



STAFF REPORT ACTION REQUIRED

Transfer of 30 Dunelm Street to Build Toronto

Date:	August 18, 2016
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 36 – Scarborough Southwest
Reference Number:	P:\2016\Internal Services\RE\Gm16033re – (AFS # 21653)

SUMMARY

This report recommends the terms of transfer to Build Toronto of 30 Dunelm Street. (the "Property")

By its adoption of GM20.6 on April 3 and 4, 2013, Council endorsed the enhanced process for property transfers to Build Toronto to augment the declare surplus and disposal process by, among other things, inclusion of City Planning on staff teams considering property transfers and earlier and ongoing communication between Real Estate Services and the local Councillor, City Planning and Build Toronto. This process has been implemented with respect to the Property in this report.

The Property is being reported on independently to enable Build Toronto to develop it together with adjoining properties as a contiguous development parcel.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council grant authority to enter into an agreement to transfer the property municipally known as 30 Dunelm Street ("the Property"), as described in Appendix 2 of this report, including any related agreements, to Build Toronto, substantially on the terms and conditions as set out in Appendices 1 and 2 of this report, 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 the Chief Corporate Officer to permit Build Toronto to engage in licensing and leasing activities in respect of the Property that is or becomes the subject matter of an executed transfer agreement, during the period prior to the closing of the transfer transaction, on 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 fund the City's outstanding expenses related to the property in this report from the Council Approved Operating Budget for Facilities Management and Real Estate, Environment & Energy (FREEE), 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) (XR1012), with appropriate adjustments to FREEE's Council Approved Operating Budget, as necessary, through subsequent Quarterly Variance Reports.
4. City Council approve, as the approving authority under the provisions of the *Expropriations Act*, the transfer to Build Toronto of the 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.
5. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to execute the transaction documents required to implement Council's decision on behalf of the City, including the execution of any required consents, approvals or permissions.
6. 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 the City Solicitor may from time to time consider reasonable.

Financial Impact

The transfer of the Property to Build Toronto that is the subject of the Recommendations in this report will defer the receipt of proceeds from the disposition of the Property during Build Toronto's development process. However, the transfer will optimize benefits to the City as a whole with the creation of a contiguous development parcel, and achieve potentially greater returns over time as a result of the increased value from the development.

As the property will be transferred to Build Toronto for nominal consideration, no revenue will be available to cover the expenses of affecting the transfer, 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 the Property are not known at this time, and ownership of the property is currently with the City, it is agreed that FREEE will fund these costs with the understanding that the City will receive higher future dividends from Build Toronto as a result of the increased value of the property's development under Build Toronto.

It is recommended that these expenses of affecting the transfer be accommodated within FREEE's Council 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 (XR1012). Budget transfers to adjust FREEE's Council Approved Operating Budget, as necessary, will be submitted through subsequent Quarterly Variance Reports.

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

DECISION HISTORY

On November 29, 30 and December 1, 2011, City Council adopted GM9.10, as amended. The Property was declared surplus for turnover to Build Toronto (along with other properties located north of Dunelm Street between Markham Road and Scarborough Golf Club Road) to facilitate master planning and to determine whether they were appropriate for development. Master Planning was completed in consultation with City Planning and it was determined that the Property is suitable for development by Build Toronto.

Background Information (Committee)

(October 26, 2011) report from the Chief Corporate Officer on the Turnover of Properties to Build Toronto and Declaration of Surplus - Fourth Quarter 2011

(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM9.10>)

(October 26, 2011) Appendix 5b – Terms & Conditions for Turnover

(<http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-42094.pdf>)

In February 2015 the Chief Corporate Officer changed the method of disposal of the Property from a turnover to Build Toronto to a transfer to Build Toronto (DAF tracking number 2015-016).

Council authorized the transfer of 253 Markham Road and 12 Dunelm Street to Build Toronto in 2012 and Build Toronto has acquired the property at 20 Dunelm Street. Build Toronto has advised that it intends to incorporate the Property along with these properties to be a contiguous development parcel.

COMMENTS

The Property was acquired by Metropolitan Toronto in 1971 in connection with the Scarborough Transportation Corridor project (easterly extension of the Fredrick G. Gardiner Expressway). By the mid – 1970's further expressway development by the Metropolitan Toronto was in disfavour and further acquisition in this corridor ceased.

The lands have been studied in segments since 1996 as part of the Scarborough Transportation Corridor Land Use Study – Scarborough Village Community (“STC Study”). The Phase 4 segment of the STC Study included the Property which was completed in 2013. At its meeting of June 11, 12 and 13th, 2013, Council adopted staff's recommendation confirming that the existing land use designations and zoning standards for the study area are appropriate to regulate land use.

The STC Study reviewed the Property and concluded that there is development potential, particularly if the Property is combined with 253 Markham Road, 12 Dunelm Street and 20 Dunelm Street to the west to create a contiguous development parcel.

The Property is located within the The Scarborough Village Community ("SVC"). The SVC is underserved by parkland so it is a parkland acquisition priority area. The terms of transfer will require Build Toronto to deliver to the City (by transfer or dedication) a 1.1 acre park on the Property within 10 years after the date of the transfer of the Property to Build Toronto.

If a 1.1 acre park on the Property has not been delivered (transferred/dedicated) to the City within 10 years after the date that the Property is transferred to BT, then Parts 4 and 5 on Sketch PS PS-2016-081 will be reconveyed to the City at that time, in base park condition, and the remainder of the 1.1 acre park will be delivered (transferred/dedicated) to the City when a development proceeds.

There is a watermain crossing the Property, located in Parts 2 and 5 on Sketch PS-2016-081, which will be protected by an easement and the Property is constrained by the Metrolinx Railway (formerly CN Railway) on the north boundary which will generally require a 30 metre setback.

At its meeting on May 8 and 9, 2012, City Council by its adoption of GM13.7 directed the Director of Real Estate Services to consult with the Chief Planner and Executive Director of City Planning and the local Councillor on a property by property basis to consider if the conveyance of a stratified portion of the land is appropriate in the circumstances and consistent with the Official plan.

Planning Consultation:

City Planning has confirmed that from an Official Plan and city building perspective, there is no need to consider imposing a strata limit on the transfer of the lands in question.

Official Plan: Neighbourhoods

Zoning: Single Family Residential (Scarborough Village Community By-law No. 10010, as amended)

Residential Detached (City of Toronto By-law No. 569-2013, as amended)

Local Councillor Consultation:

The Ward Councillor has also confirmed that he is not requesting a strata limit on the transfer to Build Toronto.

On the basis of consultation with City Planning, the Ward Councillor and Build Toronto, there is no recommendation for a strata conveyance of the Property. Any development proposal for the Property will be subject to the City's established planning approval process.

CONCLUSION

This report recommends the terms of transfer to Build Toronto of 30 Dunelm Street. 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

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Appendix 1– Terms & Conditions for All Transfer Agreements

Appendix 2– Terms & Conditions of Transfer

Appendix 3 – Property Sketch PS-2016-081