Revised GL6.17



REPORT FOR ACTION

Land Exchange with the Toronto District School Board – City Acquisition of 200 Poplar Road in Exchange for Stratified Ownership at 770 Don Mills Road

Date: Monday June 10, 2019

To: General Government and Licensing Committee

From: Acting Director, Real Estate Services

Wards: Wards 16 - Don Valley East and 24 -Scarborough Guildwood

SUMMARY

This report seeks Council authority to enter into a land exchange with the Toronto District School Board (the "TDSB") for the exchange of fee simple interest of the property located at 200 Poplar Road, known as Sir Robert L. Borden Business and Technical School, in exchange for stratified ownership at the future City of Toronto (the "City") mixed-use development site located at 770 Don Mills Road as part of Mayor John Tory's Housing Now Initiative

This proposed transaction will alleviate the TDSB's current student capacity issue in this area by allowing it to construct and take stratified title to a new elementary school in the City's redevelopment site at 770 Don Mills Road, along with creating new open space as the outdoor play area for the students attending the new school. In exchange, the City will obtain the fee simple interest in the TDSB-owned 11.93 acre site, formerly Sir Robert L. Borden Business and Technical School known municipally as 200 Poplar Road, Scarborough, Ontario, M1E 1Z7, which will be used to create a community hub servicing the needs of the local community along with allowing the City to explore city-building opportunities with other City-owned properties nearby.

The terms for completing the transaction are considered to be fair, reasonable, and reflective of market value.

RECOMMENDATIONS

The Acting Director, Real Estate Services recommends that:

1. City Council authorize the City of Toronto (the "City") to enter into a Land Exchange Agreement with the Toronto District School Board (the "TDSB") for the property known as 200 Poplar Road, legally described in Appendix 1 to this report (the "TDSB Land"), in exchange for approximately 54,000 square feet of stratified fee simple interest in part of 770 Don Mills Road, being Parts 2 and 5 on Plan RS-882, also shown as Part 2 on

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Sketch Number PS-2005-026 in Appendix 2 to this report (the "City Land"), substantially on the terms and conditions to be agreed between the parties, as may be approved by the Director, Real Estate Services, and in a form satisfactory to the City Solicitor.

- 2. City Council approve that the transaction meets the requirement for an exchange of land set out in Chapter 4.3 (Parks and Open Space Areas), Policy 8 of the City of Toronto's Official Plan.
- 3. City Council authorize the Director, Real Estate Services to accept the terms of the Land Exchange Agreement on behalf of the City of Toronto.
- 4. City Council authorize the City Solicitor to complete the transaction on behalf of the City of Toronto, including paying any necessary expenses, amending the closing and other dates to such earlier or later date(s), and on such terms and conditions as they may, from time to time, consider reasonable.
- 5. City Council authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Based on a current valuation, the City Land to be conveyed to the TDSB is at least of equivalent value to the TDSB Land that will be conveyed to the City and there will, therefore, be no overall loss in market value to the City's portfolio of real estate as a result of this transaction. This will also assist in meeting the non-residential gross floor area requirement making the project more viable. As development of the property progresses, future capital and operating needs will be addressed through future budget processes.

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

DECISION HISTORY

(May 22, 2018) Creating a Sustainable and Vibrant Community Hub at the Sir Robert L. Borden Business and Technical Institute (MM41.23) (http://app.toronto.ca/tmmis/viewAgendaltemHistory.do?item=2018.MM41.23)

(January 30, 2019) Implementing the "Housing Now" Initiative (EX1.1) (app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1)

COMMENTS

On December 13, 2018 City Council approved the new Housing Now Initiative to activate eleven (11) City-owned sites for the development of affordable housing within mixed-income, mixed-use and transit-oriented communities.

