

The Historic Red Oak at 76 Coral Gable Drive - Fundraising Update

Date: November 18, 2020

To: City Council

From: Executive Director, Corporate Real Estate Management

Wards: Humber River-Black Creek

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto (the "City").

SUMMARY

The purpose of this report is to advise City Council of the progress of fundraising efforts per the negotiated agreement between the owner of 76 Coral Gable Drive (the "Property") and the City of Toronto to acquire the Property and preserve a heritage oak tree that is contained within it. The closing of the transaction is subject to the City fundraising a minimum of half of the purchase price of the Property by December 11, 2020. Given that the minimum fundraising condition has not yet been fulfilled, this report seeks City Council authority to either allow the transaction to expire or to waive the minimum fundraising condition and proceed to acquire the Property.

In 2018, City Council authorized the Deputy City Manager, Corporate Services to negotiate the acquisition of the Property in consultation with the General Manager, Parks, Forestry and Recreation and the Toronto Office of Partnerships. In 2019, staff reached a negotiated agreement with the owner of the Property subject to the City successfully fundraising half of the estimated Property value, and the Toronto Office of Partnerships began the required fundraising campaign. Confidential Attachment 1 provides a status update on the City's fundraising efforts to date as well as a summary of estimated costs to the City should City Council authorize the purchase.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, recommends that City Council adopt one of the following options:

Option A

1. City Council direct the Executive Director, Corporate Real Estate Management to take no further action with respect to the Agreement of Purchase and Sale between the City and the owners of 76 Coral Gable Drive which will result in the termination of the Agreement if the fundraising goal has not been met by the deadline.
2. City Council direct that Confidential Attachment 1 to the report dated November 18, 2020 from the Executive Director, Corporate Real Estate Management remain confidential as it pertains to a proposed or pending acquisition of property.

OR

Option B

1. City Council authorize the Executive Director, Corporate Real Estate Management to waive the condition precedent contained in the Agreement of Purchase and Sale between the City and the owners of 76 Coral Gable Drive to allow the purchase transaction to proceed and authorize the Director, Toronto Office of Partnerships to continue with its fundraising toward the development of the parkette.
2. City Council authorize the Executive Director, Corporate Real Estate Management to complete the contemplated transaction set out in the Agreement of Purchase and Sale between the City and the owners of 76 Coral Gable Drive 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 they consider reasonable.
3. City Council amend the 2020 Council Approved Parks, Forestry and Recreation Capital Budget and 2021-2029 Capital Plan to create a new capital sub-project called "76 Coral Gable Drive Acquisition" in the Parkland Acquisition project as outlined in Confidential Attachment 1 to the report dated November 18, 2020 from the Executive Director, Corporate Real Estate Management, including all fees and disbursements, to be funded from donations received and the Parkland Acquisition West District Local Land Acquisition Reserve Fund (XR2202).
4. City Council authorize the public release of Confidential Attachment 1 to the report dated November 18, 2020 from the Executive Director, Corporate Real Estate Management once the funding goal is reached.

FINANCIAL IMPACT

Relevant financial information is set out in Confidential Attachment 1 as it involves potential land acquisition costs and fundraising details.

In the event that City Council authorizes the purchase of the Property, the Council Approved Parks, Forestry and & Recreation 2020 Capital Budget and 2021-2029 Capital Plan will be amended to create a new capital project account to fund the revised acquisition costs, related closing costs, demolition and site restoration. Funding will be sourced from donations received and the Parkland Acquisition West District Local Land Acquisition Reserve Fund (XR2202) as outlined in Confidential Attachment 1.

Additional funding for parkland development will be submitted for consideration through the 2022 Budget process, fully funded from the West District Parkland Development Reserve Fund (XR2203). Operating impacts are estimated at \$7,500 to \$12,500 per year and will be submitted for consideration through future budget processes.

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2021 budget process.

