



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Sale of Two Stratified Parcels of City Surplus Lands, Forming Part of a Redevelopment Parcel with G Group at 5220 – 5250 Yonge Street

Date: February 6, 2017

To: Government Management Committee

From: Chief Corporate Officer

Wards: Ward 23, Willowdale

REASON FOR CONFIDENTIAL INFORMATION

This report is about a proposed or pending land acquisition and disposition by the City or one of its agencies or corporations.

SUMMARY

The purpose of this report is to obtain authority for the City to sell two stratified parcels of City surplus lands, one located at 5248 Yonge Street and the other located between properties municipally known as 5220 and 5222 Yonge Street, to an adjacent land owner/developer for the purpose of inclusion into its development block for a mixed use development.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the sale of two stratified parcels of City surplus lands, one located at 5248 Yonge Street (shown on the sketch attached hereto as Appendix B-1 as Part 1) ("Parcel One") and the other located between properties municipally known as 5220 and 5222 Yonge Street (shown on the sketch attached hereto as Appendix B-2 as Part 1 and Part 2) ("Parcel Two") (Stratified portions of Parcel One and Parcel Two are collectively the "City Properties") to an adjacent land owner/developer, G Group 5220 Yonge Ltd. ("G Group"), under an Offer to Purchase Agreement (the "Agreement") substantially on the terms outlined in Confidential Attachment 1 and 2 to this report and on such other terms and conditions as may be acceptable to the Chief Corporate Officer and the Director of Real Estate Services and in a form satisfactory to the City Solicitor.

2. The Chief Corporate Officer and/or the Director of Real Estate Services be authorized to administer and manage the sale transaction under the Agreement in consultation with the Local Councillor, including the provision of any amendments, consents, approvals, waivers and notices (including termination), provided that she or he may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.
3. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to execute the Agreement and associated documents on behalf of the City.
4. City Council authorize the City Solicitor to complete the transaction contemplated in the Agreement on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as he or she considers reasonable.
5. City Council direct that Confidential Attachment 1 and 2 to this report from Chief Corporate Officer remain confidential in their entirety as they are regarding a proposed or pending acquisition or disposition of land and authorize the public release of the confidential information contained in Confidential Attachment 1 and 2 once there has been a final determination of all property transactions have been settled and/or completed to the satisfaction of the City Solicitor.

FINANCIAL IMPACT

The purchase price provided in Confidential Attachment 2, less any incidental expenses associated with the completion of the transaction, is anticipated to be paid to the City. The net proceeds from the transaction will be contributed to the Land Acquisition Reserve Fund (LARF) (XR1012). The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Parcel One was acquired by the former Township of North York in 1947. It was leased for various purposes until September 1998, at which time it was identified by Hostel Services as suitable for use as a shelter for homeless and at-risk youth known as Eva's Place.

Parcel Two was acquired by the former Township of North York through the Municipal Tax Sale process. Subsequently, by By-law No. 5605 passed in 1948, the Parcel Two was set aside for municipal purposes.

In 2002, Hostel Services determined that Parcel One and Parcel Two are no longer adequate to sustain long-term use as a shelter and vacated Parcel One and Parcel Two in November 2009. City Council, at its meeting of April 14, 15 and 16, 2003, through Item 17, Report No. 3 of the Community Services Committee, approved the relocation of the shelter from Parcel One and Parcel Two to a new purpose-build structure on vacant City land at 25 Canterbury Place.

In 2009, the former abutting landowners which had assembled the abutting lands known municipally as 5220, 5222, 5246, 5250 5252 and 5254 Yonge Street (the "Developer's Properties") requested to acquire the City Properties for incorporation into its proposed development block for a mixed-use development. The request was circulated to the City's ABCDs to ascertain whether or not there was any municipal interest in retaining the City Properties. No municipal interest was expressed in response to the circulation. The City Properties were declared surplus on July 13, 2010, (DAF No. 2010-131 and DAF No.2010-130 respectively) with the intended manner of disposal to be by way of inviting an offer to purchase from the abutting landowner(s).

In September 2009, the former abutting landowners applied for a rezoning and official plan change, including the City Properties, for a mixed-use development consisting of a 29-storey, 243 unit residential tower and a 15-storey hotel tower on a podium ranging from 2-storeys to 4-storeys in height. The application was adopted by City Council at its meeting on July 11, 12 and 13, 2012 via Item NY17.45.

The former abutting landowners went bankrupt and defaulted on a mortgage in September 2012. The Developer's Properties were put up for power of sale in June, 2013. They were acquired by G Group at a consideration of \$28,430,000 on October 25, 2013.