The Housing Now Initiative is a kick-start in scaling up and accelerating the City's efforts in creating affordable housing on City-owned properties suitable for residential development. The Housing Now Initiative is designed to provide housing opportunities for a wide range of Toronto residents and to encourage the development of complete communities where people can live, work and thrive. The Housing Now Initiative will also help to promote Toronto's competitive advantage by delivering more of the types of housing needed to sustain the city's workforce. The City Land is one of the initial properties identified as part of the initial eleven (11) City-owned sites.

The City and CreateTO are moving forward to bring these sites to market as quickly as possible by City initiated re-zonings and Official Plan Amendments of the properties where required. The City Land requires a re-zoning and Official Plan Amendment, and as such, the TDSB has provided comments on the planning application as part of the approvals process. The TDSB indicated through this application specifically that they need to address capacity issues in their system south of Eglinton Avenue. They do not have sufficient capacity in their existing neighbourhood school system or requisite land supply to build a new school in this area to accommodate the increased number of students that this, and the adjacent Housing Now development at 805 Don Mills Road will create. This lack of capacity may require the TDSB to place a "hold" on the rezoning application until such time as this need could otherwise be accommodated. This hold on the re-zoning could delay the redevelopment of these sites and subsequently the much needed delivery of affordable housing in the City of Toronto.

City Real Estate Services, working closely with their colleagues in CreateTO, have been working with the TDSB to help find a solution to their student capacity issue. As a part of the redevelopment of the City Land, City Planning has indicated their desire to see 1 FSI of density be allocated towards non-residential uses of this redevelopment. This requirement is an ideal size to incorporate a new elementary school, being kindergarten up to grade 8, and estimated to be approximately 54,000 sf, into the podium of the new residential building. The TDSB have indicated they support this approach and are working with CreateTO to incorporate their needs into this development proposal. In addition to the space within the redevelopment, there will be a requirement for outdoor space for the students during the school day; this space will be available to the general public, including the residents of the new building before and after school hours, every weekend and all summer. During the school day, this space will be exclusive to the school and governed by a shared use agreement, the terms of which will be established as part of this land exchange.

The City and CreateTO, as part of the conversations with the TDSB around the City Land, proposed that in lieu of the TDSB purchasing the interest off of the City for the new school, that the TDSB instead dispose to the City the TDSB Land, which is the now closed Sir Robert L. Borden Business and Technical Institute. The City and CreateTO were aware of the neighbourhood desire to see that site activated as a neighbourhood hub, along with the requirement to report back to Council in 2019 with opportunities to establish a hub at this location. In addition to establishing a hub at this location, the City has ownership of nearby properties, specifically an adjacent Toronto Community Housing Corporation ("TCHC") site at 4319 Kingston Road (the "TCHC Site") and 4040 Lawrence Ave East, home of a City tenant, the East Scarborough Storefront (the "Storefront"). Both of these sites offer significant redevelopment opportunities,

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specifically for additional affordable housing. The City's acquisition of the TDSB Land allows an opportunity to have a phased redevelopment which would allow the City and TCHC to relocate the tenants from the TCHC Site onto the first phase of a redevelopment of the TDSB Land thereby taking advantage of unlocking the development potential of the TCHC Site.

The Storefront is currently occupied by the East Scarborough Storefront, a project of Tides Canada. Their mission is one of "facilitation collaboration, community", they work to support people in the community to learn and create together, to live healthy lives, to find meaningful work. Their work is focused specifically on the Kingston Galloway Orton Park Community. The Storefront currently operates under a below market rent lease agreement with the City of Toronto on a month-to-month basis. Their current leased area is 7,700 sf with an outdoor garden and surface parking, and the site is a former Toronto Police storefront. The total site area for 4040 Lawrence Ave East is 48,000 sf and is zoned as apartment neighbourhoods. If the City were to acquire the TDSB Land, there would be an opportunity to integrate the Storefront into the TDSB Land on either a permanent or temporary basis, while 4040 Lawrence Ave East was being redeveloped.

