



**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

Sale of Part of 22 John Street, Grant of Permanent Easement for Part of 53 Strachan Avenue, and Real Estate Acquisition and Expropriation of 14 John Street

Date:	October 31, 2013
To:	Government Management Committee
From:	Chief Corporate Officer and President, Toronto Parking Authority
Wards:	11 – York South-Weston and 19 – Trinity-Spadina
Reason for Confidential Information:	This report is about a proposed or pending land acquisition by the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2013\Internal Services\RE\Gm13031re – (AFS #18513)

SUMMARY

This report seeks authority for a number of real estate transactions and proceedings to facilitate and expedite both the implementation of a Cultural Hub and the locating of access ramps for a pedestrian bridge over the Georgetown South rail corridor/Union-Pearson Air-Rail Link at the John Street location.

RECOMMENDATIONS

It is recommended that:

1. (a) Part of 22 John Street (near Weston Road and Lawrence Avenue), containing approximately 910 square metres (9,795 square feet), as shown on the sketch attached as Appendix 1 (the "Property"), be declared surplus to the City's requirements, with the intended manner of disposal to be a sale to Metrolinx, and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code, be taken;

- (b) Authority be granted to enter into an Agreement of Purchase and Sale for the transfer to Metrolinx of the Property, at a purchase price of \$340,000, on terms and conditions satisfactory to the Chief Corporate Officer, and in a form satisfactory to the City Solicitor.
2.
 - (a) Part of 53 Strachan Avenue containing approximately 2,125 square metres (22,873 square feet) as shown on Appendix 2 (the "Easement Lands"), be declared surplus to the City's requirements, with the intended manner of disposal to be a Permanent Easement to Metrolinx, and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code, be taken;
 - (b) Authority be granted to enter into a Permanent Easement Agreement with Metrolinx for sub-surface tie-backs for its rail infrastructure within the Easement Lands, at a value up to \$40,000, on terms and conditions satisfactory to the Chief Corporate Officer and in a form acceptable to the City Solicitor.
3. Authority be granted to commence negotiations to acquire the vacant lands located at 14 John Street, City of Toronto (the "Lands").
4. Authority be granted to initiate the expropriation process for the Lands (14 John Street).
5. Authority be granted to serve and publish Notices of Application for Approval to Expropriate the Lands (14 John Street), to forward to the Chief Inquiry Officer any requests for hearing that are received, to attend the hearing to present the City's position and to report the Inquiry Officer's recommendations to City Council for its consideration.
6. Proceeds from the sale of the Property (22 John Street) be held in the Community Development Reserve Fund (XR3100) to support redevelopment of the surface parking lot at 22 John Street which includes a residential component, replacement municipal parking facility, a Farmer's Market and a Cultural Hub.
7. The information contained in the Confidential Attachment be made public following completion of the transactions contemplated herein.
8. The City Solicitor be authorized to complete the transactions, deliver any notices, pay any expenses and amend the closing and other dates to such earlier or later date(s), on such terms and conditions, as she may, from time to time, determine.
9. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Financial details outlining anticipated costs for property acquisition and funding arrangements are outlined in the confidential attachment. There are no anticipated budget impacts.

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

ISSUE BACKGROUND

As part of Metrolinx's continued upgrade of the Georgetown South rail corridor, part of John Street over which the rail corridor would operate will be closed in 2014. This will result in dividing the surrounding lands that form part of Ward 11. To promote unity for the area, a Cultural Hub was proposed, and Council adopted on March 5 as part of the Weston Revitalization Strategy, that could serve as a destination point and resource for the community.

Toronto Parking Authority currently operates a municipal parking lot at 22 John Street (Carpark 650) and has entered into an Agreement of Purchase and Sale with a private developer for redevelopment of the site. The redevelopment would include new residential dwellings, a new parking facility, a replacement area for the existing farmers market, and a new Cultural Hub comprising a minimum ground floor area of 7,000 square feet, which may be physically divided into several facilities and which may be located off-site. The developer's proposal is to locate the Cultural Hub on an adjacent property. The redevelopment requires the entire property at 22 John Street.

In 2013, Metrolinx notified the City that it required a portion of the 22 John Street property to build a pedestrian access ramp and an access ramp for the disabled as part of its construction of the John Street Pedestrian Bridge. This request meant that the redevelopment proposal including the Cultural Hub was in jeopardy because the balance of the lands at 22 John Street would be too small. To ensure viability of the redevelopment, it is recommended in this Report that the City acquire the adjacent vacant land at 14 John Street through negotiations and, failing that, expropriation. In addition, in order to allow for the construction, operation and maintenance of the access ramps for the pedestrian bridge, this report recommends the sale of a portion of the John Street property to Metrolinx.

For additional information please refer to:

<http://www.toronto.ca/legdocs/mmis/2012/ey/bgrd/backgroundfile-44958.pdf>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX16.4>

Metrolinx staff advised that to justify providing funding towards the cost to bring 14 John Street into City ownership, Metrolinx needs to receive value in exchange. In order to provide some additional contribution towards the potential cost of the acquisition or expropriation of 14 John Street, Metrolinx has proposed transactions on two other City owned properties that have operational impacts for Metrolinx.

Metrolinx requires ownership of a small strip of the City property at 255 Queenslea Avenue, which is within the Parks and Open Space Areas of the Official Plan and accordingly, any sale or disposal is prohibited. The proposed transaction would require an amendment to the City's Official Plan. Metrolinx has advised that it will undertake expropriation proceedings for this strip of land.

For the second property at 53 Strachan Avenue, the City and Metrolinx entered into a Licence Agreement dated December 22, 2010 for a term of 20 years, for Metrolinx to construct and install subsurface tie-backs and their concrete bases beneath a part of the property, within an approximate area of 2,215 square metres (22,873 square feet). Installation of the tie-backs have been completed and Metrolinx is requesting a permanent easement for the tie-backs to remain in place on a permanent basis.

COMMENTS

City staff is seeking authority to exercise the City's expropriation rights should negotiations between the City and the owner fail to achieve a negotiated purchase agreement for 14 John Street. In return for Metrolinx' contribution towards the cost of 14 John Street, Metrolinx and City staff mutually discussed and negotiated the following transactions as consideration for said contribution:

1. Metrolinx to undertake expropriation proceedings for part of Rosemount Garden Parkette located at 255 Queenslea Avenue, containing approximately 103 square metres (1,108.7 square feet), designated as Part 1 on the draft reference plan attached as Appendix 2 and 3; and
2. Subject to compliance with any applicable City procedures and requirements, the City to grant a permanent easement to Metrolinx for the subsurface tie-backs that have been installed at 53 Strachan Avenue (see Appendix 4), at a value up to \$40,000.

The foregoing transaction(s) would provide additional funding to bring 14 John Street into City ownership.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix 1 – 14 John Street Site View
Appendix 2 – 53 Strachan Ave Site View
Appendix 3 – Rosemount Garden Parkette Site View
Appendix 4 – Rosemount Garden Parkette Site Survey
Appendix 5 – Confidential Attachment (14 John St Acquisition and Expropriation)