TORONTO

REPORT FOR ACTION

Downsview East Lands - Release of Restrictive Covenants and Amendment of Easement

Date: June 15, 2021

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: 6 - York Centre

SUMMARY

The purpose of this report is to seek City Council authorization for (i) a mutual release by the City of Toronto (the "City") and PSPIB Downsview Investments Inc. of restrictive covenants which benefit and encumber each other's lands; and (ii) a release of an easement in favour of the City currently registered against the entirety of the lands of PSPIB Downsview Investments Inc. in exchange for a new easement which will encumber only that portion of the PSPIB Downsview Investments Inc. land that is necessary to ensure access by the City.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, recommends that:

- 1. City Council authorize the registration of a release, by the City, of the restrictive covenants contained in Instrument Number TB914916 registered against title to the lands owned by PSPIB Downsview Investments Inc., legally described as the whole of PIN 10233-1743(LT), in exchange for the registration of a release by PSPIB Downsview Investments Inc. of the restrictive covenants contained in Instrument Number TB433886 registered against title to the Downsview East Lands owned by the City and legally described as the whole of PIN 10213-0291(LT), all on such terms as may be acceptable to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.
- 2. City Council authorize the release of the easement contained in Instrument Number TB914916 in favour of the City which is registered against the entirety of the lands owned by PSPIB Downsview Investments Inc., in exchange for a grant in favour of the City of a replacement easement over that portion of the lands owned by PSPIB Downsview Investments Inc. described as Parts 1 and 2 on the attached Draft

Reference Plan, all on such terms as may be acceptable to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

- 3. City Council authorize each of the Executive Director, Corporate Real Estate Management, and the Director, Transaction Services, Corporate Real Estate Management, to execute the release of the restrictive covenant benefitting the City, the release of the current easement in favour of the City and the receipt of a grant of a replacement easement in favour of the City including any reasonably necessary ancillary agreements and documents on behalf of the City.
- 4. City Council authorize the Executive Director, Corporate Real Estate Management, to administer and manage the transactions concerning the release of the restrictive covenant benefitting the City, the release of current easement in favour of the City and the receipt of a grant of a replacement easement in favour of the City, including the provisions of any consents, approvals, waivers and notices provided that he may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.

FINANCIAL IMPACT

The total financial implications to the City resulting from this report are the cost of title searching and registration fees of approximately \$1,800.00. Funding is available in the 2021 Council Approved Operating Budget for Corporate Real Estate Management under cost center FA3074.

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

DECISION HISTORY

There are no previous City Council decisions respecting this matter.

COMMENTS

Background

PSPIB Downsview Investments Inc. is a federally incorporated company which has acquired the lands commonly known as the Downsview Airport lands, as shown by the hatched area on the sketch in Attachment A (the "PSPIB Lands"). The City owns lands commonly referred to as the Downsview East lands, which are identified by the cross-hatched area on the sketch in Attachment A (the "City Lands").

CreateTO has been tasked with developing the City Lands' 57 acres east of Allen Road, which form part of the Allen East District, one of the seven (7) districts that make up the

City's Downsview Secondary Plan. The mutual release of restrictive covenants by the City and PSPIB Downsview Investments Inc. is a step that facilitates the Allen District development. The final District Plan will be presented at North York Community Council in June 2021.

The PSPIB Lands and the City Lands are burdened with substantially similar restrictive covenants in favour of the other, which limit the construction of buildings upon their respective lands with respect to the potential use of any building and its potential height. These restrictions are contained in Instrument Number TB433886, registered against the City Lands, and in Instrument Number TB914916, registered against the PSPIB Lands.

Rationale for Release of Restrictive Covenants and Easement Amendment

PSPIB Downsview Investments Inc. plans to develop the PSPIB Lands as soon as the remaining runway of the former airport on its site is closed, which is anticipated to happen in the near future. CreateTO is also assessing the opportunity to potentially develop the City Lands for housing and other uses. In order for either party to construct, it is necessary to release the restrictions contained in the registered instruments, which bind their respective lands and limit the use and height of future structures.

Additionally, the entirety of the PSPIB Lands are subject to a broad easement that benefit the City Lands. This easement is contained in Instrument Number TB914916, which provides for the operation, use, construction and repair of "all existing pipelines, communication, refuse, electrical, water, drainage, sewage disposal, mechanical, plumbing, telephone, telegraph, radio, television, cable television, ventilation, air cooling, heating, steam, sprinkler, structural or other services or systems, components or facilities". CreateTO, in consultation with City staff, the Toronto Transit Commission, and the Public Sector Pension Investment Board, has determined that only one (1) drainage pipe is subject to this broad easement in favour of the City. This pipe traverses the PSPIB Lands onto lands owned by the City at the Toronto Transit Commission's Wilson Yard.

