
BRIEFING NOTE

2756 Old Leslie Street

Issue/Background:

A motion was put forward at the Capital Budget Review of the Fire Services at the Community Services Meeting of November 8: “requested Deputy City Manager in consultation with the Deputy City Manager and the Chief Financial Officer and the Fire Chief, to report to the Budget Advisory Committee on allocating the \$2 million in revenue from the sale of the former fire site at 2756 Old Leslie Street to Fire Services for the capital cost of Station C and on re-allocating the capital funds that were scheduled for Station C for the purchase of new fire vehicles; ...”

In order to address this motion it is necessary to review the status of 2756 Old Leslie Street with respect to the City’s Proceeds Policy for the disposition of City real estate assets.

Key Points:

2756 Old Leslie Street was transferred to the ownership of the City of Toronto in conjunction with the incorporation of the Toronto Hydro Corporation in 1999. It was previously registered in the ownership of the Hydro-Electric Commission of the Township of North York and title was amended to the City of Toronto by the registration of Instrument 81621 on January 17, 2003.

The Property Management Committee assigned dual jurisdiction over the subject property on December 13, 2000 by dividing it horizontally, as shown on the attached Sketch PMC - 99- 035:

Northern half - 2,610 m ² (0.64 ac)	TTC
Southern half – 2,787 m ² (0.69 ac)	WES – Fire Services

At its meeting of June 18, 19 and 20, 2002, Council adopted Clause No. 1 of Report No. 9 of the Policy and Finance Committee, the “Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property”. The section of the Proceeds Policy relevant to the subject issues states:

(7) (a) “where City-owned property under the operational jurisdiction of an ABCD is released from the operational needs of such ABCD and is subsequently declared surplus and sold, then notwithstanding Clause No. 5 of this policy, the Net Proceeds shall be deposited in the City reserve fund allocated for the future capital requirements of the ABCD having most recently released the property,

conditional on such ABCD having used the property for its operations for a minimum of 10 years”.

During Council’s consideration of the Proceeds Policy, the future use and development of 2756 Old Leslie Street was specifically addressed and considered. The Commissioner of Corporate Services submitted a report dated May 15, 2002, to respond to a motion that 2756 Old Leslie Street be considered under the jurisdiction of Works and Emergency Services Department for use of Fire Services and treated in the same manner as properties used for operations for a minimum of 10 years. The recommendations of the Commissioner’s report was that the policies of the Proceeds Policy should apply to any future transactions respecting 2756 Old Leslie Street, and that should Fire Services identify a need for capital funding for a new fire facility in the vicinity of the Old Leslie Street site or a new centralized garage facility, Council consider at that time, making an appropriate allocation of funds from the Land Acquisition Reserve Fund.

Council amended Clause 1 of Report No. 9 of the Policy and Finance Committee to direct that PMC seek to maximize the potential value for redevelopment of a portion of 2756 Old Leslie Street in conjunction with the TTC and

“in recognition of the efforts made by Works and Emergency Services Division to increase the efficiency of operations, thereby allowing Fire Services to release this parcel for its significant revenue generating potential, and in consideration of the capital costs associated with the consolidation and/or relocation of WES operation and facilities, including the construction of a new Fire Station facility, Council make an appropriate allocation of funds from the Land Acquisition Reserve Fund, based on forthcoming business plans to be submitted by WES-Fire Services”.

City of Toronto purchased from Toronto Hydro-Electric System Limited a 10.46 acre property at 40-50 Toryork Drive and title was registered on December 30, 2002. This property was purchased for a joint use facility including Fire Services vehicle repair garage, a sign shop, the TPS driver training and the EMS office and parking. Responsibility for the property rests with WES, TPS, TEMS and TFS. The purchase of this property allowed for the freeing up of a site on the Oriole Works yard for a new fire station in this vicinity.

On September 20, 2004, WES-Fire Services released its jurisdiction over portions of the southern half (except for Parts 3 and 4 required for the alignment of Esther Shiner Boulevard) so that the jurisdictional division could be realigned in a north-south direction with the TTC being allocated jurisdiction over the westerly 35 m of the property and the frontage property on Old Leslie being released for disposal.

Council declared surplus portions of 2756 Old Leslie Street at its meeting of November 30, December 1 and 2, 2004. The surplus Property is described as Parts 1, 2, 5, and 6 on Sketch PMC-99-035d save and except for the stratified portions of Parts 1 and 5 described generally as extending 1 m (3.3 ft) below grade to 3 m (9.8 ft) above grade and subject to retention of a 3 m (9.8 ft) wide easement for the construction and maintenance of a retaining wall.

On November 7, 2005, the Administration Committee recommended to City Council the adoption of a Facilities & Real Estate report recommending an offer to purchase in the amount of \$2,000,000.01 for this surplus Property. This report will be considered by Council at its meeting of December 5, 6, and 7, 2005.

The value that has been offered for the property includes density rights over the TTC surface strata area (Parts 1 and 5) of 2,182 m² (0.54 ac) as well as over the 2,657 m² (0.65 ac) frontage property.

Conclusions

It should be noted that revenue from this disposition will not be received until 2007 and possibly the end of 2007, depending on the timing of the completion of Esther Shiner Boulevard. As this road is being constructed by Canadian Tire, there is no certainty that it will be completed by 2007 and a risk that the transaction may be terminated.

Under the City's Proceeds Policy, the net proceeds from the sale of 2756 Old Leslie Street should be deposited to the City's Land Acquisition Fund, as neither Fire Services nor the TTC has occupied or used the property for operations for the minimum 10 year period required to establish entitlement to net proceeds.

The effect of this motion would be to direct net proceeds for this sale to the capital reserve fund in the name of Works and Emergency Services – Fire Services rather than the Land Acquisition Reserve Fund, and would be a contravention of the Proceeds Policy.

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