

**MEETING DATE:** April 6, 2005

**SUBJECT:** Notice Of Award - Sale Of St. John's Loop (1500 Weston Road)

## **RECOMMENDATION**

It is recommended that the Commission confirm the approval by two Commissioners and Chief General Manager for the 1500 Weston Road Inc. offer to purchase 1500 Weston Road for the amount of \$1,150,000.00 to be accepted.

## **FUNDING**

The successful sale of the property has the ability to generate \$1,150,000.00 in gross proceeds to the Commission. Real estate transaction and site remediation costs that include appraisal, survey, environmental assessment reports, legal and brokerage fees that will be applied against the sale of 1500 Weston Road proceeds and a net amount of approximately \$900,000 will be held by TTC as a reserve to be used for future approved property purchases.

## **BACKGROUND**

At its meeting of February 9, 2005, the Commission approved the revisions and updates to the Authorization for Expenditures Policy/Instruction, which states that *“The Commission delegates authority to the Chair, Vice-Chair and Chief General Manager to authorize items on an interim basis that would normally be authorized by the Commission when the approval is required before the next Commission meeting. The interim authorization is to be followed up by a confirmation of approval Commission report that is to be submitted to the next scheduled Commission meeting.”*

St. John’s Loop is located at 1500 Weston Road. It is approximately 0.651 acres in size and includes the former Weston Substation. Although the exact date of transfer in the 1940’s is not known, the land was acquired from the Township of York by statute as a trolley coach short turn loop for the Weston bus service. The substation built on the site provided power to the trolley system. On March 20, 2002, the Commission approved offering the property for sale on the open market having previously declared the property surplus to TTC operational needs. Weston Substation was decommissioned, the transformers removed from site, the soils remediated and the property listed for sale on the open market on December 9, 2004. As part of the sale of the loop, the TTC will transfer the existing lease between the TTC and Astral Media Outdoor L.P. (the “Astral Lease”) to the successful purchaser upon closing.

## **DISCUSSION**

The St. John’s Loop property was appraised at \$600,000 and listed at \$850,000.00. The listing broker was Royal LePage and the City of Toronto acted as agent for the TTC. On January 28, 2005, the following four offers were received:

	Prospective Purchaser	Amount	Additional Terms	Comments
1	1500 Weston Road Inc.	\$1,150,000.00	1. Following acceptance of the offer, purchaser can pursue rezoning	1. The prospective purchaser was requested and agreed to make minor

			<p>application, official plan amendment, etc. and TTC shall consent to all applications. In addition, purchaser shall be entitled to go on the property to place any signs required by rezoning application, official plan amendment, etc.</p> <p>2. Offer conditional for 3 days after being notified of acceptance, on purchaser satisfying itself of the terms and conditions of the Astral Lease.</p>	<p>amendments to the wording of its first condition in accordance with the recommendations made by City and TTC legal staff. The wording of the clause was changed to reflect the purchasers ability to “apply” for a re-zoning rather than the “right to re-zone”. The revised clause is now satisfactory to TTC &amp; City staff.</p> <p>2. The prospective purchaser was provided with a copy of the lease between the TTC and Astral Media and the condition to the Offer to Purchase has now been removed by the purchaser.</p>
2	Jose Manuel Silva	\$ 950,000.00	None	
3	Morgan Wilshire Developments Inc.	\$ 750,000.00	None	
4	Solotex Corporation	\$ 350,000.00	Purchaser to have 3 business days after acceptance by TTC to review terms of Astral Lease.	

The terms and conditions accompanying the highest offer are not unusual or onerous. The first condition, requesting the TTC consent to any re-zoning, official plan amendment or rezoning application is acceptable, however the language of the offer required minor amendments to protect the interests of the TTC. The second condition required the TTC to give the potential purchaser 3 days after the offer had been accepted to review the “Astral Lease”. This condition was not acceptable to the TTC. On review of the offers received and based on the recommendations of City staff, the TTC gave the City of Toronto permission to:

1. Provide 1500 Weston Road Inc. a copy of the Astral Lease and request the removal of the second condition; and
2. Amend the wording of the first condition based on the recommendations made by City of

Toronto and TTC legal staff.

When requested to make the minor changes in language to the first condition and remove the second condition, 1500 Weston Road Inc. agreed to amend the terms of its offer as per the recommendations of City and TTC legal staff.

**JUSTIFICATION**

The sale of 1500 Weston Road to 1500 Weston Road Inc. is in the financial best interest of the Commission.

-----

April 6, 2005  
22-7-10