

# City of Mississauga

# Corporate Report



Date: February 24, 2020

To: Chair and Members of General Committee

From: Gary Kent, CPA, CGA, ICD.D, Commissioner of  
Corporate Services and Chief Financial Officer

Originator's files:  
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Meeting date:  
March 11, 2020

## Subject

**Surplus Land Declaration and Sale and Grant of Temporary Easement of City-Owned lands identified as part of Queen Street (Closed) road allowance – Port Credit GO Station to Metrolinx as required for the Hurontario LRT Project (Ward 1)**

## Recommendation

1. That the Corporate Report titled "Surplus Land Declaration and Sale and Grant of Temporary Easement of City-Owned lands identified as part of Queen Street (Closed) road allowance – Port Credit GO Station to Metrolinx as required for the Hurontario LRT Project" dated February 24, 2020 from the Commissioner of Corporate Services and Chief Financial Officer, be received.
2. That the City-owned lands municipally identified as part of Closed Queen Street road allowance and legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 1 on Reference Plan 43R-39134, City of Mississauga, Regional Municipality of Peel, having an area of approximately 472.6 square metres (5,087.02 square feet), be declared surplus to the City's requirements for the purpose of sale to Metrolinx.
3. That the Commissioner of Transportation and Works and the City Clerk approve and execute an Agreement of Purchase and Sale, including all ancillary documents and subsequent amending agreements, between The Corporation of the City of Mississauga ("City") as Vendor and Metrolinx as Purchaser of the following interests in the vacant City-owned lands as required for the purpose of the Hurontario LRT project:

- a. A fee simple interest in lands having an area of approximately 371.6 square metres (4,000 square feet) which lands are legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 1 on Reference Plan 43R-39134 (Appendix 2), save and except Part 3 on Reference Plan 43R-37870, City of Mississauga, Regional Municipality of Peel, at a purchase price of \$1,500,000;
  - b. A temporary easement interest in lands having an area of approximately 119.1 square metres (1,281.98 square feet), which lands are legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 2 on Reference Plan 43R-39134 (Appendix 2) in the City of Mississauga, Regional Municipality of Peel, at a purchase price of \$ 165,859.00, calculated at a rate of \$375.00 per square foot at 6% per annum for a period of 69 months commencing April 1, 2020, together with two additional one year options to renew at a rate of \$28,844.55 per annum each; and
  - c. A temporary easement interest in lands having an area of approximately 101 square metres (1,087.15 square feet), which lands are legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 3 on Reference Plan 43R-37870 (Appendix 3) in the City of Mississauga, Regional Municipality of Peel (the "Part 3 Temporary Easement Lands"), at a purchase price of \$140,631.00, calculated at a rate of \$375.00 per square foot at 6% per annum for a period of 69 months commencing April 1, 2020, together with two additional one year options to renew at a rate of \$24,460.88 per annum and with an option for Metrolinx to purchase all or a portion of the lands at a rate of \$375 per square foot (less the monies paid for the Temporary Easement) if, as part of the construction of the Hurontario-Main Light Rail Transit ("HuLRT"), it is necessary for Metrolinx to construct permanent infrastructure on the Part 3 Temporary Easement Lands.
4. That the net proceeds of \$1,806,490.00 be deposited to the gain or loss on disposal of assets account (cost centre #28351, account #570165) and the amount of \$1,806,490.00 be transferred to the Capital Reserve Fund Account #33121 with the remaining amount of \$16,893.50 being transferred to the Prepaid Land Sale expense account # 125137 to reimburse the account for the cost of the appraisal reports.
5. That all steps necessary to comply with the requirements of Section 2.(1) of City Notice By-law 215-08 be taken, including giving notice to the public by posting a notice on the City of Mississauga's website for at least three weeks prior to the execution of an agreement for the sale of the subject land.
6. That all necessary bylaws be enacted.

## Report Highlights

- A portion of the closed Queen Street road allowance property, currently part of a larger parcel of City-owned land leased to Metrolinx since 1979, is required by Metrolinx for the construction of the Port Credit HuLRT station and for temporary use during construction.
- In order to address Metrolinx' requirements at the HuLRT Port Credit station, it is recommended that the required lands be declared surplus and sold to Metrolinx at market value.
- It is further recommended that authorization be provided to provide temporary easements to Metrolinx for 69 months for staging and use during construction, with two options to extend for one year each, as well as an option to purchase a portion of the temporary lands if, as part of the construction of the HuLRT, it is necessary for Metrolinx to construct permanent infrastructure thereon, with all transactions being at market value.

