

## **Transfer of Ownership of James Pearse House and Execution of the Toronto Zoo Tripartite Agreement**

**Date:** June 8, 2020  
**To:** Executive Committee  
**From:** City Manager  
**Wards:** All

### **SUMMARY**

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This report recommends City Council approve the request of the Board of Management of the Toronto Zoo, made at its May 25, 2020 meeting, to enter into an agreement with the Rouge Valley Foundation to transfer ownership of James Pearse House ("Pearse House") to the Foundation.

Pearse House is located at 1749 Meadowvale Road, on land that is currently licensed by the Toronto Zoo from Toronto and Region Conservation Authority (TRCA). In the course of negotiating the new Tripartite Agreement amongst TRCA, the Zoo Board and the City, the Zoo Board confirmed that this land was surplus to the Zoo's operations and was available to be transferred by TRCA to Parks Canada for inclusion in the Rouge National Urban Park (RNUP). Once ownership of Pearse House is vested in the Foundation and the new Tripartite Agreement is signed, the City of Toronto and the Zoo Board will have no future obligation or liability in respect of Pearse House or the subject land. The Foundation will be responsible for securing a new ground lease from Parks Canada, for which negotiations are already underway.

Determining responsibility for Pearse House is the final issue to be resolved before the new Tripartite Agreement can be signed between the City, the Zoo Board and TRCA, which permits the Zoo to continue to operate on TRCA land with revised boundaries. In 2013, City Council recommended a review of the existing Tripartite Agreement, and in 2014 authorized the City to enter into a new Tripartite Agreement as part of the conditions related to the establishment of the Rouge National Urban Park. TRCA and the Board of Management of the Toronto Zoo have also authorized execution of the amended Tripartite Agreement.

The execution of the Tripartite Agreement allows the transfer of TRCA-owned lands in the vicinity of the Toronto Zoo to Parks Canada for inclusion in the RNUP to proceed. This is in accordance with a 2014 Memorandum of Agreement between Parks Canada, TRCA, the cities of Toronto, Markham and Pickering and regional municipalities of York and Durham to assemble and transfer lands required to create the RNUP. Under the

same Memorandum of Agreement, the City can proceed with final steps required to transfer designated City lands to Parks Canada for the RNUP.

## **RECOMMENDATIONS**

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The City Manager recommends that:

1. City Council approve the request of the Board of Management of the Toronto Zoo, made at its meeting of May 25, 2020, that the City of Toronto enter into an agreement with the Rouge Valley Foundation that vests ownership of Pearce House to the Rouge Valley Foundation for nominal consideration and releases the City of Toronto and the Board of Management of the Toronto Zoo from all future associated obligations and liabilities, in a form satisfactory to the City Manager, the Executive Director of Corporate Real Estate Management and City Solicitor, and to provide the Board of Management of the Toronto Zoo with a fully executed copy of the agreement.

## **FINANCIAL IMPACT**

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There is no negative financial impact to the City from the recommendations in this report. To the contrary, the City and Toronto Zoo will no longer have obligations for any capital or operating costs related to Pearce House, as this responsibility will be assumed by the Rouge Valley Foundation. Furthermore, the City is not forgoing property taxes from vesting ownership of Pearce House, as MPAC has assessed the property as exempt from taxes since 2000.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its meeting of May 25, 2020, the Board of Management of the Toronto Zoo adopted ZB9.3 "James Pearce House Transfer," which requested City Council approval to vest ownership of the James Pearce House to the Rouge Valley Foundation. The Board also approved a licence for the Foundation to access the property, and directed the Chief Executive Officer of the Toronto Zoo to execute the Tripartite Agreement following the termination of the lease with the Foundation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.ZB9.3>

At its meeting of October 24, 2019, the Board of Management of the Toronto Zoo adopted ZB7.11 "Tripartite Agreement Update," which updated the Board on outstanding issues being negotiated, including the removal of the area known as the Finch Meander from the Toronto Zoo's boundaries and the alternative site secured for browse production.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.ZB7.11>

