

2050 Finch Avenue West - City Acquisition of Property from Metrolinx for Development of Community Hub and Centre for the Arts

Date: April 12, 2021

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: Ward 7 - Humber River Black Creek

SUMMARY

This report seeks Council authority to enter into an agreement of purchase and sale with Metrolinx, substantially on the terms and conditions outlined in Attachment B to this report, for acquisition of a portion of the property municipally known as 2050 Finch Avenue West, such portion more particularly shown outlined in the sketch attached to this report as Attachment A (the "Subject Property") for use as a community hub. The major terms and conditions were finalized by Corporate Real Estate Management, in partnership with CreateTO, and through working with other City divisions, including City Planning, Social Development, Finance and Administration, Economic Development and Culture, Transit Expansion Office and Legal Services, and in consultation with the local Councillor. The agreement of purchase and sale will set out the terms and conditions to effect the transfer of the Subject Property, in fee simple, to the City of Toronto (the "City") for nominal consideration.

Following to the transfer of the Subject Property to the City, Corporate Real Estate Management and CreateTO will support the aforementioned City divisions while they continue to work closely with the local community to further develop the concept for a future community hub and centre for the arts at 2050 Finch Avenue West, building on a 2019 feasibility study undertaken by the Jane-Finch community in consultation with the City of Toronto, and create an implementation strategy. Such efforts are aligned with the development of a complete community framework for the area under the Jane-Finch Initiative that is currently underway, as well as recommendations of EX17.1, "Towards Recovery and Building a Renewed Toronto" report.

Upon completion of the acquisition, the City will grant an easement in favour of Metrolinx over the entirety of the Subject Property to allow Metrolinx to finish the construction of an adjacent Maintenance and Storage Facility for light rail vehicles, as a part of the Finch-West Light Rail Transit project. The easement will expire upon completion of the Maintenance and Storage Facility, which is anticipated in 2023.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommends that:

1. City Council authorize the City to enter into an agreement of purchase and sale with Metrolinx for the acquisition by the City of a portion of the property known municipally as 2050 Finch Avenue West, shown in the sketch attached as Attachment A, substantially on the terms set out in Attachment B to this report, and including such other terms as may be satisfactory to the Executive Director, Corporate Real Estate Management, in a form satisfactory to the City Solicitor.
2. City Council direct the Executive Director, Corporate Real Estate Management, to work with the Executive Director, Social Development Finance and Administration, CreateTO and the appropriate City divisions to develop an implementation strategy for the proposed Jane Finch Community Hub and Centre for the Arts, utilizing the lands at 2050 Finch Avenue West, including engagement with the community and local organizations, and report back to City Council through the appropriate Committee with a staged work program, aligned to the work of the Jane-Finch Initiative, and required capital commitment for the first stage of work.

FINANCIAL IMPACT

The transfer of the Subject Property from Metrolinx to the City is for nominal consideration as outlined in Appendix B and as such the acquisition cost has no budget implication.

Estimated costs to conduct necessary diligence on the Subject Property and typical closing costs, including land transfer costs, are \$200,000 and will be funded from the 2021-2030 Council Approved Capital Budget and Plan for Corporate Real Estate Management.

Any further financial implications to the City resulting from the proposed Jane Finch Community Hub and Centre for the Arts, and sources of funding to cover these potential costs, will be reported to City Council for consideration through the anticipated report back on the implementation strategy for the community hub.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

At its meeting of November 30, 2009, City Council adopted a recommendation from the Government Management Committee for the acquisition of properties related to the Transit City light rail transit projects on Finch Avenue West and Eglinton Avenue West.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.GM26.14>

At its meeting of December 9 and 10, 2015, City Council adopted six principles for the Maintenance Storage Facility for the Finch West Light Rail Transit, to include a wider range of uses beyond transit uses and to engage in community consultation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.MM11.23>

At its meeting of January 31 and February 1, 2018, City Council adopted a recommendation from the Community Development and Recreation Committee requesting that Metrolinx consider designating a minimum of 32 meters deep setback from the Finch West Light Rail Transit Maintenance and Storage Facility on land fronting Finch Avenue West for community uses such as a combined community hub and centre for the arts.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CD25.6>

