



STAFF REPORT ACTION REQUIRED

Yard Property Utilization Initiative – Toronto-East York, Scarborough and North Districts

Date:	November 1, 2012
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Wards 9, 24, 25
Reference Number:	P:\2012\Internal Services\RE\Gm12038re – (AFS – 16559)

SUMMARY

The purpose of this report is to inform City Council of the progress of the Yard Property Utilization Initiative – Toronto-East York, Scarborough and North Districts.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

- (1) City Council direct the Director of Real Estate Services to work with the Acting General Manager of Transportation Services to relocate operations from Oriole Yard, 251 Esther Shiner Boulevard to 170 Plewes Road.
- (2) City Council direct the Director of Real Estate Services to work with the General Manager of Parks, Forestry and Recreation to relocate operations from Oriole Yard, 251 Esther Shiner Boulevard to Sunnybrook Stables (Sunnybrook Park), 1132 Leslie Street.
- (3) City Council direct the Director of Real Estate Services to continue to audit the City's yards portfolio as part of the established audit process; exploring options for relocation of divisional operations including reviewing the feasibility of renovating/expanding existing yards to accommodate city divisional requirements.

Financial Impact

There are no financial impacts stemming from the recommendations in this report. However, once strategies have been developed for the relocation of Divisions from yards, the Chief Corporate Officer, in consultation with the Deputy City Manager and Chief Financial Officer will report back to the Government Management Committee if necessary with an implementation plan including funding strategies.

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

DECISION HISTORY

On December 11, 2007, City Council approved \$9 million in funding to the then Facilities & Real Estate 2008 Capital Budget and 2008-2017 Capital Plan for a Yard Consolidation Study for the Toronto-East York, Scarborough and North Districts. Each district was to be studied separately. Of the \$9 million, \$1 million was planned in 2008, \$3.625M in 2009, \$2.5M in 2010 and \$1.875M in 2011. The \$1 million in cash flow for 2008 was for an initial assessment of yard facilities in the Toronto-East York District. Work on the Scarborough and North Districts was slated to begin in 2009. The Council clause is available at: <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>.

The funding amounts were based on the scope of work that was used for the Yard Consolidation Study for the Etobicoke York (West) District (see Background below). This work was to include consolidation scenarios and cost-benefit analyses for a future yard system in each district, as well as technical studies (eg. building condition assessments, environmental site assessments, archaeological studies and real estate market appraisals) for each yard to support the cost-benefit analysis calculations.

Since the original Council approval, the cash flows have been revised in subsequent capital budget submissions. The Council clauses can be found in the following links: <http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-10-cc28-dd.pdf>
<http://www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-08-25-cc52-dd.htm>
<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=4428>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX14.1>.

BACKGROUND

City-wide Property Audit

At its meeting of October 29 and 30, 2008, City Council directed Real Estate Services staff to unlock the value of the City's land holdings by developing a City-wide real estate strategy. Staff was given the authority to conduct real estate audits and all stakeholders were directed to participate in the process of transferring or turning over to Build Toronto any City or ABC lands with potential for private development.

The goal of the audit plan is to evaluate the City's real estate holdings for the purpose of maximizing value and increasing knowledge of the portfolio. Once assessed, properties fall into two main categories:

- 1) retain for current or future municipal need(s); or
- 2) do not retain – not required for municipal purposes.

The audit program is an on-going initiative in which the City's property holdings are evaluated regularly to assess whether City properties should be retained or surplus. The Yard Initiative does the same thing, but focuses on yards.

The Yard Initiative differs from the Yards Consolidation Study for the Etobicoke York (West) District in that the demands of the City for yards- related activity is constantly changing and therefore review of yards should be part of the on-going audit process now employed by Real Estate Services. Staff will be working to continually improve the efficiency of the yards portfolio.

Yard Consolidation Study for the Etobicoke York (West) District

In June 2009, a Yard Consolidation Study was completed for the Etobicoke York (West) District. The study found that the vast majority of yards in the West were still required for City services and were generally well located for service delivery, but they were in a state of poor repair and required substantial refurbishment, or in some cases, complete rebuilding. Of the 22 yards studied, 5 were identified as not being needed, and were declared surplus to the City's needs.