## Background

In 2014, the City of Mississauga, working with the City of Brampton and Metrolinx, completed the preliminary design and environmental assessment approvals through the Transit Project Assessment Process ("TPAP") for the "HuLRT" Project. The Environmental Project Report completed under the TPAP identified the closed Queen Street road allowance, which is currently used as part of the Metrolinx operated Port Credit GO Station, as part of the Port Credit Hurontario LRT station.

On July 11, 2016 the City of Mississauga, the City of Brampton and Metrolinx, entered into a Memorandum of Understanding ("MOU"), for the development of a 23 kilometre, 26 stop (later modified to 18 kilometre, 19 stop), HuLRT system between Port Credit in the south and terminating within the City of Brampton to the north.

Under the terms of the MOU, the following applies for the transfer of lands to Metrolinx:

"Each municipality will transfer (or to the extent agreed by the parties, deliver an easement or other real property interest in respect of) any other property, (i.e. Lands other than Easement Lands) owned by it or its boards, agencies, or commissions, upon which the project infrastructure will be built and located to Metrolinx for nominal consideration, save and except only if such lands are occupied and in use or which generate revenue, in which case Metrolinx will pay to the applicable Municipality fair market value for such lands."

Through the development of the Reference Concept Design for the procurement process of the HuLRT project, Metrolinx confirmed the requirement of the closed Queen Street road allowance property for the construction of the Port Credit HuLRT station and for temporary use during construction. These City-owned lands are part of a larger parcel containing an area of approximately 1,856 square metres (19,978 square feet that have been leased to the

Province/Metrolinx for parking purposes at Port Credit GO Station since 1979 (the “1979 Parking Lease”).

## Comments

Metrolinx must have all lands required for the LRT project available to the contractor of HuLRT, Mobilinx, for its use by the end of April 2020 to meet its contractual obligations. In order to allow the sale of the City-owned lands to Metrolinx to proceed, the 1979 Parking Lease needs to be terminated. The lease is currently set to expire at the end of March 2020. Discussions are ongoing with Metrolinx in an effort to enter into a new agreement for the remaining City-owned lands to allow Metrolinx to continue to use the remainder lands for parking.

Prior to the sale of any City-owned lands, Council authorization is required to declare the lands surplus to City requirements. Realty Services has completed its circulation and confirmed the lands are not required for City purposes and may be sold and/or provided to Metrolinx on a temporary basis.

Prior to declaring lands surplus to City requirements, the various utilities are also circulated for interest and no easement protection for existing utilities is required at this location.

This report seeks to declare the lands municipally identified as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 1 on Reference Plan 43R-39134 (the “Fee Simple Lands”), surplus to the City’s needs and further requests authorization to sell the lands to Metrolinx. This report also seeks to authorization to provide temporary use of additional lands legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 2 on Reference Plan 43R-39134 (the “Part 2 Temporary Easement Lands”) and Part 3 on Reference Plan 43R-37870 (the “Part 3 Temporary Easement Lands”), for temporary use by Metrolinx during the period of HuLRT construction. In addition, the report seeks authorization to provide Metrolinx with an option to purchase all or a portion of the Part 3 Temporary Easement Lands, identified more specifically as Part 3 on Reference Plan 43R-37870, to Metrolinx in the event that the lands are required to construct permanent infrastructure.

Negotiations have concluded, and the City is now in receipt of an executed Agreement of Purchase and Sale from Metrolinx on the following terms:

- Parcel to be sold contains an approximate area of 371.6 square metres (4,000 square feet) and is described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 1 on Reference Plan 43R-39134, save and except Part 3 on Reference Plan 43R-37870 at a purchase price of \$1,500,000.00 based on an appraisal estimating it’s fair market value.

