

Transfer of Properties to Build Toronto – Fourth Quarter 2009

Date:	October 30, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	5, 9, 10, 28, 38
Reference Number:	P:\2009\Internal Services\F&re\Gm09094F&re – AFS 10817

SUMMARY

By its adoption of EX32.5, as amended, on May 25, 26, and 27, 2009, City Council, among other matters, declared sixteen properties surplus, with the intended method of disposal to be by way of a transfer to Build Toronto Inc. (Build Toronto) on an “as is” basis, for nominal consideration.

This report recommends the terms on which seven of those properties - 120 Grangeway Avenue, 154 Front Street East, 64-70 Cordova Avenue, 30 Tippett Road, 75 Billy Bishop Way, and 50 Wilson Heights Boulevard - are to be transferred to Build Toronto.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council grant authority to enter into an agreement to transfer the property municipally known as 120 Grangeway Avenue, more particularly described in Appendix 2, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 2 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.

2. City Council grant authority to enter into an agreement to transfer the property municipally known as 154 Front Street East, more particularly described in Appendix 3, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 3 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.
3. City Council grant authority to enter into an agreement to transfer the property municipally known as 64-70 Cordova Avenue, more particularly described in Appendix 4, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 4 attached, and on such other and amended terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.
4. City Council grant authority to enter into an agreement to transfer the property municipally known as 30 Tippet Road, more particularly described in Appendix 5 including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 5 attached, and on such other terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.
5. City Council grant authority to enter into an agreement to transfer the property municipally known as 75 Billy Bishop Way, more particularly described in Appendix 6, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 6 attached, and on such other terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.
6. City Council grant authority to enter into an agreement to transfer the property municipally known as 50 Wilson Heights Boulevard, more particularly described in Appendix 7, including agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 7 attached, and on such other terms and conditions as may be approved by the Chief Corporate Officer, in a form satisfactory to the City Solicitor.
7. City Council authorize severally each of the Chief Corporate Office and the Director of Real Estate Services to execute the transfer agreements on behalf of the City.

8. City Council grant authority to fund the City's outstanding expenses related to these properties from future Approved Operating Budgets for Facilities and Real Estate (F&RE), as necessary, and that once these transactions are finalized, the funding for the expenses be transferred from the Land Acquisition Reserve Fund (LARF), with appropriate adjustments to F&RE's future Approved Operating Budgets, as necessary, through subsequent Quarterly Variance Reports.
9. City Council grant authority to make appropriate budget adjustments to the Toronto Transit Commission's Operating Budget to address the net revenue loss arising from the transfer to Build Toronto of 154 Front Street East, 64-70 Cordova Avenue, 30 Tippet Road, 75 Billy Bishop Way, and 50 Wilson Heights Boulevard, effective on a date to be agreed upon by the Deputy City Manager and Chief Financial Officer and the TTC.
10. City Council authorize the City Solicitor to complete the transactions to be provided for in the transfer agreements on behalf of the City, including making payment of any necessary expenses, amending the closing and other dates to such earlier or later date(s), and amending or waiving the terms and conditions, as she may from time to time consider reasonable.

Financial Impact

The transfer/sale of properties to Build Toronto will defer the receipt of proceeds from the disposition of these surplus properties during Build Toronto's development process. However, the transfer will optimize benefits to the City as a whole and achieve potentially greater returns over time.

As the properties that are the subject of this report are being transferred for nominal consideration, no revenue will be available to cover the expenses of effecting the transfers, such as registration charges that would normally be for the account of the vendor in a transaction of purchase and sale, survey fees, appraisal fees, etc. As the total of the expenses for these properties is not known at this time, it is recommended that these expenses be accommodated within F&RE's future Approved Operating Budgets, as necessary, and that, once known, funds be provided from the LARF. A budget transfer to adjust F&RE's future Approved Operating Budgets, as necessary, funded from the LARF through subsequent Quarterly Variance Reports, is also recommended.

The Toronto Transit Commission is the registered owner of 154 Front Street East and has management responsibility for 64-70 Cordova Avenue, 30 Tippet Road, 75 Billy Bishop Way, and 50 Wilson Heights Boulevard and receives revenue from these properties. This

report recommends that when these properties are transferred to Build Toronto these revenues will be for the account of Build Toronto. Pursuant to Recommendation 5 of EX32.5, appropriate adjustments will be required to the TTC Operating Budget, not earlier than 2011, to address the loss of these revenues.

The 120 Grangeway Avenue property is currently vacant and contributes no revenue to the City. Build Toronto's development activities on this property should result in revenue for the City from realty taxes applicable to the developed property and from future dividends from Build Toronto.

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

DECISION HISTORY

On May 25, 26, and 27, 2009, City Council adopted EX32.5, as amended, endorsed the Principles of a Real Estate Strategy and declared surplus, subject to the retention of Required Interests, sixteen properties, with the intended method of disposal to be a transfer to Build Toronto, and five properties, with the intended method of disposal to be a turnover to Build Toronto.

New Model to Enhance Toronto's Economic Competitiveness

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-15926.pdf>

Principles of a Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20629.pdf>

Appendices 2, 3 and 4 - Properties to be Declared Surplus

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-20630.pdf>

Report on Executive Committee Motion Regarding EX32.5a

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21424.pdf>

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/backgroundfile-21647.pdf>

On September 30, and October 1, 2009, City Council adopted GM24.30, and approved the terms of transfer of four properties.

Report - Transfer of Properties to Build Toronto

<http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-23306.pdf>

Appendices 1-5

<http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-23307.pdf>

COMMENTS

This report gives effect to EX32.5 with respect to the properties municipally known as 120 Grangeway Avenue, 154 Front Street East, 64-70 Cordova Avenue, 30 Tippet Road, 75 Billy Bishop Way, and 50 Wilson Heights Boulevard and will contribute to Build Toronto's portfolio of development properties.

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SIGNATURE

Bruce Bowes, P. Eng.,
Chief Corporate Officer

ATTACHMENTS

Appendix 1 - Terms and Conditions of Transfer for All Properties
Appendix 2 - 120 Grangeway Avenue
Appendix 3 - 154 Front Street East
Appendix 4 - 64-70 Cordova Avenue
Appendix 5 - 30 Tippet Road
Appendix 6 - 75 Billy Bishop Way
Appendix 7 - 50 Wilson Heights Boulevard