G Group intends to build a 10-storey office building/hotel component and 31-storey, 308 unit residential tower, on 2 and 3 storey base building podium on the City Properties and the Developer Properties.

COMMENTS

The major terms and conditions and information relating to the proposed transaction and City Staff comments are provided in Confidential Attachment No. 1 and 2.

CONTACT

Joe Casali, Director, Real Estate Services, Tel: (416) 392-7202 jcasali@toronto.ca

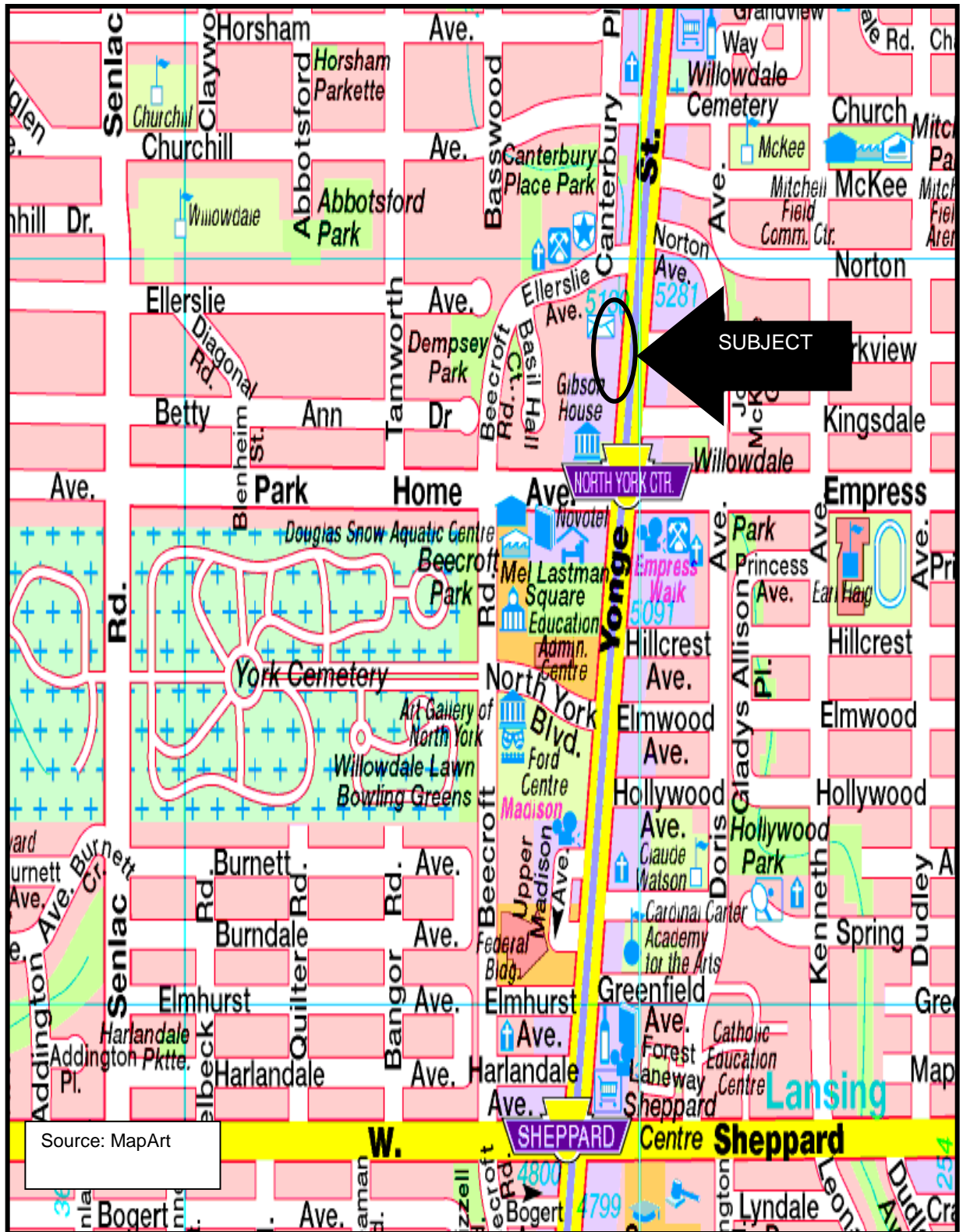
