

28 Bathurst Street – Reimbursing Build Toronto for Development Costs

Date: January 12, 2017

To: Budget Committee

From: Chief Financial Officer and General Manager Parks, Forestry and Recreation

Wards: Ward 19 – Trinity-Spadina

SUMMARY

This report responds to the direction from City Council to report back regarding the manner in which Build Toronto may be reimbursed for expenses related to development costs for the City-owned site located at 28 Bathurst Street.

Staff recommend that Build Toronto be reimbursed \$1,266,583.38 from parkland reserves; the breakdown of this amount is provided in Attachment 1 to this report.

RECOMMENDATIONS

The Chief Financial Officer and General Manager Parks, Forestry and Recreation recommend that:

1. City Council approve an amendment to the 2018 Preliminary Parks, Forestry and Recreation Capital Budget to add a new sub-project in the Land Acquisition project known as "28 Bathurst Street Build Reimbursement" with a project cost and cash flow in 2018 in the amount of \$1,266,583.38, with funding from the Parkland Acquisition South District Local Land Reserve Fund (XR2208).

FINANCIAL IMPACT

This report recommends amending the 2018-2027 Preliminary Capital Budget and Plan to add a new-sub project in the Land Acquisition project titled "28 Bathurst Street Build Re-imbursement with a total project cost of \$1.267 million with cash flow in 2018 of \$1.267 million. This project will be fully funded from the Parkland Acquisition South District Local Land Reserve Fund (XR2208). Funding will be used to reimburse Build Toronto for expenses incurred to date for the development of the property as outlined in greater detail in Attachment 1 of this report.

The Parks Forestry and Recreation 2018-2027 Preliminary Capital Budget and Plan includes \$0.200 million for remediation in 2018 under the Parkland Acquisition FY2017 sub-project in the Land Acquisition project. Once the site is assessed, funding will be

allocated in future Capital and Operating budget submissions for the development and operation of the park.

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

DECISION HISTORY

At its meeting of April 26, 2017, City Council through TE23.5, rescinded the declaration of surplus of 28 Bathurst Street so that the property would not be intended for transfer from City ownership to Build Toronto. City Council also approved amendments to the Official Plan and Zoning By-Law changing the sites lands from Regeneration Areas to Parks and Open Space Areas. Through this item, Council also directed the Deputy City Manager and Chief Financial Officer, in consultation with the General Manager, Parks, Forestry, and Recreation and Build Toronto, to report to City Council regarding the manner in which Build Toronto may be reimbursed for expenses related to development costs to date and also directed the Deputy City Manager and Chief Financial Officer and the General Manager, Parks, Forestry and Recreation to submit for Council's consideration as part of the 2018 to 2027 Capital Budget and Plan, a report on the development and operating costs for the proposed new park, funded by the South District Cash-in-Lieu Park Development Reserve Fund.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TE23.5>

COMMENTS

In 1988, the approximately 9,548 m² property was acquired after the City initiated an expropriation for the purposes of the Front Street extension and for widening of the Gardiner Expressway.

In 2008, City Council decided against proceeding with the Front Street extension and removed the Front Street Extension from the Official Plan.

In 2011, City Council authorized a transfer of these lands to Build Toronto. Since that time, Build Toronto incurred development costs of \$1,266,583.38 (see Attachment 1).

In November 2016, Toronto and East York Community Council requested City Planning staff to initiate the process of amending the Official Plan to change the land use designation from Regeneration Areas to Parks.

The contamination of 28 Bathurst Street is not a barrier to the development of a new public park and will be remediated through a risk assessment approach, similar to many other sites in the city, which can involve a clean cap and future site management measures. Build Toronto's consultant estimated remediation at approximately \$0.045 million per year for a minimum of 10 years but likely the life of the property. The Certificate of Property Use obligations may consist of, but are not limited to and as

deemed required, water monitoring and sampling, monitoring the cap, vapour monitoring and any repair efforts.

The 2018-2027 Preliminary Capital Budget and Plan includes \$0.200 million for remediation in 2018 under the Parkland Acquisition FY2017 sub-project in the Land Acquisition project. Once the site is assessed, funding will be added to future budget submissions for the development and operation of the park.

When 28 Bathurst Street is developed as a park, the site will address the shortfall of park provision in the west area of Downtown. The site is located in an area experiencing significant growth and will be part of an expanding urban open space network. The cost of parkland acquisition in and around the Downtown is continuing to rise, and the rate of parkland provision per capita is diminishing as new development occurs. This site represents both a financially and geographically attractive site for the City to provide new park space in a parkland priority area. It is appropriate to reimburse Build Toronto for development related expenses as the majority of the services would have been conducted as part of the due diligence process for City parkland acquisition.

CONTACT

Rob Gibson, Manager, Area Studies and Acquisitions, Parks, Forestry and Recreation,
Tel.: 416-395-7639, Email: Robert.Gibson@toronto.ca

SIGNATURE

Joe Farag
Chief Financial Officer

Janie Romoff
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Attachment 1 - Development Costs

Attachment 1 - Development Costs

YEAR	CATEGORY	BILLED
2011	Professional & Technical Services	\$4,518.87
	Environmental Investigations	\$5,767.32
2012	City Planning Application Fees	\$311,516.22
	Environmental Investigations	\$259,920.90
	Architecture Fees	\$101,766.33
	Professional & Technical Services	\$82,919.83
2013	Professional & Technical Services	\$128,214.76
	Environmental Investigations	\$110,000.00
	Legal Fees	\$91,000.00
	On-site Works	\$15,934.92
2014	Professional & Technical Services	\$10,795.00
	Environmental and Risk Management	\$9,350.40
	Legal Fees	\$8,487.20
	Community Consultation	\$19,237.50
2015-2017	Professional & Technical Services	\$3,225.00
	Environmental and Risk Management	\$17,284.95
Total Cost for Services		\$1,179,939.20
Total Cost for Services minus the Green Municipal Fund totalling \$26,250.00 received from Federation of Canadian Municipalities		\$1,153,689.20
GST and HST		\$112,894.18
TOTAL AMOUNT		\$1,266,583.38