 32 – Beaches-East York |
| Reference Number: | P:\2015\Cluster A\PFR\GM03-040815-AFS#20909 |

SUMMARY

This report seeks Council authority to enter into a long term ground lease with the Toronto District School Board and/or Toronto Lands Corporation (collectively "TDSB") for the use of the property located at 70 Kewbeach Avenue, known as Pantry Park (and shown in Appendix 1) in exchange for the release of the TDSB's option to acquire a portion of the property located at 80 Northern Dancer Boulevard, known as Woodbine Park (shown in Appendix 2). This transaction will accommodate the TDSB's capacity requirement by allowing it to construct an addition on the existing playfield at Kew Beach Public School (shown in Appendix 2) and use the adjacent Pantry Park as the new playfield for the students attending the school. It will also ensure that the 4.3 acre portion of Woodbine Park currently subject to TDSB's option will remain public open space.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council authorize the grant by the City of a long term ground lease to the Toronto District School Board and/or Toronto Lands Corporation that will permit for the use of the property known municipally as 70 Kewbeach Avenue, also known as Pantry Park, on the terms outlined in Appendix 3, and such other and amended terms as may be approved by the General Manager of Parks, Forestry and

Recreation, in exchange for the Toronto District School Board releasing its option with respect to 80 Northern Dancer Boulevard as identified in Appendix 2 , all in a form satisfactory to the City Solicitor.

2. City Council authorize the General Manager of Parks, Forestry and Recreation to execute the ground lease, the release of the Toronto District School Board Option, and any documents related thereto on behalf of the City in lieu of corporate signing officers where the General Manager of Parks, Forestry and Recreation considers it appropriate.
3. City Council authorize the General Manager of Parks, Forestry and Recreation 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.
4. City Council authorize the City Solicitor to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, commencement date and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.

FINANCIAL IMPACT

Approval of this report will result in the City receiving a nominal base rent of \$10.00 for the entire term of the Agreement. Additionally, Parks, Forestry and Recreation's ("PFR") 2016 Operating Budget submission will reflect the decreased maintenance costs of approximately \$15,000 (rounded) based on 2014 actuals, as well as the lost permit revenue which is estimated to be \$5,200 (rounded) based on the amounts generated in 2014. Once the Agreement is executed, the TDSB will be responsible for all maintenance costs with respect to Pantry Park. They will also retain any permit revenue generated. Total permit revenues generated from Pantry Park from 2011-2014 have been outlined below:

| Year | Permit Revenue |
|-------------|-----------------------|
| 2011 | \$1,260 (rounded) |
| 2012 | \$1,191(rounded) |
| 2013 | \$2,965 (rounded) |
| 2014 | \$5,203 (rounded) |

Based on a current valuation, that portion of Woodbine Park for which TDSB will release its existing Option is at least of equivalent value to the Pantry Park lands that will be subject to the ground lease, and there will therefore be no overall loss in market value to the City's portfolio of real estate as a result of this transaction.

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

DECISION HISTORY

At its meeting of June 3, 1999, the Economic Development and Parks Committee amended the existing Option Agreement dated June 6, 1996, between the City and the TDSB.

<http://www.toronto.ca/legdocs/1999/agendas/committees/edp/edp990621/it018.htm>

City staff have initiated steps to comply with the City's Policy with Respect to the Sale/Disposal of Land, adopted as amended by City Council at its meeting of July 16, 17, 18 and 19, 2007, which process shall have been completed prior to City Council's consideration of this report.

ISSUE BACKGROUND

As a part of the Section 37 agreement between the City and the previous owner of the Greenwood Racetrack lands, EMM Financial Corp, ownership of a 4.3 acre portion of what is now known as Woodbine Park is held by the City subject to an Option Agreement in favour of the TDSB. Pursuant to that Option, the Board is permitted to require a transfer of ownership of the property, at nominal consideration, for use as a school site. The original term of the Option Agreement was 5 years. City Council authorized an amendment to the Option Agreement with the TDSB in 1999 to extend the 5 year term of the Option indefinitely.

In 2012, the TDSB approached the City to exercise its Option to take ownership of the Woodbine Park property. Subsequently, City Staff also became aware of TDSB's intention to expand Kew Beach Public School, and its need to secure additional playfield space for its students as a result. City staff met with TDSB staff in 2014 to discuss the City's desire to maintain the entire Woodbine Park site as public parkland, and potential options for providing open space that would permit the expansion of Kew Beach Public School. It was agreed by all parties that Pantry Park, which immediately adjoins the school to the south, would be the most suitable space for use as a new school playfield. Entering into a ground lease for this area would also enable the TDSB to release its Option in a portion of Woodbine Park, ensuring that it remains available for use as public parkland.

Pantry Park consists of 3.6 acres of land which is bordered by residential properties to the east and west, Kew Beach Public School to the north and Alfresco Lawn to the south. The park has a full-sized soccer field surrounded by a running track. There are public washrooms and a field house on the southwest corner of the park.

COMMENTS

The ground lease that is proposed in relation to Pantry Park would have a term of nine hundred and ninety nine (999) years commencing approximately on or about January 1, 2016. A long term ground lease, rather than a sale, provides the City the ability to limit the types of uses permitted on the site during the term and ensure that Pantry Park will remain open space. TDSB has agreed that the ground lease will provide for public use of Pantry Park before and after school hours, including both permit (similar to those granted by the City in the past) or passive parkland uses. Almost all of the permit hours booked in 2014 at Pantry Park were for soccer use, and were isolated to evenings and weekends. Based on the historical permitting of Pantry Park, there is little to no impact to the public use of this park.