At its meeting of June 29, 2020, City Council directed City Planning, Social Development, Finance and Administration and Economic Development and Culture to commence a collaborative community planning initiative and an associated community engagement process in the Jane Finch area. This process will include an assessment of community facility needs associated with future growth and any unmet needs of existing residents, aligned with priorities established in a community development plan and an area-based update to the Official Plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC12.1>

At its meeting of October 27, 28, 29 and 30, 2020, City Council adopted with amendments a report from the City Manager entitled Towards Recovery and Building a Renewed Toronto. It provides an update on the work undertaken by the Toronto Office of Recovery and Rebuild, information on the response to COVID-19 by the City including coordination with federal and provincial partners, and a roadmap towards recovery and rebuild. Attachment 3 includes a disposition chart for the 83 Toronto Office of Recovery and Rebuild recommendations. This staff report recommends actions that will address Recommendation 36, which calls for improved access to space for not-for profit groups and vulnerable community agencies outside the downtown core.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX17.1>

COMMENTS

Background: the Subject Property

The Subject Property is 0.59 acres and is located along Finch Avenue West immediately adjacent to the Finch Maintenance and Storage Facility (as shown outlined in Attachment "A"). It is currently being used by Metrolinx for the construction of the

Finch West Light Rail Transit line along with the ancillary Maintenance and Storage Facility.

The Subject Property is located on the boundary of Black Creek and Glenfield-Jane Heights neighbourhoods, two of 31 Neighbourhood Improvement Areas identified through the City's Toronto Strong Neighbourhoods Strategy. According to 2016 Census data, close to one (1) in three (3) (or 28.7 percent) residents in these two neighbourhoods is low income. Close to 80 percent of the population are racialized, almost 60 percent are newcomers and over 80 percent are families with children.

Finch West Light Rail Transit and the Subject Property

The Finch West Light Rail Transit is a new 11-kilometre surface transit line that will run in a dedicated lane along Finch Avenue West from Keele Street to Humber College at Highway 27. Major construction began in spring 2019 and is planned to be completed in 2023. The line will have 18 stops, with underground stops at both Finch West Subway Station and Humber College terminals. Once completed, the line will be operated by the Toronto Transit Commission.

The Finch West Light Rail Transit project was initiated in 2009, when the Toronto Transit Commission began the acquisition of a vacant lot under a plan for a transit network of light rail transits throughout the city. The site was chosen over other locations because it was on Finch Avenue West and for its proximity to Jane Street, which was also being considered for a light rail transit line. At the time, the local Councillor secured commitments from the Toronto Transit Commission that part of the property would be held for future community uses as a community benefit. Later on, Metrolinx took carriage of this commitment when it assumed leading the Finch West Light Rail Transit project and received ownership of the Subject Property.

Future Community Hub and the Jane-Finch Initiative

Starting in 2015, a local community group called Community Action Planning Group worked on the development of a plan for a community hub by engaging with Metrolinx and community members. The Community Action Planning Group, and more recently the Jane Finch Community Hub and Centre for the Arts Organizing Committee, have been working with the City of Toronto and Metrolinx to identify a property in the Jane-Finch neighbourhood that could accommodate a future community hub. The Subject Property was identified as a viable location for the community hub.

In 2019, a Feasibility Study was undertaken by the Jane Finch Community and Family Centre and the Community Action Planning Group, in consultation with the community and the City of Toronto, to establish a vision, programming and concept design with respect to a future community hub at this location. The resulting 2019 Feasibility Study identifies a vision for a community-driven, community-operated multipurpose facility that supports creative, social, recreational, and entrepreneurial programs for residents of the Jane-Finch neighbourhood and beyond. This Feasibility Study is attached to this report for reference as Attachment "C".

In June 2020, City Council directed staff to commence the Jane-Finch Initiative, which is undertaking resident and business engagement in planning for the future of the area and looking at how best to leverage the investment in light rail transit for the benefit of local communities. The goal of the Jane-Finch Initiative is to develop an integrated plan for the area that advances social equity and economic inclusion for current and future residents, encourages the appropriate kinds of growth and development in the area, and guides investment in community improvements.

