

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
April 09, 2021 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **TEMPORARY SALES OFFICE PAVILION
(3966 EBENEZER ROAD, CITY OF BRAMPTON)**
Rental Agreement with 2652367 Ontario Inc.

KEY ISSUE

Proposal to terminate the current TRCA rental agreement with Highcastle Homes and enter into a new rental agreement with 2652367 Ontario Inc., for the land located at 3966 Ebenezer Road, City of Brampton, Regional Municipality of Peel for the operation of a temporary sales office pavilion, for a five (5) year term.

RECOMMENDATION

THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS Toronto and Region Conservation Authority (TRCA) is in receipt of a request from Highcastle Homes to terminate their rental agreement for approximately 0.4 hectares (1 acre) of land, said land being Part of Lot 6, Concession 8 N.D., City of Brampton, Regional Municipality of Peel and municipally know as 3966 Ebenezer Road;

AND WHEREAS TRCA is in receipt of a request from 2652367 Ontario Inc. to rent this same area of land, said land being Part of Lot 6, Concession 8 N.D., City of Brampton, Regional Municipality of Peel;

THEREFORE, LET IT BE RESOLVED THAT TRCA terminate the existing rental agreement with Highcastle Homes and enter into a new rental agreement for approximately 0.4 hectares (1 acre) of land with 2652367 Ontario Inc. for the operation of a temporary sales office, said land being Part of Lot 6, Concession 8 N.D., City of Brampton, Regional Municipality of Peel;

THAT the rental agreement with 2652368 Ontario Inc. be premised on the following:

- i. The rental arrangement with 2652368 Ontario Inc. be for a 5-year period, with the option of one 5-year extension;**
- ii. The rental rate is to be \$77,900 per annum, established as fair market rent by an independent appraisal in January 2021, subject to an annual CPI adjustment, year over year;**
- iii. 2652367 Ontario Inc. is to be solely responsible for all costs associated with the operation of the sales office, including but not limited to renovations, repairs, and utilities;**
- iv. 2652367 Ontario Inc. is to utilize the existing one (1) temporary sales pavilion currently on site and will not construct any new buildings on the site without prior written consent from TRCA;**
- v. 2652367 Ontario Inc. will be responsible for all costs associated with the removal of the structure, including all hydro connections, at the end of the term and restore the site to the satisfaction of TRCA.**
- vi. 2652367 Ontario Inc. will be required to obtain at its cost, all necessary licenses**

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and permits, and comply will all applicable by-laws, rules, regulations and laws governing the conduct and operation of the licensed business or anything in connection therewith;

- vii. That 2652367 Ontario Inc., provide shared use of the parking lot for TRCA urban agricultural famers farming adjacent to the sales pavilion;
- viii. Any other terms and conditions deemed appropriate by TRCA's solicitor

AND FURTHER THAT the appropriate TRCA officials be authorized and directed to take whatever action may be required to give effect thereto, including the obtaining of necessary approvals and the execution of any documents.

BACKGROUND

At Executive Committee Meeting #2/03, held on April 25, 2003, Resolution #B28/03 was approved as follows:

THAT WHEREAS the Toronto and Region Conservation Authority (TRCA) is in receipt of a request from Highcastle Homes to rent approximately 0.4 hectares (1 acre) of land located on the north west corner of Ebenezer Road and McVean Drive, City of Brampton;

AND WHEREAS it is in the opinion of TRCA that it is in the best interests of TRCA in furthering its objectives, as set out in Section 20 of the Conservation Authorities Act, to cooperate with Highcastle Home in this instance;

THAT TRCA enter into a rental arrangement for approximately 0.4 hectares, more or less, (1 acres) with Highcastle Homes for the construction and use of sales offices, said land being Part of Lot 6, Concession 8 N.D., City of Brampton, Regional Municipality of Peel;

THAT the rental arrangement with Highcastle Homes be premised on the following:

- i. *The rental arrangement be for a 2-year period with the option of an additional 1 year;*
- ii. *The rental rate is to be \$20,000 per year;*
- iii. *Highcastle Home is to be responsible for all approvals required for construction of the sales offices;*
- iv. *Highcastle Homes shall be solely responsible for all costs associated with the construction and operation of the sales offices and for restoration of the site to the satisfaction of the Authority;*
- v. *Highcastle Homes will be responsible for the cost of installation and payment of all utilities to the site;*
- vi. *Highcastle Homes will only construct a maximum of 2 sales offices on the site and the design and construction will be done to the satisfaction of TRCA staff;*
- vii. *Any other terms and conditions deemed appropriate by the Authority's solicitor.*

THAT an archeological review is to be completed at the expense of Highcastle Homes with any mitigative measures being carried out to the satisfaction of the Authority;

AND FURTHER THAT the appropriate Authority officials be authorized and directed to take whatever action may be required to give effect thereto, including the obtaining of necessary approvals and the execution of any documents.

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Since entering into the original rental agreement with Highcastle Homes in 2003, TRCA has continued to renew the agreement with Highcastle Homes on an annual basis. In 2005 the annual rental rate was reduced from \$20,000 to \$10,000 to reflect the removal of one of the two sales pavilions from the leased lands. During Highcastle Homes' tenure, their annual rental rate has been increased, bringing their current rental rate for one sales pavilion at this location, to \$17,059, plus HST for the 2020 lease period. As Highcastle Homes is no longer utilizing the sales pavilion, Highcastle Homes provided their notice to terminate their agreement with TRCA with the intent of transferring the ownership of the sales pavilion to 2652367 Ontario Inc., and TRCA entering into an agreement with 2652367 Ontario Inc. directly for this site. The intended termination of the lease with Highcastle Homes prompted a fair market rent assessment of the leased lands in January 2021, by an independent appraisal company, returning a proposed annual rental rate of \$77,900. During TRCA's review and negotiation process with 2652367 Ontario Inc., Highcastle Homes has continued its obligations under lease but has requested rent be waived during this process, with rent for the 2021 period to be assumed by 2652367 Ontario Inc. established under the new lease agreement at the rate of \$77,900.

2652367 Ontario Inc. is a local developer interested in using the sales office for the advertisement of an upcoming condominium development and submitted a request to TRCA to rent this 0.4 hectare (1 acre) parcel of land located on the north west corner of Ebenezer Road and McVean Drive, City of Brampton. 2652367 Ontario Inc. will use the lands as a temporary sales pavilion site for the sale of condominium units being constructed on a parcel of land situated between Queen Street, Ebenezer Road, Cherrycrest Drive and McVean Drive, City of Brampton.

2652367 Ontario Inc. would assume all responsibility for the sales pavilion, which would include but not be limited to: renovations, repairs, utilities, removal of the structure and restoration of the site.

Attachment 1 is a sketch illustrating the location of the subject lands. Attachment 2 is an orthophoto illustrating the location of the subject lands.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 3 – Rethink greenspace to maximize its value

Strategy 7- Build partnerships and new business models

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Date: March 1, 2021

Attachments: 2

Attachment 1: Site Plan

Attachment 2: Orthophoto