The field house and public washrooms located on the southwest corner of the park will not be included in the leased area and will continue to be under the jurisdiction of PFR.

Due to its size and location, Woodbine Park has become an extremely popular location for large special events such as the Beaches Jazz Festival. If the TDSB was to exercise its Option to acquire and then build a school at this location, there may be a significant impact on the number of these types of events at Woodbine Park. Additionally, the space allocated to the school had over 50 permit bookings for youth soccer in 2014 which would be lost if a school was to be built on the site.

Pantry Park is designated as a Parks and Open Space Area under the Official Plan. Chapter 4.3 *Parks and Open Space Areas*, Policy 8 of the Official Plan states that the sale or disposal of publicly owned lands in a POSA is discouraged and no City owned lands in a POSA will be sold or disposed of but may be exchanged for other nearby land of equivalent or larger area and comparable or superior green space utility.

The Chief Planner and Executive Director of City Planning and the General Manager of Parks, Forestry and Recreation have confirmed that the 4.3 acre parcel of land located at 80 Northern Dancer Blvd, for which the TDSB has agreed to release its Option, thereby granting unencumbered ownership to the City, is (i) nearby; (ii) of larger area; and (iii) of comparable green space utility as Pantry Park. City Planning staff has advised that the proposed exchange of property interests therefore meets the intent of Section 4.3, Policy 8 of the Official Plan.

CONCLUSION

It is staff's opinion that the recommendations in this report represent a workable solution which will allow the City to secure an interest in the entirety of Woodbine Park and, at the same time, maintain public access to Pantry Park. This solution works to maximize and maintain the use of public open space along with meeting the mandate of the TDSB to provide educational institutions to the children in Ward 32.

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SIGNATURE

Janie Romoff
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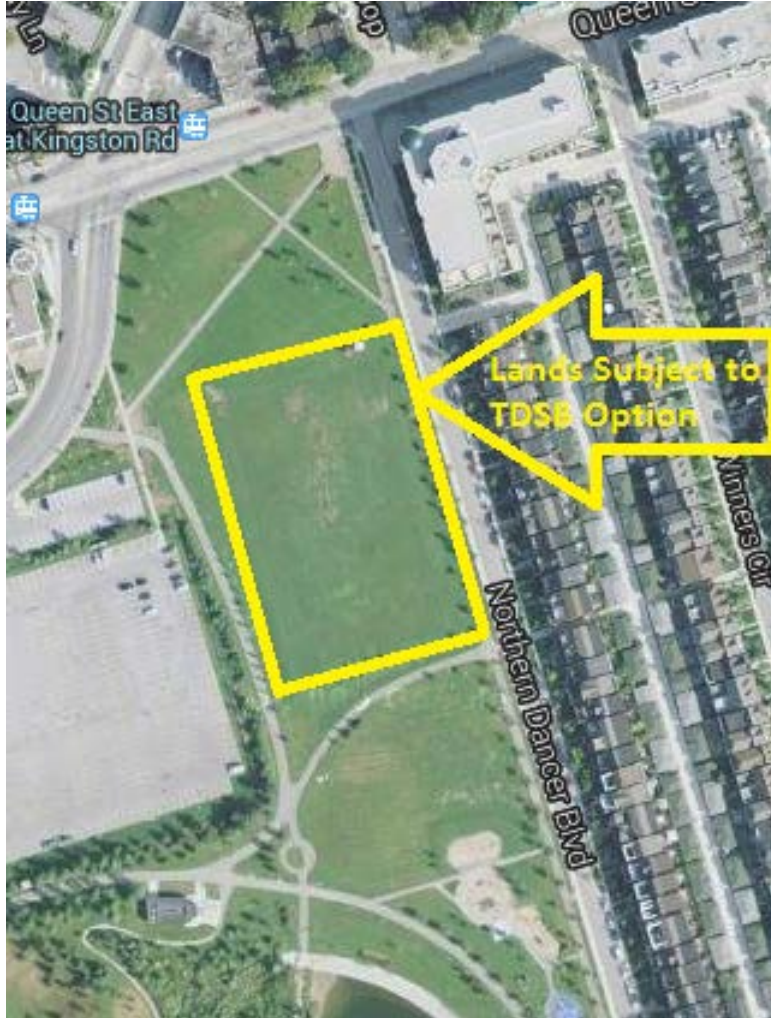
ATTACHMENTS

Appendix 1 – Pantry Park Site Map
Appendix 2 – Woodbine Park Site Map
Appendix 3 – Lease Term Summary

Appendix 1



Appendix 2



Appendix 3

Lease Terms Summary

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|---|--|
| Leased Area: | Approximately 3.6 acres as shown in Appendix 1 |
| Rent: | \$10.00 and tenant responsible for operating costs |
| Term: | Nine Hundred and Ninety Nine years, subject to early termination if no longer used as a playfield for a local school. |
| Use: | <p>The Leased Lands may be used by the Tenant for the purposes of public parkland and open public space, or for outdoor school playground or playing field purposes, and for no other purpose.</p> <p>No portables shall be permitted on the Leased Lands, nor shall any other form of enclosure be permitted without the express prior written consent of the City.</p> |
| Operating Costs: | TDSB shall be responsible for all expenses incurred in operating the facilities, including all taxes and utilities |
| Public Access: | TDSB shall have the exclusive right to use the Leased Area during school hours. TDSB will maintain public access to the site during non-school hours, subject to reasonable maintenance requirements. |
| Indemnity: | TDSB to indemnify the City in relation to its use of the property. |
| Conditions Precedent to Executing Lease: | TDSB shall provide the City a full release of the TDSB's Option in the 4.3 acre portion of Woodbine Park shown in Appendix 2. |