Access to community space is a key priority for the Jane-Finch community. Residents and local agencies have long identified the need for a community and arts and culture hub in this neighbourhood. The Subject Property provides an excellent opportunity to optimize social, economic and environmental returns in ways that achieve multiple benefits for residents of the Jane-Finch neighbourhood.

Conclusion: Rationale for the Acquisition and Alignments with Current Priorities

The acquisition of this property and the development of a future community hub and centre for the arts aligns with the City of Toronto's work under the Strong Neighbourhoods Strategy and the Jane-Finch Initiative. This initiative also aligns with the City's current work on a Community Benefits Framework, a poverty reduction initiative that aims to gain community benefits for low-income residents through private and public development opportunities.

The acquisition of this property and recommended next steps support the implementation of EX17.1, "Towards Recovery and Building a Renewed Toronto", by addressing recommendation 36 from the Toronto Office of Recovery and Rebuild, which calls for improved access to space for not-for profit groups and vulnerable community agencies in neighbourhoods outside the downtown core.

CONTACT

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SIGNATURE

Patrick Matozzo,
Executive Director, Corporate Real Estate Management

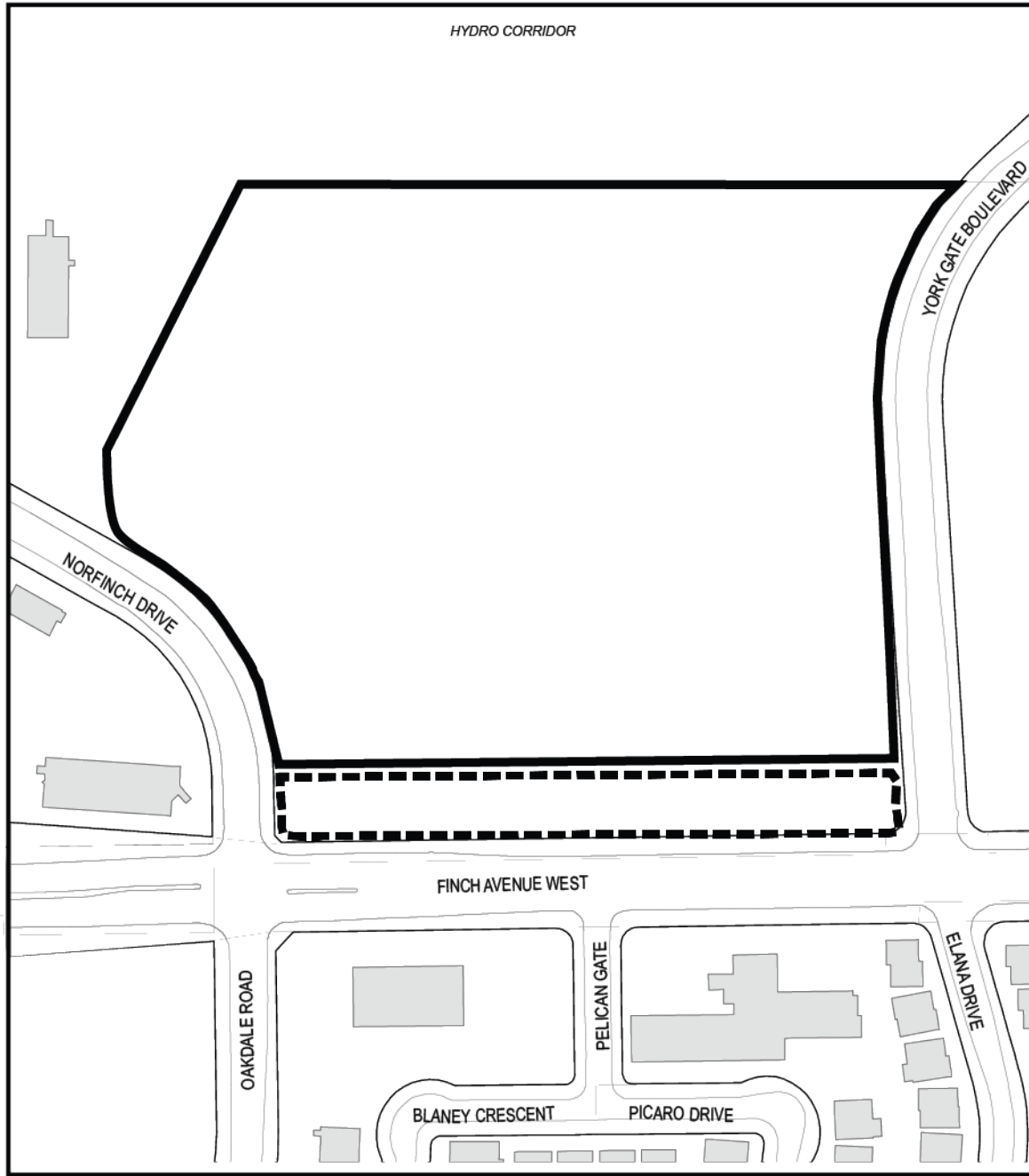
ATTACHMENTS



Attachment A - Site Profile

Attachment B - Major Terms and Conditions


Attachment C - Community Hub and Centre for the Arts Feasibility Study

Attachment A - Site Profile (Dashed Outline)



-  Metrolinx Maintenance and Storage Facility
-  Proposed site of the Community Hub and Centre for the Arts

50 York Gate Boulevard, 25 Norfinch Drive
& 2050 Finch Avenue West

02/22/2021 

Attachment B - Major Terms and Conditions

Subject Property: The portion of the property known municipally as 2050 Finch Avenue West, being approximately 0.59 acres, and shown outlined in red on Attachment "A" of this report (referred to herein as the "Property").

Purchase Price: Nominal consideration (\$2.00).

As Is, Where Is: The City is purchasing and shall accept, assume and take title to the Property in an "As Is, Where Is" condition without any agreement, representation or warranty of any kind whatsoever, either express or implied on the part of Metrolinx, as to the condition of Property, including the environmental condition thereof.

