



REPORT FOR ACTION

Next Steps to Acquire Surplus LCBO Site at 11 Brock Avenue for Affordable Rental Housing

Date: July 12, 2018

To: Executive Committee

From: Director, Real Estate Services and Director, Affordable Housing Office

Wards: Ward 14 – Parkdale – High Park

SUMMARY

At its meeting on July 7, 8 and 9, 2015, City Council directed the City Manager to advise Infrastructure Ontario that the City of Toronto has an interest in the property at 11 Brock Avenue (the "Property").

Council also directed the City Manager to request a meeting with Infrastructure Ontario and the Ministry of Economic Development Employment and Infrastructure to discuss options for developing the Property with the purpose of building affordable housing.

Subsequently, Infrastructure Ontario advised the City the Liquor Control Board of Ontario ("LCBO") would be the lead regarding any discussions regarding the sale of the Property.

Discussions with the LCBO for the acquisition of the Property have been ongoing. The LCBO has now requested a firm commitment from the City that there is intent to purchase the Property. Given this term of Council is about to end, staff are seeking Council approval to provide the LCBO with a Letter of Intent for purchase of the Property and undertake the necessary due diligence, which would subject to a further report to Council in the first quarter 2019.

RECOMMENDATIONS

The Director, Real Estate Services and Director, Affordable Housing Office recommend that:

1. City Council request the Director, Real Estate Services and Director, Affordable Housing Office to complete the necessary due diligence on the 11 Brock Avenue site and report to the Government Management Committee and City Council in the first quarter of 2019 on the results and sources of funding to support the proposed acquisition of 11 Brock Avenue.

2. City Council authorize the Director, Real Estate Services to provide a Letter of Intent to the LCBO with a commitment to negotiate an Offer to Sell agreement and a schedule to complete the necessary due diligence.

FINANCIAL IMPACT

A subsequent report will be submitted to Government Management Committee and City Council in the first quarter of 2019 detailing the costs and the appropriate funding sources should Council wish to proceed with the acquisition of the Property. The total cost to acquire the property will be subject to negotiations and the necessary due diligence of the property.

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

DECISION HISTORY

At its meeting held on July 7, 8 and 9, 2015 Council directed the City Manager to advise Infrastructure Ontario that the City of Toronto has an interest in the Property at 11 Brock Avenue. City Council also directed the City Manager to request a meeting with Infrastructure Ontario and the Ministry of Economic Development Employment and Infrastructure to discuss options for developing the site at 11 Brock Avenue with the purpose of building affordable housing.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.MM8.19>

At its meeting held on April 26, 27 and 28, 2017 Council authorized the Affordable Housing Office to enter into agreements and engage in pre-development investigations and due diligence considered necessary to ensure a successful affordable housing call for the property at 11 Brock, under the assumption the property was being acquired by the TPA and was put forward for affordable housing development.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX24.17>

COMMENTS

The subject Property is owned by the LCBO and is the site of a vacant LCBO store and surface parking area constructed in 1957. The LCBO declared the property surplus to its needs in 2015, at which time the City of Toronto expressed an interest in acquiring the Property. The LCBO requires a commitment from the City that Council will make a decision regarding the purchase in the first quarter of 2019.

The acquisition of the site represents a strategic opportunity to acquire land for much-needed new affordable rental housing development for lower-income Toronto residents. The site is well-supported by public transit and adjacent the main street amenities of Queen Street West. The residential redevelopment of the Property also provides a revitalization opportunity to the local area and the neighbourhood community and non-profit sector have expressed interest and support for the redevelopment of the site as affordable rental housing.

The strategic acquisition of the Property is a unique opportunity to acquire a transit-supported site for new affordable rental housing and address the housing needs of low-income Toronto residents.

The report recommends that the Director, Real Estate Services, provide a Letter of Intent to the LCBO with the commitment to negotiate an Offer to Sell agreement, subject to reporting to the Government Management Committee and City Council in the first quarter of 2019 on the results of the necessary due diligence and sources of funding to support the acquisition.

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SIGNATURE

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ATTACHMENTS

Appendix "A" - Location Map

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