

COMMITTEE OF THE WHOLE JUNE 20, 2005

JOINT PARTNERSHIP PROJECT -THE REGION OF YORK AND THE CITY OF VAUGHAN/MIXED USE BUILDING SENIORS APARTMENTS AND A SENIORS ACTIVE LIVING CENTRE – BLUE WILLOW DRIVE

Recommendation

The Commissioner of Community Services in consultation with the Director of Legal Services recommends:

That a By-law be enacted authorizing the Mayor and Clerk to execute a development agreement, ground lease and one exclusive use lease between the City of Vaughan and the Regional Municipality of York, in a form satisfactory to the Commissioner of Community Services and the City Solicitor, for the joint partnership project consisting of a mixed use building comprised of seniors apartments and a seniors active living centre.

Economic Impact

In 2001, Council approved the amount of \$100,000 dollars for the cost of the design consultants for the project. In 2002, Council approved the use of \$900,000 dollars for the development, design and construction for the project. In total, the City of Vaughan will be contributing \$1,000,000 dollars to the seniors' development on Blue Willow Drive.

Purpose

To obtain Council approval to execute all documents including a development agreement, ground lease, and an exclusive use lease for a seniors development on Blue Willow Drive.

Background - Analysis and Options

On June 23, 2003, Council directed staff to enter into a development agreement with the Region of York, based on the principles as outlined in the Memorandum of Understanding, approved in June 2002.

On June 14, 2004, Council directed staff to prepare a ground lease and exclusive use leases which outline the proposed legal structure between the Region of York and the City of Vaughan for a joint development of a combined senior citizen's apartments and seniors' active living centre, located in Vaughan.

The development agreement will describe the obligations and responsibilities of the parties will respect to construction and details the cost sharing arrangement.

The ground lease between the City as landlord and the Region as tenant for the entire project lands will stipulate that any buildings constructed on the project lands will be owned by the Region during the term of the lease. At the end of the ground lease (50 years) the legal ownership of both the land and the building will be held by the City of Vaughan. The rent will be nominal. The Disposal of Property by-law does not fully apply as the facility is exempted as a municipal capital facility.

On February 14, 2005, Council directed staff to ensure that the City of Vaughan contributes \$1 million dollars for approximately 5,000 sq. ft. in addition to the land for the Blue Willow project; and that the Region of York be advised that the cash-in-lieu of parkland is required to be paid for this project.

The exclusive use lease between the Region, as landlord, and the City, as tenant, for approximately 5,308 square feet of the ground floor of the building is for the seniors active living centre space. The rent will be nominal. There will be another exclusive use lease between the Region, as landlord, and Housing York Inc., for the remainder of the building which is for senior apartments.

Blue Willow Project – Timetable of Deliverables:

Critical deliverables for this project are as follows:

- Vaughan and the Region of York Legal staff will finalize the development agreement and ground lease and prepare these documents for execution by end of June 2005;
- The project architect will submit the building permit application package to the City by the week of June 6, 2005. A building permit is required for the Blue Willow project by August 26, 2005 to comply with the funding commitment by the Federal/Provincial Affordable Housing Program;
- A third party technical consultant, in addition to City and Region staff will complete a pre-tender review of the project drawings and specifications by the end of the week of June 10th, 2005. A consolidated list of all comments will be sent to the project architect on June 13, 2005;
- The Region's Supply and Services Department has scheduled the construction tender to the pre-qualified general contractors the week of June 24, 2005. There is a three week turnaround for tender submissions. City of Vaughan staff will be invited to attend the opening of the tenders in mid-July;
- The Region is commencing the planning of the groundbreaking event for late August just prior to the start of construction. Region staff will be in contact with City staff to discuss this item;
- As a pre-condition of tendering of the construction of the project, the Regional Municipality of York requires that the City of Vaughan execute the development agreement.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities set out in Vaughan Vision 2007, 1.3 Provide effective and efficient delivery of services and the necessary resources have been allocated and approved.

Conclusion

Council approval is being sought to authorize the execution of the development agreement, ground lease and one exclusive use lease to the Commissioner of Community Services and the City Solicitor.

The urgency to complete this phase of the project development is vital in order to comply with funding conditions of the Affordable Housing Program. This approval is critical, as failure to meet this program requirement could put \$1.7 million in Provincial and Federal funding for this project at risk.

Attachments

None

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Respectfully submitted,

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