TORONTO

STAFF REPORT
ACTION REQUIRED

Transfer of Properties to Build Toronto and Declaration as Surplus – Second Quarter 2012

Date:	April 11, 2012
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	4, 19, 30, 36, 42, 43
Reference Number:	P:\2012\Internal Services\Re\Gm12018re – AFS # 15580

SUMMARY

This report recommends the terms of transfer to Build Toronto of eight properties previously declared surplus: north of Eglinton Avenue West between Wincott Drive and Islington Avenue; 4452 Eglinton Avenue West; 4200-4400 Eglinton Avenue West; 253 Markham Road and 12 Dunelm Street; 5131 Sheppard Avenue East; 138 Hamilton Street; 455 Dovercourt Road; and 3900 Danforth Avenue.

This report also recommends that three properties be declared surplus for the purposes of transfer to Build Toronto: east of Galloway Road, south of CN rail line; northeast corner of Livingston Road and Westlake Road; and north of Dale Avenue and west of Kingston Road.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council grant authority to enter into an agreement to transfer the property north of Eglinton Avenue West between Wincott Drive and Islington Avenue, more particularly described in Appendix 2, including any 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 (CCO), 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 4452 Eglinton Avenue West more particularly described in Appendix 3, including any 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 CCO, 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 4200-4400 Eglinton Avenue West more particularly described in Appendix 4, including any 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 CCO, 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 253 Markham Road and 12 Dunelm Street more particularly described in Appendix 5, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 5 attached, and on such other and amended terms and conditions as may be approved by the CCO, 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 5131 Sheppard Avenue East more particularly described in Appendix 6, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 6 attached, and on such other and amended terms and conditions as may be approved by the CCO, 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 138 Hamilton Street more particularly described in Appendix 7, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 7 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.

7. City Council grant authority to enter into an agreement to transfer the property municipally known as 455 Dovercourt Road more particularly described in Appendix 8, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 8 attached, and on such other and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.

8. City Council grant authority to enter into an agreement to transfer the property municipally known as 3900 Danforth Avenue more particularly described in Appendix 9, including any agreements related thereto, to Build Toronto, substantially on the terms and conditions set out in Appendices 1 and 9 attached, and on such other

and amended terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.

9. City Council declare the following properties surplus, as set out in Appendices 10(a) – 10(c), subject to the retention of those areas and interests required to satisfy operational requirements and subject to the retention of any interests required by law as well as those City and other interests required to be protected (Required Interests), with the intended method of disposal to be by way of a transfer to Build Toronto, on an "as is" basis, for nominal consideration (with Build Toronto to pay any applicable Land Transfer Tax, HST, registration and other costs):

    a. East of Galloway Road, south of CN rail line (Appendix 10 (a));
    b. Northeast corner of Livingston Road and Westlake Road (Appendix 10 (b));
    c. North of Dale Avenue and West of Kingston Road (Appendix 10 (c)).

10. City Council grant authority to the CCO to permit Build Toronto to engage in licensing and leasing activities in respect of the properties in this report that are or become the subject matter of executed transfer agreements, during the period prior to the closing of the transfer transactions, on terms and conditions as may be approved by the CCO, in a form satisfactory to the City Solicitor.

11. City Council grant authority to fund the City's outstanding expenses related to the properties in this report from the Approved Operating Budget for Facilities Management and Real Estate (FM&RE), in the year(s) that the expenses are incurred, as necessary, and, once these expenses are known, to transfer the funding for these expenses from the Land Acquisition Reserve Fund (LARF), with appropriate adjustments to FM&RE's Approved Operating Budget, as necessary, through subsequent Quarterly Variance Reports.

12. City Council approve, as the approving authority under the provisions of the *Expropriations Act*, the transfer to Build Toronto of any property in this report that was acquired by expropriation without giving the original owner from whom the property was expropriated the first chance to repurchase the property.

13. City Council authorize severally each of the CCO and the Director of Real Estate Services to execute the transaction documents required to implement the Recommendations in this report on behalf of the City, including the execution of any required consents, approvals or permissions.

14. City Council authorize the City Solicitor to complete the transactions provided for in this report 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.

15. City Council authorize and direct the appropriate City officials to introduce in Council any Bills necessary to give effect to the foregoing.

Financial Impact

The transfer of the properties to Build Toronto that are the subject of the Recommendations in this report will defer the receipt of proceeds from the disposition of the 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 to be transferred to Build Toronto are being transferred for nominal consideration, no revenue will be available to cover the expenses of affecting 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 related to these properties is not known at this time, it is recommended that these expenses be accommodated within FM&RE's Approved Operating Budget, in the year(s) that the expenses are incurred, as necessary, and that, once these expenses are known, funds be provided from the LARF. Budget transfers to adjust FM&RE's Approved Operating Budget, as necessary, funded from the LARF through subsequent Quarterly Variance Reports, are also recommended**.**

There are no financial implications from the Recommendations providing for the declaration of surplus of properties for transfer to 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.

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)

On November 29, 30 and December 1, 2011, City Council adopted GM9.10 and GM9.10a and approved terms of transfer for two properties to Build Toronto, declared surplus nine properties for transfer to Build Toronto and declared surplus three properties for turnover to Build Toronto.