The recommendations of the Yard Consolidation Study: Etobicoke York (West) District are being implemented over time, contingent on the availability of capital for state-of-good-repair and rebuilding needs, consolidation where warranted, and demolition where indicated.

When the Etobicoke York (West) District was being studied, the expectation was that the yards in the Toronto-East York, Scarborough and North Districts would also be studied and a multi-year capital budget was approved by Council based on that study approach.

Since the original approval by City Council the study approach was revised. Instead of studying each district separately, it was deemed more efficient to analyze the yards in the three districts as part of one large study. In addition, the study of service yards located in public parks was deemed to be generally unnecessary; these yards have limited redevelopment potential as they have Official Plan and zoning restrictions constraining or prohibiting redevelopment for purposes other than parks.

In early 2011, staff prepared a Request for Proposals (RFP) for an outside consultant to undertake the study. The scope of work included site visits, interviews with affected yard occupants and technical studies (e.g. building condition assessments, environmental site

assessments, archaeological studies and real estate market appraisals) for each yard to support consolidation scenarios and the cost-benefit analysis calculations.

In May 2011, the then Chief Corporate Officer approached staff to undertake the study internally (rather than issue a RFP) and to link the work to the City-wide Property Audit, as described below.

COMMENTS

Objective and Scope of Initiative

As stated above, the review of the yards in the Toronto-East York, Scarborough and North Districts became a subset of the City-wide Property Audit with the primary objective of determining which yards should be retained for future purposes and which yards had potential for redevelopment.

The City has over 43 yards of varying scale and function in the Toronto-East York, Scarborough and North Districts, located on lands for mixed use, industrial and utility purposes. The in-scope yards for each district, inventory of yard occupants and district yard maps are attached as Appendices A1-C1.

Consultation

A Yard Steering Committee composed of Division Heads from the affected yards and chaired by the Director of Real Estate was established to provide comments and guidance with respect to the Yard Property Initiative's findings and proposed recommendations for certain yards. This Committee meets on an as-needed basis, and will continue to do so.

As part of the City's continuous improvement efforts with the unions, staff will consult with Locals 79, 416 and 3888 on the findings and recommendations on an as-needed basis.

Toronto-East York - Key Yards

This district has 20 yards of which two have had decisions made through the Property Management Committee process and or City Council to move development ahead. 505 Richmond is slated for redevelopment through Build Toronto and the tenancy of Eva's Phoenix.

The Garrison Nursery at 100 Garrison Road was transferred from Parks Forestry and Recreation to Economic Development in 2011 for a park/open space associated with the Fort York Visitor Centre.

Also a further two yards should be intensified and one yard should be surplus.

The yard to be surplus is Merton Yard at 140 Merton Street, near the intersection of Yonge Street and Davisville Avenue. The area surrounding the yard has experienced a significant amount of new residential (condo) development. Its relatively large size (0.85 acres) and close proximity to the Yonge subway line make it an attractive

redevelopment site. The yard currently consists of a 2 storey building and a large garage. The main floor and garage are occupied by Transportation Services for its road maintenance operations for the South District. The second story is occupied by a non-profit organization (SPRINT – Seniors Peoples Resources in North Toronto). RES staff are meeting with Transportation staff and will work through 2013 to identify relocation options.

Booth Yard at 433 Eastern Avenue and the Central Maintenance Garage (operated by Fleet) at 843 Eastern Avenue are candidates for intensification. Booth Yard is a high demand, multi-occupant yard that should be retained as such. However, it needs to undergo a strategic space planning exercise to achieve more efficient use of the existing buildings and property. RES staff will be leading this exercise through 2013 in conjunction with an established yard committee.

The Central Maintenance Garage is well-situated as it has good highway access and a large garage. It is considered a good consolidation site for other City Divisions alongside Fleet. Currently, the garage is not fully functional. The refurbishment of the concrete floor should be completed as part of on-going State of Good Repair works for the facility. RES staff will be working with Fleet through 2013 to determine a long-term strategy for this yard.

North District – Key Yards

This district has 12 yards. One yard should be surplus. All of the other yards should remain.

