



To:                   Toronto Public Library Board – September 23, 2002

From:                City Librarian

Subject:             **Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property**

Purpose:

To provide Toronto Public Library Board endorsement of the City policy governing land transactions among City agencies, boards, commissions and departments (“ABCDs”), and allocating net proceeds from the sale or redevelopment of City-owned real property.

Funding Implications and Impact Statement:

This policy will impact the treatment of proceeds from the disposition or redevelopment of properties which are occupied by the Toronto Public Library Board, and where title of the property is held either by the Board or by the City.

Recommendation:

It is recommended that:

- (1)   the Toronto Public Library Board provide endorsement of the City of Toronto *Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property* adopted by Council at its meeting on June 18, 19, and 20, 2002;
- (2)   the report be forwarded to the City; and
- (3)   the appropriate Library officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Uncertainty as to the entitlement to proceeds from the sale of a property may act as a disincentive to an ABCD releasing the property from the operational needs of that ABCD. This may, in turn, encumber the City’s capital resources and represent a cost to the city in terms of debt-servicing charges, loss of potential property tax revenue, and continued costs for maintaining the property in a state of good repair. Accordingly, the need for a comprehensive policy is clear.

The issue of entitlement to the proceeds from the sale of surplus properties has been before Council on a number of occasions over the past few years. At its meeting of June 7, 8, and 9, 2000, in adopting Clause No. 10 of Report No. 13 of the Administration Committee headed “*Disposal of Surplus Library Property*”, Council amended the clause to add:

the Chief Financial Officer and Treasurer be requested to develop a methodology to determine what share of the surplus property shall accrue to the originating agency, board or commission, and submit a report thereon to the Administration Committee.

At its meeting on June 18, 19, and 20, 2002, Council adopted the Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property (Attachment 1).

Recommendation 3 of the report reads:

(3) agencies, boards and commissions of the City, owning land in the title of such agency, board or commission be requested to provide their concurrence to the policy contained in this report;

Comments:

Attachment 1 identifies key issues and makes recommendations relating to how transfers of property among ABCDs are accounted for, and how proceeds from the sale and redevelopment of City-owned property (including those having been under the jurisdiction of an agency, board or commission) are allocated. Consultation with affected stakeholders, including Library staff, is summarized in Appendix B of Attachment 1 (page 17). Highlights of the policy, which are included as Appendix A of Attachment 1, are shown below.

**Ownership**

Where the City holds title to a property but it has been used for library operations for at least ten years, then the Board is deemed to have jurisdictional ownership of the property. This policy applies equally to situations where the Board has actual title or jurisdictional ownership of properties, except in the case of redevelopment.

**Property Management Committee [Policy ref. 1(a), (b) and (d)]**

By providing endorsement of this policy, the Board agrees to participate in the Property Management Committee (“PMC”) process. The PMC, comprised of senior City staff, was established to review the use of potentially surplus properties for other corporate purposes or, alternatively, the sale of such properties. When a property has been identified as surplus to the needs of an ABCD, it is added to a list which is circulated among ABCDs who may express an interest in acquiring the property. Council has adopted a Housing First policy, which generally gives priority to affordable housing.

If an ABC decided not to participate in the PMC process, then all transactions will take place at market values.

**Transfers Between ABCD [Policy ref. 1(c)]**

Where surplus library property (actual ownership or jurisdictional ownership) ends up being transferred to an ABCD through the PMC process, there will be no proceeds to the Board.

Similarly, if the Board assumes ownership of any surplus property from another ABCD, it will be at no cost.

**External Sales [Policy ref. 7(a)]**

Where surplus library property is sold to an external party, the net proceeds will be deposited in a City reserve fund allocated for the future capital requirements of the Library.

**Redevelopment [Policy ref. 8(a)]**

For redevelopment of property, for which the Library holds title, the net proceeds will be deposited in a City reserve fund allocated for the future capital requirements of the Library.

For redevelopment of property, for which the City holds title but the Library occupies, the net proceeds will accrue to the City.

Conclusion:

Library staff is in general agreement with the policy and its applicability to the Toronto Public Library Board. It is recommended that the Toronto Public Library Board provide its endorsement of the City of Toronto *Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property*.

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City Librarian

List of Attachments:

Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property – City of Toronto Council meeting of June 18, 19, and 20, 2002