Vendor's Information: Not later than 10 days following the execution and delivery of the Purchase Agreement, Metrolinx shall release to the City the Vendor's Information. The "Vendor's Information" shall be comprised of due diligence materials in respect of the Property, including an environmental site assessment report, to be enumerated in the Purchase Agreement (as defined below). Metrolinx agrees that it shall provide the City with reliance letters addressed to the City for all environmental reports.

Restrictive Covenant Agreement: On closing, the City shall enter into an agreement to be registered against title to the Property whereby:

(a) the City shall agree that the whole of the Property shall only be developed and used as a community hub and centre for the arts (the "Community Hub"), the activities of which shall be limited to those more particularly described in pages 28 to 37, inclusive, of the "Community Hub & Centre for the Arts Feasibility Study Draft Report – June, 2019" (so entitled) and on page 2 of the Appendix to such report, and open space and park land uses ancillary to the Community Hub use; and

(b) the City shall agree not to sell, transfer, convey, dispose of or otherwise part with possession of the Property, either directly or indirectly, in whole or in part or parts (each being a "Transfer" and "Transferred" having as similar meaning), without the prior written consent of Metrolinx, in its sole discretion. Notwithstanding the foregoing, the City shall be entitled to lease and/or licence the whole or any portion of the Property without the consent of Metrolinx, provided that the lessee and/or licensee (as applicable) agrees in writing to use the Property only in accordance with the permitted uses set out in paragraph under the Option to Repurchase (see below).

Inspection Period: The City shall have 90 days after the execution and delivery of the Purchase Agreement (the "Inspection Period") to cause one or more attorneys, engineers, auditors, architects and other experts of its choice and at the City's expense to (i) examine title to the Property, (ii) inspect the Property, and (iii) inspect, examine, survey, obtain engineering inspections, appraise and otherwise do that which, in the opinion of the City, is necessary to determine the condition and value of the Property for the uses intended by the City. Notwithstanding the foregoing, the City acknowledges that the Property is presently occupied in connection with the construction of the Finch

West Maintenance Facility and it may not be possible for either Metrolinx or its experts to access the Property until the expiration of the Metrolinx Easement (as defined below).