CONTACT

Joseph Sergnese, Project Manager, Real Estate Services, 416-392-1857, joseph.sergnese@toronto.ca

SIGNATURE

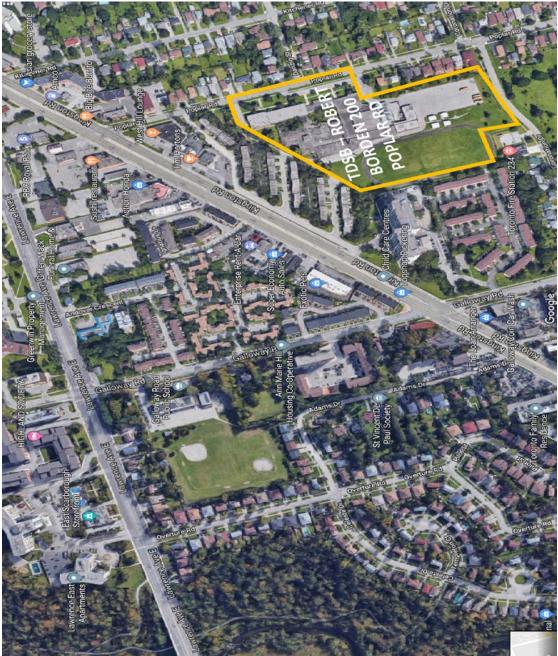
Nick Simos Acting Director Real Estate Services

ATTACHMENTS

Appendix 1 – Aerial Photo of Sir Robert L. Borden Business and Technical Institute (200 Poplar Road)

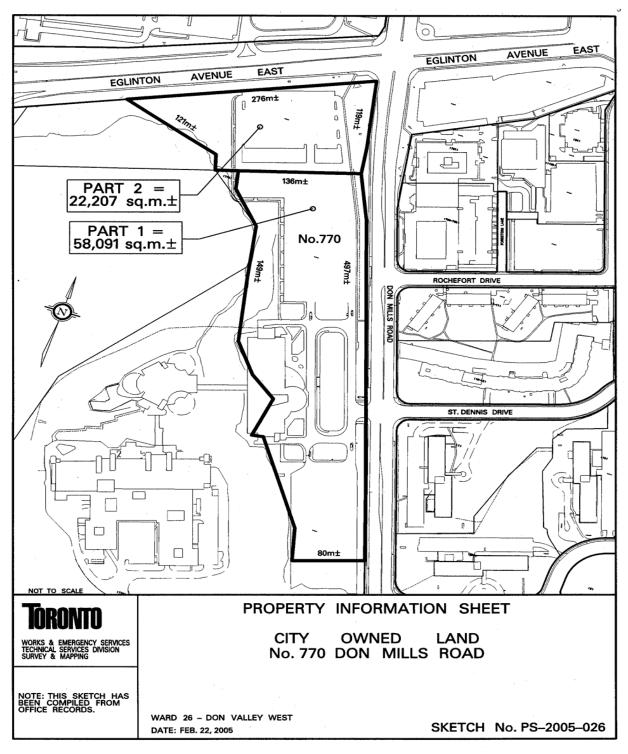
Appendix 2 - Stratified Interest in 770 Don Mills Road (Part 2)

Appendix 1 Aerial Photo of Sir Robert Borden Business and Technical Institute (200 Poplar Road)



PCL 12-19, SEC S4; PT LT 12, CON D, PART 1-13, 66R1782; SCARBOROUGH, CITY OF TORONTO BEING ALL OF PIN: 06382-0017 (LT) IN THE LAND REGISTRY OFFICE OF TORONTO (NO. 66) IN LAND TITLES DIVISION.

Appendix 2
Stratified Interest in 770 Don Mills Road (Part 2)



APPROXIMATELY 54,000 SQUARE FEET OF STRATIFIED AIRSPACE CONTAINED WITHIN PART 2 ON PS-2005-026 BEING PART OF PIN: 10369-0143 (LT) IN THE LAND REGISTRY OFFICE OF TORONTO (NO. 66) IN LAND TITLES DIVISION.