(October 26, 2011) report from the Chief Corporate Officer on the Transfer of Properties to Build Toronto and Declaration of Surplus - Fourth Quarter 2011
(http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-42091.pdf)

(October 26, 2011) Appendix 1 - Terms & Conditions for All Transfer Agreements Appendix 2 - 45 Strachan Avenue, 10 Ordnance Street, 11 and 25 Ordnance Street Appendix 3 - Terms & Conditions for Transfer - South of Wilson Avenue and West of Tippett Road (http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-42092.pdf)
(October 26, 2011) Appendix 4 from 4a to 4k - Properties to be Declared Surplus for Transfer (http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-42093.pdf)
(October 26, 2011) Appendix 5 from 5a to 5c – Terms & Conditions for All Turnover Agreements - Properties to be Declared Surplus for Turnover (http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-42094.pdf)

COMMENTS

Transfer Properties

Some of the properties that are recommended in this report to be the subject matter of transfer agreements with Build Toronto require comment.

Parts of the Eglinton West Corridor (Appendices 2, 3, and 4)
There are three properties along the north side of Eglinton Avenue West, between Wincott Drive and Royal York Road which have been recommended for transfer to Build Toronto for development purposes. A strip of land along the north side of Eglinton Avenue West varying in width from 4.2 m to 9.3 m is being retained by the City to provide for the required widening to the north from the centreline of this section of Eglinton Avenue West (planned 45 m right-of-way in the Official Plan). Through the development and planning process to be undertaken by Build Toronto it may be determined that a smaller right-of-way is sufficient for this road and any future transit service so that in future this strip of land (or some parts of it) may be determined to be surplus and available for transfer to Build Toronto.

A future transit line is planned for the Eglinton Avenue West Corridor. TTC has advised that its future requirements to accommodate this transit service can be accommodated within the right-of-way that is being retained by the City.

A woodlot located mid-block between Wincott Drive and Islington Avenue (shown as Part 2 on Sketch PS-2011-085 in Appendix 2) is being retained in City ownership to preserve this significant natural feature. The limits of Part 2 may be enlarged when the woodlot is surveyed in consultation with the Parks, Forestry and Recreation division (PF&R), to ensure protection of the woodlot prior to the transfer of any portion of this block to Build Toronto.

4200 Eglinton Avenue West contains a listed property (Mary Reid House) included on the City's Inventory of Heritage Properties and is subject to the Official Plan section 3.1.5 Heritage Resources, Policy 6, and a Heritage Easement Agreement will be required.

5131 Sheppard Avenue East (Appendix 6)
This property was acquired for the purposes of transit development along the Sheppard Avenue East corridor. The TTC considers it premature to release this property, as the alignment and design of the Sheppard Transit Extension into the Scarborough area has not been finalized. Notwithstanding the TTC's position, City Council declared 5131 Sheppard Avenue East surplus for transfer to Build Toronto and this report recommends terms of the transfer of the property to Build Toronto, without provision for the above.

455 Dovercourt Road (Appendix 7)
Ward Councillors expressed interest in the property being made available for sale to non-profit community groups rather than to Build Toronto. Notwithstanding, City Council declared 455 Dovercourt Road surplus for transfer to Build Toronto. Build Toronto has advised that after consultation with the local Councillor, Build Toronto will give the Luso Canadian Charitable Society or a corporation or other business entity wholly-owned and controlled by the Luso Canadian Charitable Society an opportunity to purchase the property at fair market value prior to marketing the property to the general public or engaging in other development activities.

3900 Danforth Avenue (Appendix 9)
The property is within the Kingston-Danforth Transit Improvement Study area, and has been examined in connection with the reconfiguration of the Danforth Avenue and Kingston Road intersection. However, the results have not yet been reported to City Council nor has the Transit Project Assessment Process been initiated or budgeted for. Notwithstanding that City Planning staff advised that the southern portion of Part 1 on Sketch PS-2006-067 would be required for the proposed redesign of the Danforth Avenue and Kingston Road intersection, City Council declared 3900 Danforth Avenue surplus for transfer to Build Toronto and this report recommends terms of transfer to Build Toronto, without provision for the above.

Declare Surplus Properties

Scarborough Transportation Corridor Properties (Appendices 10(a)-10(c))
All of the properties proposed to be declared surplus in Appendix 10 were acquired by Metropolitan Toronto in connection with the Scarborough Transportation Corridor project which was subsequently deleted from the planned road system. This report recommends that City Council declare surplus, for transfer to Build Toronto, the properties that are considered to have development potential.

Conclusion

This report recommends the terms of transfer to Build Toronto of the surplus properties: north of Eglinton Avenue West between Wincott Drive and Islington Avenue; 4452 Eglinton Avenue West; 4200-4400 Eglinton Avenue West; 253 Markham Road and 12 Dunelm Street; 5131 Sheppard Avenue East; 138 Hamilton Street; 455 Dovercourt Road; and 3900 Danforth Avenue.

Three properties are recommended to be declared surplus for transfer to Build Toronto: east of Galloway Road, south of CN rail line; northeast corner of Livingston Road and Westlake Road; and north of Dale Avenue and west of Kingston Road.

Implementation of the recommendations in this report will contribute to Build Toronto's portfolio of development properties and help to enhance and realize the value of the City's real estate holdings.

CONTACT

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SIGNATURE

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Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix 1– Terms & Conditions for All Transfer Agreements
Appendix 2 – North of Eglinton Avenue West between Wincott Drive and Islington Avenue
Appendix 3 – 4452 Eglinton Avenue West
Appendix 4 – 4200 - 4400 Eglinton Avenue West
Appendix 5 – 253 Markham Road and 12 Dunelm Street
Appendix 6 – 5131 Sheppard Avenue East
Appendix 7 – 138 Hamilton Street
Appendix 8 – 455 Dovercourt Road
Appendix 9 – 3900 Danforth Avenue

Appendix 10 (a-c) **Properties to be Declared Surplus for Transfer to Build Toronto**

10(a) East of Galloway Road, south of CN rail line

10(b) Northeast corner of Livingston Road and Westlake Road

10(c) North of Dale Avenue and West of Kingston Road