



Report to: **General Committee**

Meeting Date: October 2nd, 2017

SUBJECT: Reporting Out Of Real Property Acquisition – 55 Parkway Avenue
PREPARED BY: Jacqueline Chan, Assistant City Solicitor – Ext. 4745

RECOMMENDATION:

- 1) THAT the report entitled “Reporting Out Of Real Property Acquisition – 55 Parkway Avenue ” be received;
- 2) AND that Staff be authorized and directed to take the actions set out in this report;
- 3) AND that the report entitled “Reporting Out Of Real Property Acquisitions—55 Parkway Avenue” and the foregoing resolutions be reported out in the public Council meeting on October 17th, 2017.

PURPOSE:

This report provides information on the acquisition of the lands legally described as Part of Lots 12 and 13, Concession 8 (Markham), designated as Part 2 on Plan R-2894, municipally known as 55 Parkway Avenue, Markham, Ontario (the “**Property**”), as shown in Attachment No. 1.

BACKGROUND:

Council has requested that acquisitions of real property, together with details on costs associated with such acquisitions be reported out at public Council meetings after the closing of the transactions.

OPTIONS/ DISCUSSION:

An aerial photograph showing the location of the Property is attached as Attachment No. 1. The Property is situated near the north/east corner of Main Street Markham and Highway 7. The City acquired a fee simple interest over the Property, being approximately 6 acres. The acquisition transaction was completed on July 26th, 2017. The Property was acquired for various potential uses, including senior’s housing and park on part of the Property. The sale of the balance of the Property not used by the municipality has also been considered. Staff will refine proposals for the use of the Property and report back to Council.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The purchase price for the Property was \$19,364,000. The total amount of \$20,142,130 was spent to acquire the Property on or before closing. These funds were paid from Project 16291, Land Acquisition of 55 Parkway Avenue, and funded by the Land Acquisition Reserve Fund. There will also be some post-closing costs, namely for demolition of the school building and for environmental remediation, which will also be funded from Project 16291 Land Acquisition of 55 Parkway Avenue, and funded by the Land Acquisition Reserve Fund. The estimated cost for demolishing the existing school building on the Property is \$160,000. A budget of \$326,000 has

been allocated towards the cost of environmental remediation. Staff are currently working on the demolition and environmental remediation work. The final costs for such work will be known after such work is completed.

Below is a breakdown of the costs spent to acquire the Property, including Harmonized Sales Tax, Land Transfer Tax, due diligence, closing costs (including environmental assessment, appraisal, etc.) as well as the estimated demolition costs and budgeted environmental remediation costs.

Acquisition Costs on Closing		
(a)	Purchase Price	\$ 19,364,000
(b)	HST	\$ 340,806
(c)	Land Transfer Tax	\$ 383,755
(e)	Environmental Due Diligence	\$ 51,559
(f)	Other Due Diligence and Closing Costs	\$ 2,010
	Total Acquisition Cost on Closing	\$ 20,142,130
Estimated Post Closing Costs		
(g)	Estimated Demolition costs	\$160,000
(h)	Budgeted Remediation Costs	\$326,000
	Total Estimated Post Closing Costs	\$486,000
	Total (Acquisition Cost on Closing + Estimated Post Closing Cost)	\$20,628,130

HUMAN RESOURCES CONSIDERATIONS

Not applicable

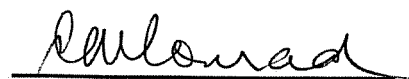
ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance Department has reviewed and approved this report.

RECOMMENDED BY:



Catherine M. Conrad
City Solicitor and Acting Director of Human Resources



Paramount Rd

Sir Bedevere Pl

Parkway Ave

R - 2894 PART 2,

Sir Percival Crt

Bramble Way

Russell Stover Crt