

**2008 Status Report
Optimizing Revenue from Development Potential of
Transit Sites**

Date:	January 3, 2008
To:	Government Management Committee and Toronto Transit Commission
From:	Chief Corporate Officer Chief General Manager, TTC
Wards:	Various
Reference Number:	P:\2008\Internal Services\F&re\Gm08003F&re – (AFS- 6709)

SUMMARY

Development of Transit Sites (DOTS) is a City of Toronto/Toronto Transit Commission interdepartmental working group mandated to identify, facilitate and expedite the development or redevelopment of properties currently utilized for public transit purposes.

This report summarizes the current status of the DOTS program and the priority sites on which it is focussing its efforts to promote development.

Financial Impact

There are no immediate financial implications arising from this report. Initiatives to facilitate the development of transit sites may in some cases be self-financing, while in other cases they may require investment in properties or the acquisition of additional properties to ensure that some transit sites can be developed to their highest and best use.

DECISION HISTORY

On September 25, 26, 27 and 28, 2006, City Council received for information a status report dated August 17, 2006 regarding the DOTS program.

On September 25, 26, 27 and 28, 2006, City Council adopted recommendations in a September 26, 2006 confidential report from the Deputy City Manager and Chief Financial Officer regarding the Kipling/Islington Redevelopment Initiative (K/I Initiative) and the status of negotiations with SNC-Lavalin Inc.

On February 5, 6, and 7, 2007, City Council adopted the recommendations in Item EX2.10 of the Executive Committee that the K/I Initiative be approved and that provision for the City's capital funding be made, subject to the confirmation of cost-sharing commitments from other government and transportation stakeholders in this project.

On April 23 and 24, 2007, City Council adopted the recommendations in Item GM3.29 of the Government Management Committee authorizing the acceptance of an offer to purchase from SNC-Lavalin Inc. for portions of 3326 Bloor Street West and 1226 Islington Avenue.

On December 11, 12 and 13, 2007, City Council adopted the recommendations in Item PG11.3 of the Planning and Growth Management Committee regarding the vision of the West District Design Initiative for, among others, the Bloor/Islington property.

ISSUE BACKGROUND

Since mid-2001, a DOTS group comprised of staff from Facilities and Real Estate Services, Legal Services, City Planning, Finance and the TTC and chaired by the Chief Corporate Officer, in liaison with the Chief General Manager of the TTC, has been reviewing transit sites and reporting on its progress in identifying, prioritizing and promoting development of those transit sites with the highest development potential and marketability.

COMMENTS

(1) Priority Transit Sites:

Some of the transit sites identified by the DOTS group have a development potential that can be realized in the short term through the Property Management Committee (PMC) process and the development of a disposition strategy. Many of the properties require longer term planning and strategic corporate initiatives before their development potential can be fully realized.

Attachment 1 provides a summary of the progress to date and status of the eleven transit sites which are the current focus of the DOTS work program, accompanied by location and property maps. The individual site summaries identify a high, medium or low probability for redevelopment, depending on the scope of the issues to be resolved before offering the property for development. The DOTS priority sites previously identified and current are the following:

<u>Prior</u>	<u>2008</u>
▪ Warden	Warden
▪ Bloor/Islington	Bloor/Islington
▪ Yonge/Eglinton	Yonge/Eglinton
▪ Yonge/Sheppard	Davisville
▪ Downsview	
▪ Davisville	

There has been considerable progress with the Warden and Bloor/Islington sites, as described in more detail in the following section. The Yonge/Eglinton site would be brought to market when planning and urban design policies to guide the development of the Yonge/Eglinton centre are approved by City Council. The Yonge/Sheppard site development is underway through a land lease for an interim retail development that is anticipated to be built and opened in 2008. Consequently, Yonge/Sheppard has been deleted from the DOTS priority sites. The Downsview site has also been deleted from this year's priorities as the long-standing impediments to the development of these lands, restrictive covenants that apply to the property remain in place. The resolution of the restrictive covenants is linked to the timing and implementation progress of the Parc Downsview Park development west of the William Allen Expressway and of TEDCO's development of the lands adjoining this transit site east of the William Allen Expressway. The Davisville site is the subject of an on-going planning and operational study.

(2) Area Planning and Other Studies:

(a) Warden Station Area

The TTC, in conjunction with City staff, has developed a strategy to implement the redevelopment of the Warden North property in accordance with the new Secondary Plan. On November 28, 2005, the TTC Committee of the Whole approved the recommendations of a staff report titled the "Warden Station Redevelopment Strategy – Approval of Funding Strategy for Phase 1 Project". With the adoption of consolidated Clause No. 16 of Report No. 4 of the Policy and Finance Committee on May 23, 24, and 25, 2006, Council approved staff recommendations regarding components of Phase 1 of the Warden Woods redevelopment strategy, including the redevelopment of the Warden North property.