Due Diligence Condition: Metrolinx agrees that the obligation of the City to complete the transaction contemplated by the Purchase Agreement shall be conditional upon the City delivering notice in writing (a "Notice of Satisfaction") to Metrolinx confirming the City's satisfaction, as determined in its sole and absolute discretion, with the condition of the Property and any other matters related thereto including, without limitation, matters related to the environmental condition, boundaries of, or title to, the Property, on or before the expiry of the Inspection Period. This condition is included for the sole benefit of the City and may be waived at its sole option, despite any other provision in the Purchase Agreement and regardless of satisfaction of this condition, provided that written notice of such waiver is delivered to Metrolinx on or before the expiry of the Inspection Period. If a Notice of Satisfaction is not delivered to Metrolinx on or before the expiry of the Inspection Period, the Purchase Agreement shall be at an end and neither party hereto will have any further obligations to the other.

Closing Date: The closing date of the purchase and sale of the Property shall be 10 business days after the satisfaction or waiver of the City's Due Diligence Condition set out above.

Easement in favour of Seller and Retained Property. On closing, the City will grant Metrolinx an easement in gross over the Property (the form of which will be on the City's standard easement form and acceptable to Metrolinx, acting reasonably) for the benefit of the land adjoining the Property that are to be retained by Metrolinx (the "Retained Property"), granting Metrolinx and its contractors, agents, employees, officers and directors and all others having business with Metrolinx the right to use the Property in connection with the development, construction and commissioning of the Finch West LRT ("LRT"), including the Maintenance and Storage Facility ("MSF"), such easement to expire on December 31, 2026, subject to three (3) rights of extension, not to exceed one (1) year each, exercisable at the sole option of Metrolinx (the "Metrolinx Easement"). The Metrolinx Easement shall require Metrolinx to (i) provide environmental due diligence, including invasive testing as required, satisfactory to the City, acting reasonably, to establish the baseline environmental condition of the Property as of the commencement of the Metrolinx Easement (the "Baseline Condition"), and (ii) upon the termination or expiration of the Metrolinx Easement, return the Property to the Baseline Condition, including the remediation of all environmental impacts to the Property arising from Metrolinx Easement including, without limitation, the removal of all hazardous substances introduced to the Property (if any), and otherwise repair and restore the Property to the original state as of the closing date.

Noise and Vibration Easement and Acknowledgement: On closing, the City will grant Metrolinx a noise and vibration easement and acknowledgement (the form of which shall be acceptable to Metrolinx, in its sole discretion) over the Property for the benefit of Metrolinx and the Retained Property wherein the City will acknowledge that transportation operations are conducted on the Retained Property and that the noise, vibration, other sounds of every nature and kind whatsoever, fumes, odours, dust, electromagnetic fields, rays, radiation, stray current, emissions including without limitation smoke and/or other particulate matter of every nature and kind whatsoever

and howsoever arising or resulting from, out of, in connection with or incidental to such transportation operations on the Retained Property, shall not constitute a nuisance to the City provided that, in each case, the same is compliance with all applicable laws. For greater certainty, such noise and vibration easement and acknowledgement shall prohibit balconies on the Property.

Option to Repurchase: On closing, the City and Metrolinx shall enter into an agreement to be registered against title to the Property whereby the City shall grant Metrolinx the option to repurchase the Property (less any portions previously Transferred or any portions on which the restrictive covenant has been released or consent to the Transfer has been delivered, in each case, in accordance with paragraph 10), in its sole discretion, for nominal consideration (\$2.00) upon written notice to the City if the City has not achieved occupancy for the Community Hub by the 20th anniversary of the expiration of the Metrolinx Easement (the "Repurchase Trigger Event"). Such option shall be exercisable by Metrolinx upon written notice to the City within 180 days' following the occurrence of the Repurchase Trigger Event.