



STAFF REPORT ACTION REQUIRED

Sale of the Public Lane between 51 Grosvenor Street and 76 Grenville Street

Date:	December 17, 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Ward:	27 – Toronto Centre-Rosedale
Reference Number:	P:\2009\Internal Services\F&re\Gm09008F&re - (AFS-9116)

SUMMARY

The purpose of this report is to authorize the sale of the public lane between 51 Grosvenor Street and 76 Grenville Street, to the adjoining owner, Women’s College Hospital.

The terms for completing the transaction, as set out herein, are considered to be fair, reasonable and reflective of market value.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Subject to City Council authorizing the permanent closure of the public lane between 51 Grosvenor Street and 76 Grenville Street, being part of Lane on Plan 159 and shown as Part 1 on Sketch No. PS-2008-160 (the “Lane”), the City of Toronto enter into an Agreement of Purchase and Sale with the adjoining owner, Women’s College Hospital (the “Purchaser”), for the sale of the Lane, in the amount of \$980,000.00, substantially on the terms and conditions outlined in Appendix “A” to this report.
2. Authority be granted to direct a portion of the proceeds of closing to fund the outstanding expenses related to the Lane and the completion of the sale transaction.
3. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending or waiving terms and conditions, on such terms as she considers reasonable.

Financial Impact

We anticipate revenue in the amount of \$980,000.00 (net of GST), less closing costs and the usual adjustments from this sale.

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

DECISION HISTORY

In accordance with the City's Real Estate Disposal By-law, No. 814-2007, the Lane was declared surplus on December 16, 2008 (DAF No. 2008-202) with the intended manner of disposal to be by inviting an offer to purchase the Lane from the adjoining owner at 76 Grenville Street.

ISSUE BACKGROUND

Staff of Transportation Services received a request from the Purchaser to investigate the feasibility of the permanent closure of the Lane for incorporation into the Purchaser's proposed development of a five storey building and a parking garage.

COMMENTS

Transportation Services has reviewed the feasibility of closing the Lane and are submitting a report to the Toronto and East York Community Council meeting scheduled for January 13, 2009, recommending that the Lane be permanently closed.

Details of the Lane are as follows:

Approximate Size: North/south measurement: East/west measurement:	5.5 m (16.4 ft) 31.7 m (104.0 ft)
Approximate Area:	174.4 m ² (1,877.29 ft ²)
Current Status:	Lane is being used for access to the Purchaser's buildings and parking garage

The ward Councillor has advised the Director of Real Estate Services that he intends to ask City Council to authorize the transfer of the Lane to the Purchaser for nominal sum consideration. Section 82 of the City of Toronto Act ("COTA") stipulates the City shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose, including leasing or selling any property of the City at below fair market value. The recommendations in this report are in compliance with the requirements of Section 82 of COTA and Chapter 213 of the Municipal Code governing the sale of real property.

Real Estate staff consulted with staff of Audit, Finance, Legal and Social Development, Finance & Administration to determine whether a grant could be made. The City derives its grant making authority from COTA, Section 83, General Power to Make Grants, and grants are broadly defined and include both grant funding and grants in kind.

City Council has approved the Toronto Grants Policy for the purpose of funding grants. We were advised that the Purchaser would not be a suitable candidate for a grant pursuant to this policy.

A “grant in kind”, broadly defined, is a transfer of an asset other than cash, such as property or the right to use property, to another entity in exchange for nominal or non consideration or for consideration with less than fair market value. Section 83(2)(b) of COTA provides that the City has the authority to make a “grant in kind” of land.

As of the writing of this report, not all of the steps necessary to comply with the City’s real estate disposal process, as set out in Chapter 213 of the City of Toronto Municipal Code have been complied with, as notice of the proposed sale has not been given. However, by the date of consideration of the Government Management Committee, the required public notice will have been given.

A Cost Centre has been put in place to charge costs directly related to the sale of City-owned properties. This report includes a recommendation to direct a portion of the sale proceeds to fund the outstanding expenses related to the property and the completion of the sale transaction.

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix “A”
Appendix “B”