- Parcel over which a temporary easement interest for the purposes of construction staging, lay down and access in relation to the construction of a light rail transit system and station, together with the rights of ingress and egress with machinery, materials, supplies, vehicles, and equipment, is to be conveyed, contains an area of approximately 119.1 square metres (1,281.98 square feet) and is legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 2 on Reference Plan 43R-39134 at a purchase price of \$165,859.00, calculated at a rate of \$375.00 per square foot at 6% per annum for a period of 69 months commencing April 1, 2020, together with two additional one year options to renew at a rate of \$28,844.55 per annum.
- Parcel over which a temporary easement interest to lay down, install, excavate, construct, erect, maintain, open, inspect, alter, repair and keep in good condition, move, replace, and supplement the construction of a light rail transit system and station, inclusive of all tracks, base materials, retaining walls, fixtures, chattels, signals, utilities of any kind, pedestrian walkways, road works and all other reasonable and appurtenant needs and requirements for the construction and operation of the above-noted, together with the rights of ingress and egress with machinery, materials, supplies, vehicles and equipment necessary, where the parcel contains an area of approximately 101 square metres (1,087.15 square feet) and is legally described as part of Queen Street, Plan PC-1 (Shown on Plan 300) East of Credit River, Closed by RO481880, Lying between Ann Street and Hurontario Street, being Part 3 on Reference Plan 43R-37870, at a purchase price of \$140,631.00, calculated at a rate of \$375.00 per square foot at 6% per annum for a period of 69 months commencing April 1, 2020, together with two additional one year options to renew at a rate of \$24,460.88 per annum.
- In addition to a temporary easement over Part 3 on Reference Plan 43R-37870, an option for Metrolinx to purchase all or a portion of the lands described as Part 3, 43R-37870 at a rate of \$375 per square foot to be granted as a component of this transaction if, as part of the construction of the HuLRT, it is necessary for Metrolinx to construct permanent infrastructure over Part 3 on Reference Plan 43R-37870. The consideration paid by Metrolinx to acquire this for the temporary easement (calculated at a rate of \$375 per square foot at 6% per annum exclusive of HST) for only that portion of the Part 3 Temporary Easement Lands that is being transferred in fee simple shall be credited toward the purchase price of the affected lands.
- The sale to Metrolinx is conditional for 30 days on Metrolinx being satisfied with result of any reports or surveys regarding the lands, with the environmental condition of the property, with the terms and conditions of any leases, licences or other agreements affecting the lands and with respect to all title matters.
- Closing of this transaction to occur April 1, 2020 or as extended by mutual agreement, however no later than April 7, 2020.
- The lands are being sold “as is-where is”.
- Pursuant to Fees and Charges By-law No. 0156-2019, Metrolinx is to reimburse the City for its reasonable costs associated with this transaction, which shall not exceed \$3,000.00 plus reasonable disbursements and HST.

- Metrolinx to reimburse the City for the cost of securing two appraisal reports in the amounts of \$7,062.50 and \$9,831.00, both including HST, for a total of \$16,893.50.

## Financial Impact

Revenue generated by the sale and temporary easement to Metrolinx in the amount of \$1,806,490.00 is to be deposited to the gain or loss on disposal of assets account (570165-28351) and will be transferred to the Tax Capital Reserve Account (33121). Metrolinx will be required to pay any applicable Land Transfer Tax, HST, legal fees pursuant to the Fees and Charges Bylaw as well as any registration fees associated with this purchase. Metrolinx has also agreed to reimburse the City for the cost of securing two appraisal reports in the total amount of \$16,893.50, including HST and these monies will be deposited into Prepaid Land Sale Expense Account (125137). Since the proceeds from the sale are being transferred directly to the Tax Capital Reserve Account, there is no impact to the Operating and Capital budgets. In the event that Metrolinx purchases all or a portion of the lands identified as Part 3, 43R-37870, the additional funds will be deposited to the gain or loss on disposal of assets account (cost centre #28351, account #570165) and will be transferred to the Tax Capital Reserve Account (33121).

## Conclusion

In order to address Metrolinx' requirements at the HuLRT Port Credit station, it is recommended that the lands identified as Part 1 on Reference Plan 43R-39134, be declared surplus to City requirements, that the lands identified as Part 1 on Reference Plan 43R-39134, save and except Part 3 on Reference Plan 43R-37870, be sold to Metrolinx, that lands identified as Part 2 on Reference Plan 43R-39134 and as Part 3 on Reference Plan 43R-37870, be provided to a temporary basis to Metrolinx, with Metrolinx having the option to purchase the lands identified as Part 3, 43R-37870 if, as part of the construction of the HuLRT, it is necessary for Metrolinx to construct infrastructure.

## Attachments

Appendix 1: Approximate Location of Subject Lands: Queen Street (closed) road allowance.

Appendix 2: Reference Plan 43R-39134 identifying lands to be declared surplus as Part 1, lands to be sold as part of Part 1 and lands subject to a Temporary Easement as Part 2.

Appendix 3: Reference Plan 43R-43R-37870 identifying lands subject to both a Temporary Easement and Option to Purchase as Part 3.



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Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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