




File: D18-ALL

**TO:** Mayor J. Lehman and Members of Council

**FROM:** J. Foster, BAA, MCIP, RPP  
Senior Development Planner 

**NOTED:** R. Forward, MBA, M.Sc., P. Eng.  
General Manager of Infrastructure, Development & Culture   
Jon Babulic, Chief Administrative Officer 

**RE:** Sale of Allandale Station Lands – Offer to Market

**DATE:** June 20, 2011

This memo provides the details of an offer and process to be undertaken in the sale of the Allandale Station Lands. Described below is the detailed information regarding the fundamental principles that would form the framework upon which the City would sell the lands on the open market. Alternatively, should Council choose to make a counter offer to the Correct Group Inc., these details could be used in formulating a counter offer for the sale of the lands.

1. Fair Market Value (Purchase Price + Public Benefit [if proposed]) = \$3M

The City received a third party appraisal of the lands in August 2010 that identified a purchase price for approximately 5 acres of the Allandale Station Lands, excluding the train station building and "no-build" zone, of \$3M. If a purchase price is offered at less than \$3M, Section 106 of the Municipal Act identifies that a municipality shall not grant assistance by selling any property of the municipality at below fair market value. However, if an offer includes significant public benefits, such as provision of a public recreation facility as part of the development, or maintenance of the train station buildings, for example, the purchase price and the value of the public benefits would then form the totality of the offer, would not be considered bonusing, and would still represent fair value.

2. Infrastructure Improvements (\$1.8M)

The City has financially invested in the Allandale Station Lands both for the facilitation and upcoming operation of GO Transit and to facilitate a commercial development on the balance of the lands. Upon closing of the sale of the lands, the City is seeking the posting of Letters of Credit equal to the value of the infrastructure investment from the proponent of the lands for certain infrastructure works that are considered of mutual benefit to both the City and GO, as well as the private developer of the commercial portion of the lands. As it relates to the developers share of the cost of infrastructure improvements, the City would draw on the Letter of Credit as the infrastructure works are completed. For those works already completed, the cost share of which would be required upon closing of the land sale. These infrastructure works include contributions to the tunnel underpass from Gowan into the subject lands and the shared road infrastructure and servicing works that provide vehicular and pedestrian access to the lands and allow for the extension of services such as lighting, sanitary, water and storm and associated landscape works. A total estimated contribution of \$1.8M is recommended which would include:

- a) \$850,000 towards the cost of the pedestrian underpass tunnel from Gowan Street to the GO Station Platform and the commercial portion of the lands;
- b) \$950,000 towards the earthwork, road improvements, underground works including electrical, mechanical and structural works, landscaping, as well as servicing for the provision of sanitary, water and storm services. This cost share includes 50%

contribution towards the east/west road between the proposed development and the GO Station platform and 100% of the cost and construction of the north/south road to Lakeshore Drive at Tiffin Street. Also included in this cost is a 25% contingency.

3. Covenants and/or Conditions to Sale Closing for the Development of the Lands

In order to facilitate timely development of the site and the vision for the Allandale Station Lands, it is recommended that covenants and/or preconditions to closing be included in the Purchase and Sale Agreement that shall include the following:

- a) That the entire approximately 5 acre Allandale commercial parcel be sold to one proponent;
- b) That the site design include provisions for shared parking for the train station buildings within the development concept;
- c) That the development concept must incorporate or facilitate the Remax development in the design as per the City's agreement with Remax;
- d) That a complete site plan application be filed for site plan approval within 6 months from the date of closing;
- e) That the construction start date of a minimum 50,000 square feet of floor area, shall commence within 10 months following site plan registration;
- f) That repurchase provisions be included in the event the purchaser does not begin construction within the established timeframe;
- g) That covenants be included to address built form such as:
  - i. A building(s) designed and intended for multiple commercial business users;
  - ii. Architectural Design Guidelines that maintain a heritage scale and character development;
- h) That the site plan design conform to the site specific zoning standards of the Zoning Bylaw including parking provisions. Given the estimated GO ridership from the Allandale Waterfront GO Station, there shall be no parking space reduction or cash-in-lieu payment as it relates to the required parking spaces for the commercial development of the Allandale Station Lands;
- i) That the site plan include provisions for the elements recommended through the public consultation process including:
  - i. Provision of signage to build community and visitor awareness of the historic significance of the site;
  - ii. Maximizing the use of green technologies;
  - iii. Focus ground floor retail on the needs of the immediate community, commuters and tourists;
  - iv. Market commercial leased space to cultural organizations and creative industries;
  - v. Wire the site with technologies like fibreoptic and Wi-Fi to maximize the site's potential for creative industries.