SIGNATURE

Josie Scioli
Chief Corporate Officer

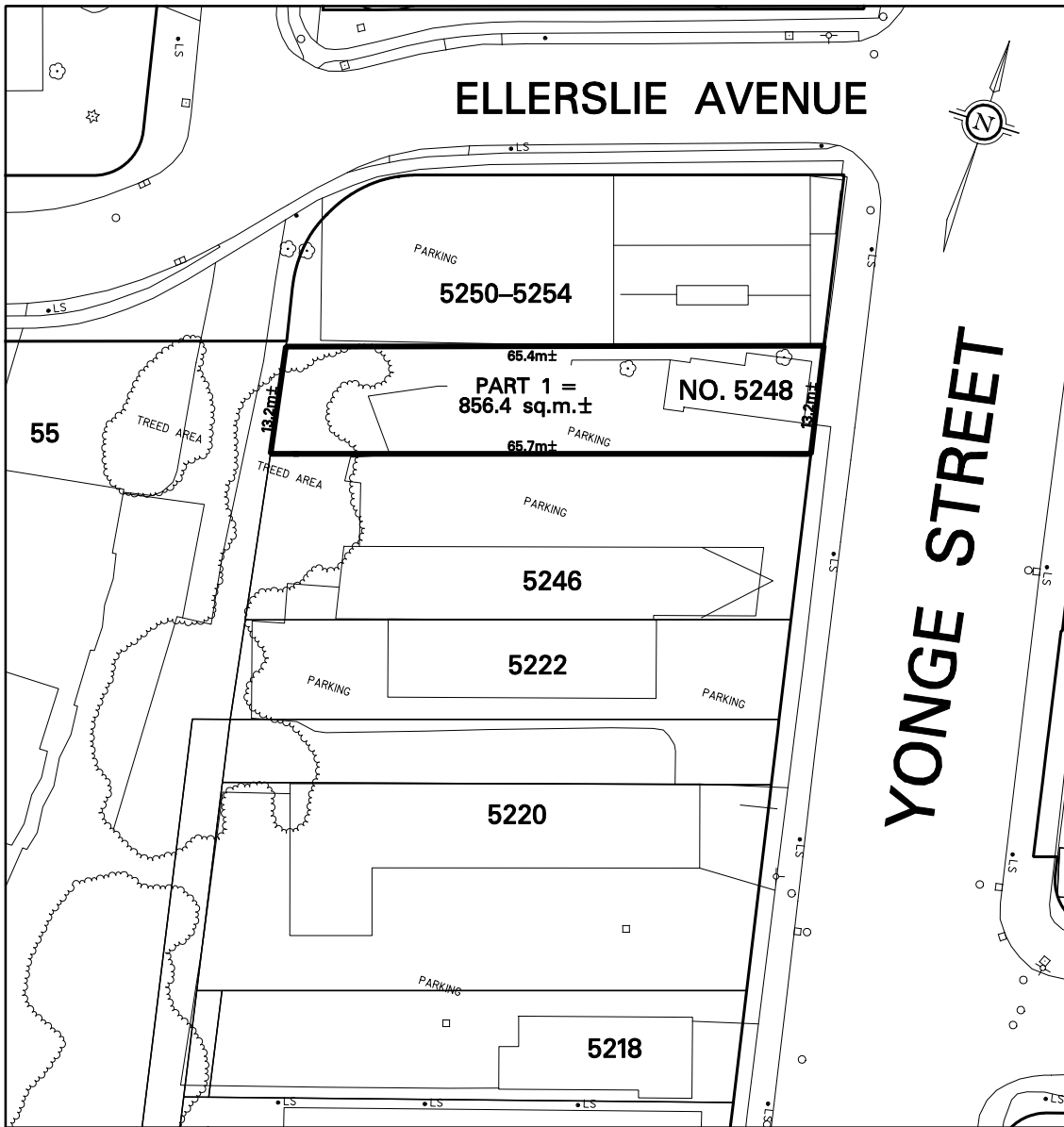
ATTACHMENTS

Appendix A - Site Location
Appendix B-1 - Parcel One Sketch
Appendix B-2 - Parcel Two Sketch
Confidential Attachment 1 - Confidential Information or Advice
Confidential Attachment 2 - Major Terms and Conditions

Appendix A
Site Location



Appendix B-1
Parcel One Sketch



TORONTO
TECHNICAL SERVICES DIVISION
SURVEY & MAPPING SERVICES

NOTE:
THIS SKETCH HAS
BEEN COMPILED
FROM OFFICE RECORD.