The yard to be surplus is Oriole Yard at 251 Esther Shiner Boulevard. It has an area of 3.46 hectares and is located beside the Oriole GO station and Highway 401 (see Appendix D and D1 for a map and a summary of Yard functions). It is also within walking distance to the Leslie subway station.

The area surrounding Oriole Yard has experienced a large amount of new residential (condo) and big box retail development. Staff reviewed the opportunity cost of maintaining Oriole Yard for yard functions. Given Oriole's strategic location near a highway and public transit as well as its large size and redevelopment potential, the City could see financial benefits by moving the yard functions elsewhere and surplus the property.

Issues that would have to be dealt with in order to surplus Oriole Yard include:

- Transportation Services' ability to relocate to 170 Plewes Road;
- Senior management at Transportation Services indicate support for the relocation of their operations from Oriole Yard to 170 Plewes Road, as 170 Plewes is located next to an existing Transportation Services Yard at 64 Murray Road. This move would represent a consolidation of Transportation Services' operations in the North District.

- The relocation of a snow camp and salt dome from Oriole Yard.
- Transportation Services has a snow camp and salt dome at Oriole Yard which would need to be relocated within the existing snow clearing and winter maintenance service area. RES staff are exploring options for relocation.
- The relocation of Emergency and Medical Services (EMS) from 170 Plewes Road.
- In April 2012, EMS had submitted a business case to Property Management Committee to build a 4 garage, multi-function facility for staff and vehicles at 170 Plewes Road.
- The relocation of Parks' and Forestry's operations from Oriole Yard to the Sunnybrook Stables located at Sunnybrook Park, and the remainder of Parks operations to other Parks occupied yards. RES and Parks staff are currently reviewing the feasibility of renovating L'Amoureux Yard in L'Amoureux Park at 3079 Birchmount Road.
- Parks senior staff have advised that it can relocate a portion of their operations to the former Police stables in Sunnybrook Park as this building is directly across from an existing Parks yard. However, to serve the north part of the City, Parks would need an expanded facility at its existing L'Amoureux Yard to accommodate the relocated staff, equipment and parks vehicles.

Surplusing of the Oriole Yard is intended to be sought in 2013 and through the surplus process staff will provide analysis of financial implications and funding sources to facilitate these portfolio changes.

Scarborough District Yard – Key Yards

This district has 11 yards. Two yards should be intensified.

As discussed above, L'Amoureux Yard at 3079 Birchmount Road is affected by the surplusing strategy for Oriole Yard and should be intensified as part of that process.

Morningside Yard at 891 Morningside Avenue is also another consolidation opportunity due its large size. It is currently occupied by Transportation, Parks Forestry & Recreation, and Fleet. At the same time, Build Toronto has expressed interest in the property. Staff will work with Transportation Services and other service divisions to review current and future space needs in Scarborough District, and weigh these against interests in potentially redeveloping the property.

320 Bering Avenue – Bering Yard and 330 Bering Avenue – Bering Field Office

Two yards from the Etobicoke-York District are discussed here as both Toronto Water and Fleet Services have moved out of 320 Bering Avenue (Bering Yard). As part of the Auditor General's review of City stores, the Auditor General has recommended that Bering Yard be re-evaluated due to the fact that it is a large yard (10.4 acres) with several large service and administration buildings.

Immediately adjacent to 320 Bering Avenue is the Bering Field Office at 330 Bering Avenue. This small yard (0.19 acres) is occupied by Transportation Services. However, Transportation Services has approved plans to move from 330 Bering Avenue to 320 Bering Avenue, this move will provide for a vacant site at 330 Bering Avenue. Real Estate Staff will take this property through the surplus declaration process.

Given these changes to these two yards, staff will report to City Council in 2013 with a recommendation on options for 330 Bering Avenue.

Proposed Future Yard

As development continues in the East Bayfront and the West Don Lands, the City needs to determine if a new yard is required. If a site is required to service the growth in the waterfront, staff will report back to a future meeting of Government Management Committee.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A: Toronto-East York Yards – Occupants
Appendix A1: Toronto-East York Yard Map
Appendix B: Scarborough Yards – Occupants
Appendix B1: Scarborough Yard Map
Appendix C: North Yards – Occupants
Appendix C1: North Yard Map
Appendix D: Oriole Yard
Appendix D1: Oriole Yard Functions