DECISION HISTORY

At its meeting of July 23, 24, 25, 26, 27 and 30, 2018, City Council authorized the Deputy City Manager, Internal Corporate Services to negotiate the acquisition of 76 Coral Gable Drive, in consultation with the General Manager, Parks, Forestry and Recreation and the Toronto Office of Partnerships, subject to a successful arboricultural assessment of the 250 year old oak tree; and at least 50 percent of the determined market value being funded from private donations. This is in accordance to the terms and conditions outlined in the Confidential Attachment to the report (June 26, 2018).
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.GM29.15>

At its meeting of May 23, 24 and 25, 2018, City Council requested the City Manager and the Deputy City Manager, Internal Corporate Services to report back to the meeting of Government Management Committee on July 3, 2018, on the feasibility of acquiring 76 Coral Gable Drive, using the west parkland acquisition fund XR2203 should private fundraising reach 50 percent of the estimated value of the property. City Council also directed the Toronto Office of Partnerships to work with private donors to fundraise 50 percent of the estimated property value for the use of purchasing 76 Coral Gable Drive and preserving the 250 year old oak tree.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EY29.55>

At its meeting of April 4, 2018, the Etobicoke York Community Council requested the City Manager and the Deputy City Manager, Internal Corporate Services, to report directly to City Council on April 24, 2018, on the feasibility of acquiring the property on Coral Gable Drive in order to preserve the 250 year old oak tree.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EY29.55>

At its meeting of February 27, 2017, the Parks and Environment Committee received a report from the General Manager of Parks, Forestry and Recreation, "Protection of Heritage Trees", which provided details on how Parks, Forestry and Recreation protects heritage trees, using available bylaws, internal policies and procedures, and the sharing of information with public utilities and other operational City divisions.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PE17.3>

At its meeting of December 8, 2015, City Council adopted EX10.11, "Feasibility of Establishing a Fund Dedicated to the Maintenance of the Tree and the Cost of Acquiring the Property at 76 Coral Gable Drive", and directed the Director, Toronto Office of Partnerships, in consultation with the General Manager, Parks, Forestry and Recreation and the Treasurer, to work with a third party organization to take responsibility to raise funds, maintain and help the City to acquire the old oak tree at 76 Coral Gable Drive.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.11>

At its meeting of November 2 and 3, 2015, City Council amended MM10.1, "Request to Protect a 250 Year Old Red Oak Tree, Thought to be the Largest and Oldest Red Oak in Toronto", and, in so doing, directed the Deputy City Manager and the Chief Financial Officer, in consultation with the General Manager, Parks, Forestry and Recreation and the Director, Toronto Office of Partnerships, to report to the December 1, 2015 meeting of the Executive Committee on the feasibility of establishing a Fund dedicated to receiving contributions toward the maintenance of the tree and the cost of acquiring the property at 76 Coral Gable Drive in the future.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.MM10.1>

COMMENTS

Due to its size, age and cultural significance, the red oak tree at 76 Coral Gable Drive is recognized as a heritage tree under Forests Ontario's Heritage Tree Program. The health and structural condition of the tree was assessed in 2018 and determined to be healthy both in terms of the tree's structure and its vitality.

The tree is currently protected under the provisions of the City's Private Tree By-law. City staff do not have the authority under the by-law to issue injury or destruction permits for heritage trees. Where a permit application is submitted for a heritage tree, the decision would be referred to City Council through Community Council by way of the Private Tree By-law appeal process. There are currently 22 individually recognized heritage trees located on 18 distinct private properties throughout the City.

On December 12, 2019 and following City Council authorization, the City entered into an agreement with the property owner of 76 Coral Gable Drive to acquire the Property, subject to the City successfully fundraising half of its estimated value. As per the agreement, the expiration of the fundraising period is December 11, 2020. Should the City not reach the fundraising target, it will be released from all obligations within the agreement and the transaction would expire. The City's agreement offers the option to waive the fundraising condition at the City's sole discretion. Should the City waive its fundraising condition, the City will begin its due diligence period and complete the transaction.

Upon entering into the agreement, the City launched a fundraising campaign to secure at least 50 percent of the purchase price. A fundraising group was formed including Mark Cullen and Edith George, campaign materials were created, the campaign was on-boarded to DonateTO, the City's online donation platform, to accept donations and offer tax receipts, and a comprehensive strategy was established to reach residents and the business community with the opportunity to support the campaign. Operating within the unique challenges presented by the pandemic, this group has worked diligently to engage their community. From conversations with corporate Canada to a young resident selling handmade bracelets in support of the historic red oak, this campaign has garnered international media attention and contributions from more than 1,000 donors.

Additional comments addressing the current status of the fundraising campaign and the total cost of the acquisition of the Property are contained within Confidential Attachment 1 to this report.

In the event the City completes the acquisition of the Property, Parks, Forestry and Recreation will assume management and restore and develop the Property as a parkette.

CONTACT

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SIGNATURE



Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Confidential Attachment 1 - Transaction Costs and Fundraising Details