



**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

**Supplementary Report on the Sale of City-owned Leased
Property at 192A Bloor Street West to McDonald's
Restaurants of Canada Limited**

Date:	February 13, 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 20 – Trinity-Spadina
Reason for Confidential Information:	The security of the property of the municipality
Reference Number:	P:\2008\Internal Services\F&re\Gm08020F&re – (AFS 7033)

SUMMARY

The purpose of this report is to recommend adoption of Item GM12.7 with respect to the sale of a City-owned surplus property municipally known as 192A Bloor Street West (the “Property”), currently leased to McDonald’s Restaurants of Canada Limited (“McDonald’s”) but with an additional provision relating to profit sharing by the City in the event of redevelopment. It is also to provide information, in the confidential attachment, with regards to the motion made during the in camera session of the Government Management Committee meeting on January 18, 2008.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Recommendations 1 to 5 contained in the report dated January 3, 2008 from the Chief Corporate Officer (Item GM12.7) with respect to the sale of a City-owned surplus property municipally known as 192A Bloor Street West, currently leased to McDonald’s Restaurants of Canada Limited, be adopted with amendments as described in Recommendations 2 and 3 below.

2. If McDonald's makes an application(s) to redevelop the Property, either on its own site or in conjunction with adjacent properties, McDonald's shall share equally with the City the enhanced value based on a formula as detailed in the Offer to Purchase as amended.
3. The irrevocable date in the Offer to Purchase be extended to March 11, 2008 and the closing date be extended to April 2, 2008.
4. The confidential information in Attachment 1 to this report and to the report dated January 3, 2008, remain confidential.

Financial Impact

The financial impact is the same as described in Item GM12.7, irrespective of whether or not this report is adopted.

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

DECISION HISTORY

The Government Management Committee, at its meeting on January 18, 2008, deferred consideration of Item GM11.7 to its next meeting on February 14, 2008 and provided confidential instructions to staff. This report is provided in response to the matters raised by motion made in camera at the Government Management Committee meeting of January 18, 2008.

ISSUE BACKGROUND

Staff's previous report, Item GM11.7, recommending the sale of the Property, was considered at the Government Management Committee meeting on January 18, 2008 and deferred consideration in order for staff to provide further information.

COMMENTS

As a result of meetings with McDonald's subsequent to the Government Management Committee meeting, the parties were able to agree on some, but not all the issues. McDonald's has agreed to an additional provision whereby if it makes an application(s) to redevelop the Property, either on its own site or in conjunction with adjacent properties, McDonald's shall share equally with the City the enhanced value based on a formula as detailed in the Offer to Purchase as amended. McDonald's extended the irrevocable date to March 11, 2008 and the closing date to April 2, 2008.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – Confidential Information
Appendix 1 to Confidential Attachment