



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Release of Covenant on Title to 28 Hedgewood Road

Date:	February 9, 2015
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	25 – Don Valley West
Reason for Confidential Information:	This report involves the security of property belonging to the City or one of its agencies, boards and commissions.
Reference Number:	P:\2015\Internal Services\RE\Gm15003re (AFS # 20752)

SUMMARY

To obtain authority for the release of a covenant registered on title to 28 Hedgewood Road, prohibiting the use of part of a closed road for the purposes of creating a separate building lot.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize acceptance of the Offer from Mrs. Narges Ehsani-Armaki (the "Owner") to secure the release of the covenant registered on title to the property known municipally as 28 Hedgewood Road (the "Property") in exchange for payment in the amount of \$207,000, exclusive of HST, substantially on the terms and conditions outlined in Appendix "B" to this report.
2. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to execute the Offer and associated agreements and documents on behalf of the City.
3. The confidential information in Appendix "C" remain confidential as it contains information relating to the security of property belonging to the City.

4. City Council authorize the Chief Corporate Officer to administer and manage the transaction, including the provision of any consents, approvals, waivers and notices (including termination), provided that she may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.
5. City Council authorize the City Solicitor to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.
6. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

The proposed Offer to release the covenant provides that the Owner will pay \$207,000.00, exclusive of applicable taxes and fees, to the City of Toronto for the release of the covenant. This revenue will be contributed to the Land Acquisition Reserve Fund upon completion of the transaction.

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

DECISION HISTORY

The former City of North York, at its meeting held on July 8th, 1992, adopted By-law 31805, authorized the stopping up and closing of a portion of Beechwood Avenue as a public highway.

http://www.toronto.ca/legdocs/pre1998bylaws/north_york-city-of/31805.pdf

ISSUE BACKGROUND

In 1991, the City sold a portion of closed Beechwood Avenue, known also as Hedgewood Road, to a prior owner of the Property, being the adjoining land owner, subject to a covenant registered on Title prohibiting the use of the former road for the purpose of a creating a separate building lot.

In 2014, the current Owner applied to the Ontario Municipal Board for permission to sever the Property into two separate Residential lots. Consent was granted by the OMB by Decision dated October 24, 2014.

Following the severance of the Property, the owner of the land approached the City to release the covenant, as it interferes with the use of the new southerly lot for the purpose of a building lot.

The request has been reviewed by staff of Real Estate Services who have determined that the value of the requested release of covenant is \$207,000.00 (exclusive of HST). The Owner has submitted an Offer to the City on the Terms set out in the attached Appendix "B".

COMMENTS

The proposed transaction for the release of the covenant would generate revenue to the City in the amount of \$207,000.00. The terms for completing the transaction as set out herein are considered to be fair, reasonable and reflective of market value. Given the foregoing, it would be appropriate to release the covenant.