At its meeting of August 19, 2019, the Board of Management of the Toronto Zoo adopted a confidential report ZB6.1 "Rouge National Urban Park Welcome Centre Update," which described the ongoing negotiation and collaboration between the Toronto Zoo and Parks Canada related to a potential Welcome Centre. Parks Canada and the Zoo have subsequently publicly confirmed the location of the Welcome Centre on land adjacent to the Pearce House.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.ZB6.1>

At its meeting of March 19, 2018, Executive Committee received the City's Manager's report EX32.6 "Update on the Toronto Zoo Tripartite Agreement," which forwarded report ZB17.1 "Tripartite Agreement" that was adopted by the Board of Management of the Toronto Zoo's report at its October 12, 2017 meeting.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX32.6>

At its meeting of February 19, 2014, City Council adopted EX38.4 "Rouge National Urban Park: Transfer of Lands to Parks Canada" which authorized the City of Toronto to enter into the Memorandum of Agreement providing for the transfer of certain City-owned lands to Parks Canada, conditional upon Parks Canada, Toronto and Region Conservation Authority (TRCA), the Toronto Zoo and the City of Toronto entering into an agreement to collaborate per Council direction EX34.7 and to provide that TRCA-owned lands located in the vicinity of the Toronto Zoo will not be transferred to Parks Canada until the boundaries of the lands for use by the Toronto Zoo were confirmed in a Tripartite Agreement among the City of Toronto, the Board of Management of the Toronto Zoo and TRCA.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX38.4>

At its meeting of October 8-11, 2013, City Council adopted EX34.7 "Response to Zoo Board Governance Report" which directed the City Manager, with appropriate City Officials and the Chief Executive Officer of the Toronto Zoo, to finalize the terms and report back to City Council on a revised Tripartite Agreement for the use of the Zoo lands between the City, the Toronto Zoo Board and the Toronto and Region Conservation Authority.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX34.7>

## **COMMENTS**

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The Toronto Zoo Lands currently comprise 287 hectares (710 acres), of which the City owns 44.1 hectares (109 acres) and Toronto and Region Conservation Authority (TRCA) owns the balance. The portion of the Zoo Lands owned by TRCA is licensed by TRCA to the Toronto Zoo for its use, under a 1978 Tripartite Agreement between the Board of Management of the Toronto Zoo, the City and TRCA.

Following a Zoo governance review in 2013, City Council directed a review of the 1978 Tripartite Agreement, with an aim to better support the strategic goals of the parties and opportunities that were emerging with the announcement of RNUP that would come to surround the Zoo Lands.

## Transferring Ownership of Pearse House

Pearse House is listed on the City's heritage register in accordance with section 27(1.2) of the *Ontario Heritage Act, R.S.O. 1990, Chapter O.18* (OHA) but has not been designated under section 29 of the Act.

In 1990, the Toronto Zoo and the Rouge Valley Foundation entered into an agreement to permit the Foundation to move Pearse House to its current location at 1749 Meadowvale Road at the Foundation's sole cost and expense. In 1996, the Zoo, TRCA and the Foundation entered into a nominal lease agreement granting the Foundation exclusive possession of Pearse House for use as a resource centre, museum, art gallery and for related educational purposes.

Pearse House is located on TRCA-owned land within the existing boundaries of the Zoo Lands, as defined by the 1978 Tripartite Agreement. In the process of renegotiating the Tripartite Agreement, the Zoo Board has identified those particular lands as surplus to the Zoo's operations and authorized their transfer to Parks Canada as the site of a proposed RNUP Welcome Centre.

Like all permanent buildings and structures at the Zoo, Pearse House belongs to the City. Therefore the Lease provides that upon termination, the Zoo would recommend that the Council of Metropolitan Toronto (now Council of City of Toronto) permit the Foundation to acquire all right, title and interest in Pearse House for nominal consideration subject to any terms and conditions on which the approval of Council be given.