The TTC has released portions of the Warden North property from its operational requirements to permit the implementation of the redevelopment strategy, including the development of the central park and community centre, subject to provision of replacement parking. The property is under consideration through the PMC process and the portions for which there are no other municipal requirements would be declared surplus and marketed for development as soon as the PMC process is completed. A condition of any disposition would be the leaseback from the purchaser of a sufficient portion of the property to accommodate the TTC's commuter parking requirements until a replacement commuter lot is opened. The Toronto Catholic District School Board has expressed an interest in the property and their inquiry is under review by PMC.

(b) Victoria Park Station Area

The Victoria Park Station Area Planning Study was completed in 2007 and a report of the proposed zoning of the property will be submitted to the Planning and Growth Management Committee in early 2008.

Functional design work for the redevelopment of Victoria Park Station is continuing. Construction is scheduled to commence in the fall of 2008 and be completed in 2010-2011. The project includes the demolition of the existing decked bus terminal and the construction of a new at-grade, fully accessible bus terminal. Funds currently budgeted for the replacement of the deck will be utilized to offset the construction cost of the new bus terminal. Funding for this initiative is included in the TTC's 2008 base budget. When the terminal construction is complete a development site will be made available between the new bus terminal and Denton Avenue.

(c) The West District Study

The West District Study is examining the feasibility of creating a new West District Service Centre on the Bloor-Danforth Subway line in Etobicoke and reviewing options for the Bloor/Islington lands, the Westwood Theatre lands and the Etobicoke Civic Complex lands.

Concurrent studies in Etobicoke Centre included:

- Six Points Interchange Reconfiguration Class Environmental Assessment Study;
- Kipling/Islington Bus Operations Study;
- Etobicoke Centre Community Improvement Plan;
- Etobicoke Centre Community Services and Facilities Implementation Strategy; and
- West District Design Initiative.

A final report on the West District Design Initiative (WDDI) that recommended urban design visions for the three properties, Item PG11.3, was adopted by City Council on December 11, 12 and 13, 2007.

A further report on the business case for the recommended location of the West District Service Centre is scheduled for late 2008 or early 2009.

(d) Six Points Interchange Reconfiguration and Environmental Assessment Study

An Environmental Assessment study for the reconfiguration of this interchange adjacent to the Kipling Station area has been completed. The final report was adopted by City Council on December 11, 12, and 13, 2007, (Item PG11.2). A Notice of Completion is to be issued and the Environmental Study Report filed in the public record for 30 days to complete the requirements of the Municipal Class Environmental Assessment. A further report will be submitted on a funding and staging strategy for implementing the reconfiguration of the interchange.

Reconfiguration is intended to free surplus interchange lands for redevelopment, improve vehicular access to the Westwood Theatre lands and the Kipling Station area, and create a more urban, pedestrian-friendly environment through and around the interchange.

(e) Bloor/Islington Area

The K/I Initiative is underway as the culmination of a study over the past three years of how new transit facilities at Kipling and Islington could improve inter-regional transit movements and create opportunities for intensification and redevelopment adjacent to these two subway stations. The K/I Initiative entails the construction of a new inter-regional bus terminal at Kipling for the shared use of Mississauga Transit and GO Transit, construction of a new accessible TTC bus terminal at Islington, and replacement of accessory transit facilities and commuter parking.

The TTC will continue to manage and construct the improvements required for the Islington portion of the K/I Initiative as well as the East Entrance and East PPUDO at the Kipling Station. The majority of the Kipling improvements will be managed and constructed by GO Transit. Design work is to be completed and construction commenced in the spring of 2008, with scheduled K/I Initiative completion in mid-2011. GO Transit and Mississauga Transit have committed funding to undertake the Kipling improvements. The City has budgeted funds for the Islington improvements. A Memorandum of Understanding between the parties is being negotiated to set out the responsibilities and scope of involvement of the parties and the construction schedule.

The completion of a new accessible bus terminal at Islington and the relocation of Mississauga Transit bus operations will free up prime lands for development in the northwest quadrant of the intersection of Bloor Street West and Islington Avenue. City Council approved the sale of the western portion of the northwest quadrant lands to SNC-Lavalin Inc. on April 23 and 24, 2007. This transaction is still in a due diligence period with respect to an environmental assessment of the property.

The eastern portion of the quadrant is under consideration as a potential location for the West District Service Centre and a business case analysis of the options for relocating this facility will be reported on in late 2008 / early 2009.

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SIGNATURE

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ATTACHMENTS

Attachment 1 – Status of 2008 Priority Transit Sites