CONTACT

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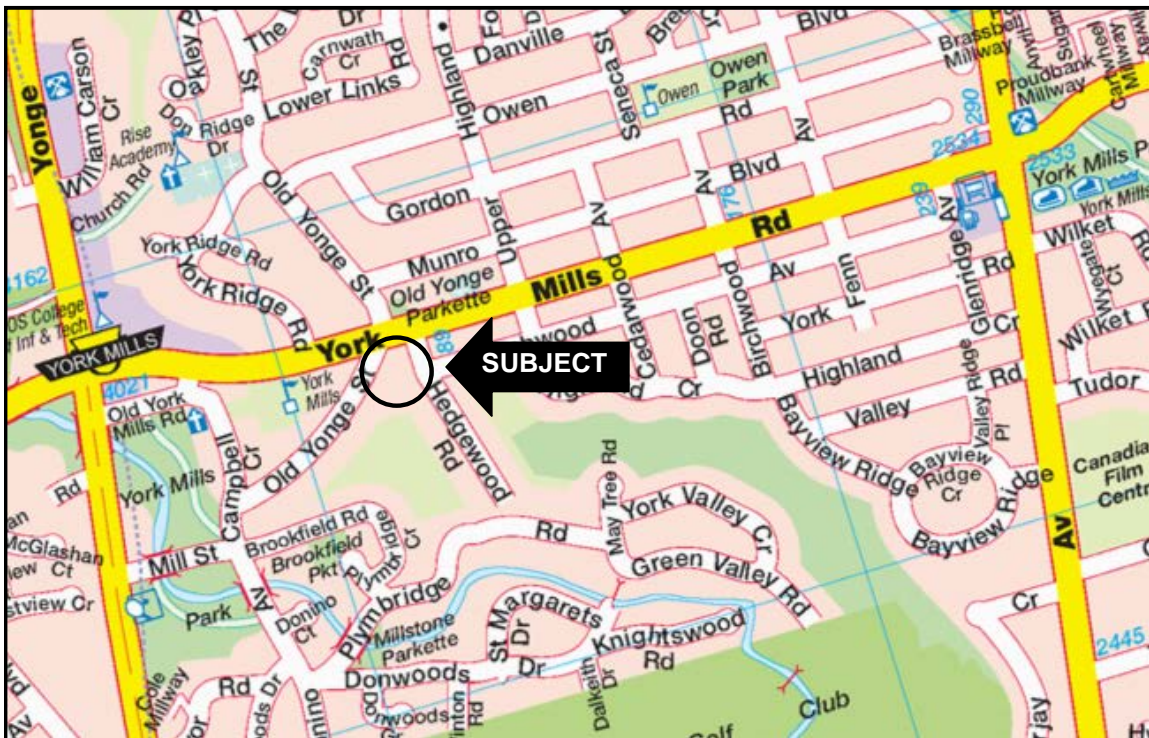
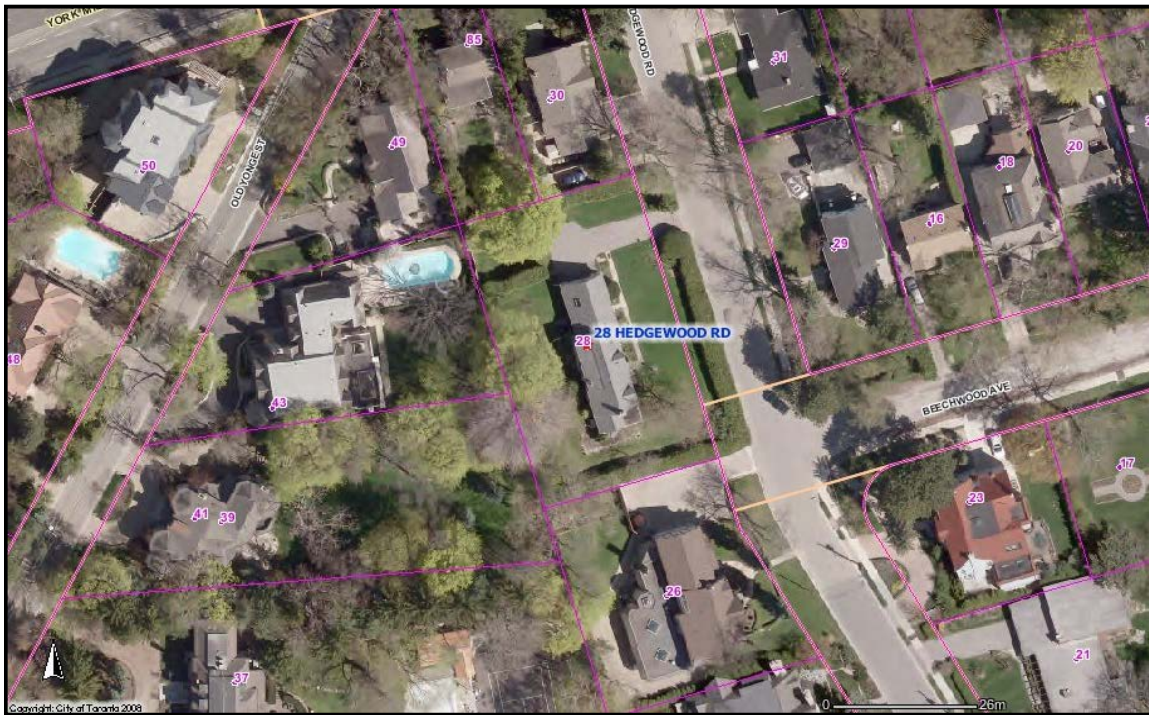
SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Appendix "A" – Map and Aerial
Appendix "B" – Terms & Conditions
Appendix "C" – Confidential Attachment

Appendix "A"



Appendix "B"

Terms and Conditions for the Release of Covenant

Property:	28 Hedgewood Road, Toronto
Legal description:	Lots 77 and 78, Part Beechwood Avenue, Plan 1750, closed by By-law #31805 (TB845989), designated as Parts 1 and 2, Plan 64R-13347, save and except Part 2, Plan 66R-18479, Toronto
Release Fee:	\$207,000.00 exclusive of HST.
Deposit:	\$20,700.00
Irrevocable Date:	April 10, 2015
Closing Date:	April 30, 2015
Balance:	Cash or certified funds on closing, plus HST (if applicable), subject to the usual adjustments.
Other Terms & Conditions:	The owner shall acknowledge and agree that the City will not be prejudiced in carrying out its statutory rights and responsibilities, including planning rights and responsibilities, and including the right to approve, refuse, object to or oppose any planning application in relation to the subject lands.