Municipal Code Chapter 213 regarding sale of real property does not apply to the present matter, as the subject lands do not belong to the City. The City consulted with the Toronto Zoo and numerous City Divisions including Corporate Real Estate Management, Heritage Toronto, City Planning, Parks, Forestry and Recreation, Transportation Services, Toronto Water and Solid Waste Management Services regarding any interest in Pearse House and none have articulated a need or interest. Staff do not recommend requiring the Foundation to pay either the City or the Toronto Zoo for the right to own the building given that the Foundation is a registered non-profit / charitable organization whose mandate is strategically aligned with the City and Zoo's shared goal of creating a conservation precinct

The City, Toronto Zoo, TRCA and Parks Canada consulted with the Foundation, which indicated its preference to own Pearse House. The Zoo report includes confirmation from the Foundation of its interest in owning the building, and from Parks Canada that it is prepared to allow Pearse House to remain in its present location and grant the Foundation a ground lease for its continued operation. Given that the Foundation will be responsible for the ongoing investment required for a listed heritage property, City staff are not recommending that the Foundation pay to acquire ownership of the building.

Parks Canada is not bound to comply with the *Ontario Heritage Act* regardless of who owns Pearse House. However, the *Rouge National Urban Park Act, S.C. 2015, c. 10* and the inaugural RNUP Master Plan contain strong commitments regarding the preservation of RNUP's built heritage, including buildings such as Pearse House. With

this in place, along with Parks Canada's commitment to provide the Foundation with a ground lease, the recommended course of action is unlikely to jeopardize the heritage value.

City staff support the Zoo Board recommendations that Council agree to release ownership of Pearse House and direct the Zoo Board to enter into an agreement with the Foundation to vest ownership of same. The Zoo Board will then grant a licence to the Foundation so that it may access Pearse House from Meadowvale Road.

### **Finalizing the Tripartite Agreement**

Determining responsibility for Pearse House is the final issue to be resolved before the new Tripartite Agreement can be signed. The City, the Toronto Zoo and TRCA, in consultation with Parks Canada, have negotiated the Tripartite Agreement such that it represents a continuation of the basic legal structure set out under the 1978 Agreement, but with amended Zoo Lands boundaries. All parties have authorized execution of the Tripartite Agreement: City Council authorized the City to enter into this new Tripartite Agreement at its meeting of February 19, 2014, TRCA authorized on June 22, 2018 and the Board of Management of the Toronto Zoo authorized execution of the agreement on May 25, 2020.

The new Tripartite Agreement does not alter ownership or control of the City-owned portion of the Zoo. Rather, the changes are limited to the portions owned by TRCA. To meet evolving operational Zoo needs, the Zoo has negotiated the right to use new TRCA lands and has agreed to relinquish the right to use portions of the existing Zoo Lands so that TRCA may transfer lands to Parks Canada for inclusion in the RNUP. TRCA will continue to own the land upon which the majority of the Zoo is located and will retain control over river channels, floor control, river deflection, erosion control and dams. All buildings and structures will continue to belong to the City and will be managed by the Zoo Board. TRCA's prior approval must be obtained before the Zoo can adopt a master plan and/or before constructing any buildings or improvements not contemplated within an approved master plan. Additional restrictions are placed on the lands north of Old Finch Road, which may only be used for animal breeding purposes. The change in Zoo lands under an amended Tripartite Agreement is shown in Attachment 1, with green lines showing the Zoo boundaries under the 1978 Agreement and red lines showing the new boundaries.

### **Next Steps**

With City Council approval, the Zoo Board will proceed with the necessary agreements to vest ownership of James Pearse House with the Rouge Valley Foundation. Upon the termination of the Pearse House lease, the City, TRCA and Board of Management of the Toronto Zoo will execute the amended Tripartite Agreement.

In accordance with the 2014 Memorandum of Agreement between Parks Canada, TRCA and regional municipalities to assemble and transfer lands required to create the RNUP, the execution of the amended Tripartite Agreement allows for the transfer of TRCA-owned lands in the vicinity of the Zoo to proceed, thereby furthering the creation of the new national park. Similarly, the City has completed agreements as directed and

authorized by Council in 2014, and upon execution of the Tripartite Agreement can proceed with final steps required to transfer designated City-owned lands to Parks Canada for the RNUP.

## **CONTACT**

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## **SIGNATURE**

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Chris Murray  
City Manager

## **ATTACHMENTS**

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Attachment 1: Map of Former and New Boundaries of the Toronto Zoo licence under the Tripartite Agreement.