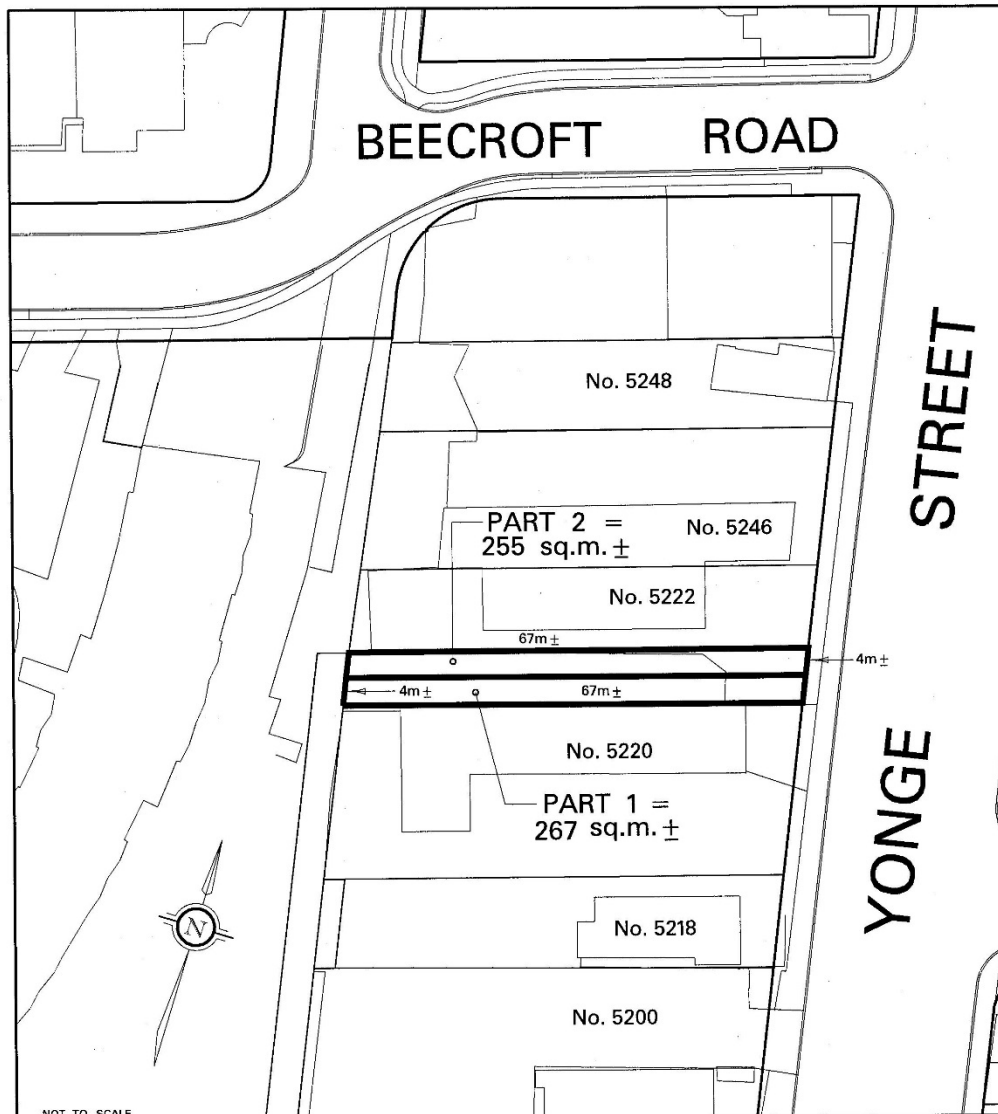
CHECK BY JOHN HOUSE
PREPARED BY: DWAYNE PITT

WARD 23 WILLOWDALE
DATE: JUNE 24, 2008

PROPERTY INFORMATION SHEET
CITY OWNED LAND
5248 YONGE STREET

SKETCH No. PS-2008-090

Appendix B-2
Parcel Two Sketch



NOT TO SCALE

TORONTO

WORKS & EMERGENCY SERVICES
TECHNICAL SERVICES DIVISION
SURVEY & MAPPING

NOTE: THIS SKETCH HAS
BEEN COMPILED FROM
OFFICE RECORDS.

PROPERTY INFORMATION SHEET

CITY OWNED LAND
BETWEEN Nos. 5220 AND 5222 YONGE STREET

WARD 23 WILLOWDALE

ZONING:
ASSESSMENT ROLL No.

DATE: DEC. 3, 2001 (AMENDED JAN. 21, 2002)

SKETCH No. PS-2001-098