

**Release of Section 30 Agreement Concerning Lands on
the West Side of Strachan Avenue**

Date:	May 4, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	19 – Trinity-Spadina
Reference Number:	P:\Internal Services\2010\RE\gm10042re – (AFS 11662)

SUMMARY

In 2001, the City entered into an agreement pursuant to Section 30 of the Expropriations Act (the “Section 30 Agreement”) with 863880 Ontario Limited (“863880”), the owner of certain lands on the west side of Strachan Avenue, to acquire a portion of the lands (“the Lands”) for the proposed Front Street Extension (the "FSE"). The FSE project also included a local road component. As reference to the FSE was deleted from the Official Plan in early 2009, the City no longer requires the Lands for the FSE, but does still require a portion of the Lands for a local road.

In May 2009, Council authorized the Director of Real Estate Services to hold discussions with 863880 to unwind the Section 30 Agreement and report back to Council when the lands required for local road purposes have been secured from 863880, at no cost to the City. Discussions with 863880 have been completed. As it is expected that the City will be acquiring the necessary lands for the local road from 863880 through 863880's subdivision application for 14 Strachan Avenue and 39-51 East Liberty Street, approval is now sought to release the Section 30 Agreement, subject to 863880's rezoning and subdivision applications being approved by City Council and the necessary Subdivision Agreement securing the construction and dedication as a public highway of the lands required for local road purposes being executed and registered on title.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council approve the release of the Section 30 Agreement between the City and 863880 Ontario Limited for lands on the west side of Strachan Avenue, subject to 863880 Ontario Limited's rezoning and subdivision applications for 14 Strachan Avenue and 39-51 East Liberty Street being approved by City Council and becoming final and binding and subject to the execution and registration of a Subdivision Agreement securing the construction and dedication as a public highway, at no cost to the City, of the lands required by the City for local road purposes and the posting by 863880 Ontario Limited of any related security under such Agreement.

Financial Impact

Approval of this report will result in no financial impact to the City. However, if the City does not release the Section 30 Agreement and instead completes the transaction, the City will be required to pay \$1.0 Million compensation for the Lands on closing, in addition to any other compensation that might be payable once the matter has been determined by the OMB pursuant to the Expropriations Act.

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

DECISION HISTORY

At its meeting held on December 4, 5 and 6, 2001, City Council adopted Clause 23 of Administration Committee Report No. 18, authorizing the City to enter into a Section 30 Agreement with 863880 for the acquisition of the Lands. This report is found at: <http://www.toronto.ca/legdocs/2001/agendas/council/cc011204/adm18rpt/cl023.pdf>

At its meeting held on April 25, 26 and 27, 2006, City Council adopted Notice of Motion J(37) which authorized certain amendments to the Section 30 Agreement, including giving the City the option to extend the closing date one or more times up to February 28, 2012. This report is found at: <http://www.toronto.ca/legdocs/2006/agendas/council/cc060425/cofa.pdf>

At its meeting held on May 25, 26 and 27, 2009, City Council adopted the recommendations contained in Item GM23.8, authorizing the City to exercise its option to extend the closing date of the Section 30 Agreement to February 28, 2012. In addition, Council authorized the Director of Real Estate to hold discussions with 863880 to unwind the Section 30 Agreement and report back to Council when the necessary lands for 863880 for local road purposes have been secured at no cost to the City. <http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-21040.pdf>

ISSUE BACKGROUND

In 2001, the City entered into a Section 30 Agreement with 863880 to acquire the Lands for the FSE project. As reference to the FSE was deleted from the Official Plan in early 2009, the Lands are no longer required by the City for that purpose. However, the FSE project included a local road component, which is still required. A final phase of the Liberty Village Area is now being developed and it has been determined that land for the local road should be obtained through the development planning process.

In May of last year, City Council authorized staff to “undertake discussions with 863880 to unwind the Section 30 Agreement and report back to Council when the necessary lands from 863880 for local road purposes are secured at no cost to the City”. 863880 has submitted its redevelopment plans for 14 Strachan Avenue and 39-51 East Liberty Street to City Planning, which provide for a local road through the site. It is anticipated that City Planning's final report on the rezoning application will be submitted to Toronto and East York Community Council in the near future and that the final report on the subdivision application will follow some time after that.

COMMENTS

As reference to the FSE has been deleted from the Official Plan, the City no longer requires the Lands for the FSE. However, the City does still require a portion of the Lands for the local road component of the FSE project.

If 863880’s rezoning and subdivision applications are approved by City Council, and the City and 863880 enter into a Subdivision Agreement that provides for the construction and dedication as a public highway, at no cost to the City, of land for a local road, the Section 30 Agreement will no longer be required and can be released. For this reason, staff is seeking approval to unwind the Section 30 Agreement, subject to 863880’s rezoning and subdivision applications being approved by City Council, the required Subdivision Agreement being executed and any security required under the Subdivision Agreement being posted by 863880.

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix “A” – Site Map