PSPIB Downsview Investments Inc. has proposed that the City release the current easement and that it be replaced with a new one covering the portion of the PSPIB Lands which will continue to allow access to the drainage pipe by the City, while not encumbering the entirety of the PSPIB Lands.

City staff consider this proposal to be reasonable and required to enable the potential future development of both the City Lands and the PSPIB Lands.

CONTACT

Alison Folosea, Director, Transaction Services, Corporate Real Estate Management, 416-338-2998, Alison.Folosea@toronto.ca

Steven Trumper, Chief Executive Officer, CreateTO, 416-981-3817, strumper@createto.ca

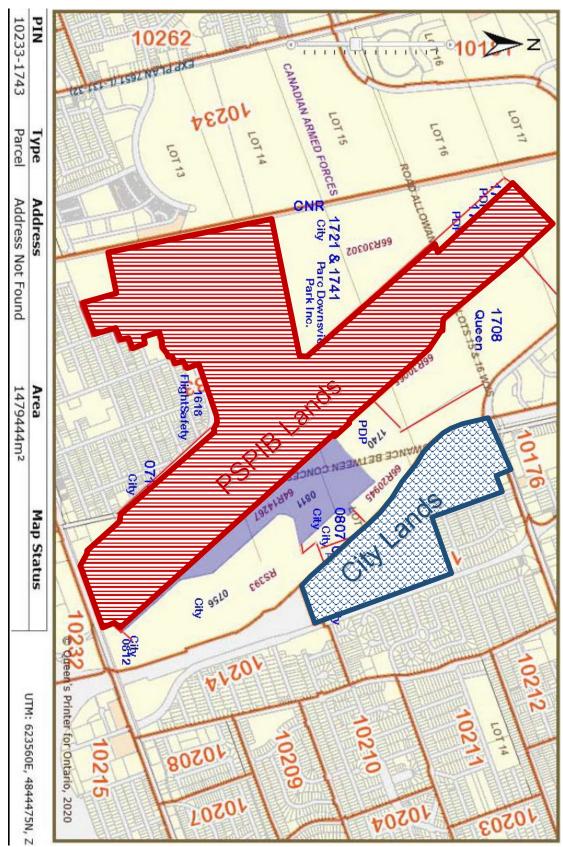
SIGNATURE

Patrick Matozzo Executive Director, Corporate Real Estate Management

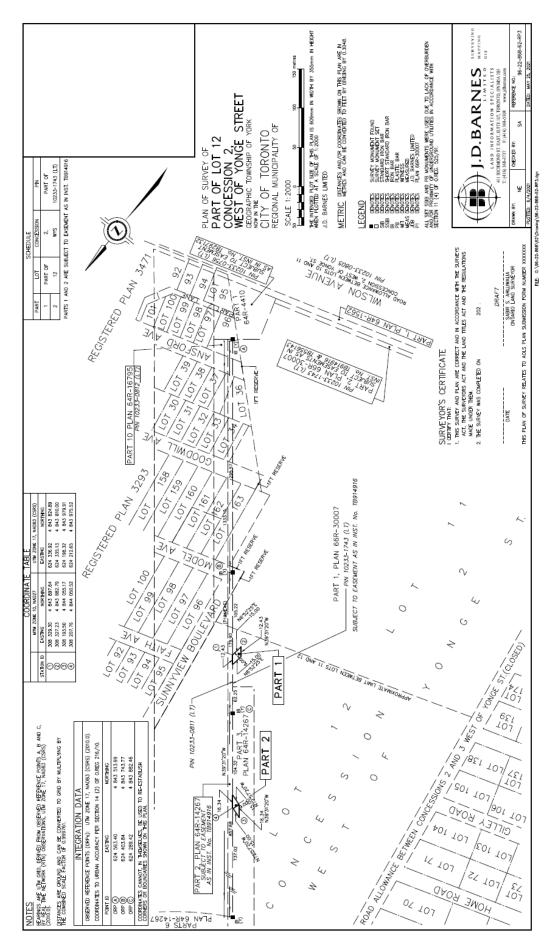
ATTACHMENTS

Attachment A - Sketch showing City Lands and PSPIB Lands Attachment B - Draft Reference Plan

Attachment A - Sketch showing City Lands and PSPIB Lands



Attachment B - Draft Reference Plan



Downsview East Lands - Release of Restrictive Covenants and Easement Amendment