

Clause embodied in Report No. 1 of the Administration Committee, as adopted by the Council of the City of Toronto at its regular meeting held on February 4, 5 and 6, 2003.

**3**

**West District Study - A Process Framework**

*(City Council at its regular meeting held on February 4, 5 and 6, 2003, amended this Clause by adding thereto the following:*

*“It is further recommended that the Commissioner of Corporate Services be requested to enter into discussions with the Toronto District School Board respecting the future of the former Etobicoke Education Centre and the possibility of securing a school site on the Westwood Theatre property.”)*

**The Administration Committee recommends the adoption of the following report (December 6, 2002) from the Commissioner of Corporate Services:**

Purpose:

The purpose of this report is to update Council on the status of the West District Study and to propose next steps to be undertaken to facilitate the development of a new West District Service Centre and disposal of certain West District lands (the "West District Project").

Financial Implications and Impact Statement:

There are no financial implications arising from the adoption of this report.

Recommendations:

It is recommended that:

- (1) City Council approve in principle the concept of a new West District Service Centre that is optimally located with respect to the Bloor-Danforth Subway Line;
- (2) the Commissioner of Corporate Services, in consultation with the relevant City Departments, commence the process to develop the new West District Service Centre and the disposal of certain West District lands by exploring the possibilities of a public/private partnership as well as other more traditional transaction structures including design/build, ground leases, etc., with due consideration to public input from the citizens residing within the boundaries of the Etobicoke and Humber York Community Councils, and report back to Administration Committee in the Spring of 2003 on the feasibility of such undertakings;

- (3) the Council Reference Group-West District Study, in consultation with the Etobicoke and Humber York Community Councils, develop options and solicit public input on, among other things, the form, mass and design of the new West District Service Centre, and that this public input be duly considered by the Commissioner of Corporate Services when reporting back to the Administration Committee on the feasibility of a public/private partnership to develop the new West District Service Centre, and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

#### Background:

At its December 14-16, 1999 meeting, City Council adopted as amended Clause No. 1 of Report No. 8 of The Administration Committee entitled "Accommodation Plan and Long-term Strategy for Service Delivery for the City of Toronto and Master Plan for Office Accommodation" that identified the need to prepare a long-term office accommodation strategy for City staff in the West end given that "facilities in the west sector (York and Etobicoke) are the oldest, are not in particularly good condition, and are not well located from a public access consideration. They are also inefficient from a space-utilization viewpoint."

The West District Study is an "investigation to seek a new site, better located with respect to access" and a strategic approach with respect to the disposal of those "facilities [properties] which would no longer be required."

Office accommodation for City staff in the west end is comprised primarily of the Etobicoke Civic Centre ("ECC"), the adjacent former hydro building located at 2 Civic Centre Court ("2 Civic"), and the York Civic Centre ("YCC"). At its April 16-18, 2002 meeting, City Council adopted as amended Clause No. 1 of Report No. 4 of The Administration Committee entitled "Future Direction for Master Accommodation Plan (MAP) for 2002 and Beyond," which confirmed the new use of the YCC as the site for the Court Services West District relocation. The majority of staff currently at YCC are being relocated in late 2002 and early 2003 to either the ECC or 2 Civic (jointly referred to as the "Etobicoke Civic Complex") with certain Council-directed functions being retained at the YCC (e.g., Community Council, over-the-counter services, etc.). The relocation of staff to these two buildings is, at this juncture, considered an interim consolidation of the West District Service Centre at the Etobicoke Complex.

Through its adoption of the above-mentioned report, City Council also directed that the Master Accommodation Plan be reviewed with specific consideration to be given to public transit access to various workplaces.

#### Comments:

##### 1.0 Options for new West District Service Centre:

Given the redeployment of the YCC as a Provincial Offences Court (West) and satellite public counter service centre to serve primarily the citizens residing within the boundaries of the Humber York Community Council and the associated investment in its refurbishment, the long-term future of the YCC is considered to be outside the scope of the Study.

Site options for the new West District Service Centre include: (1) permanent consolidation at the Etobicoke Complex; (2) purchase existing office building appropriately located within the West District; (3) lease existing office space appropriately located within the West District; (4) new development at the City-owned former Westwood Theatre lands; (5) new development at City-owned lands currently occupied by the TTC's Islington Bus Terminal and commuter parking ("Bloor/Islington"; designated as a Schedule "A" Property with low probability for success in the short to medium term as part of the Review of TTC Properties).

At this stage of the Study, there are no readily identifiable buildings within close proximity of the Bloor-Danforth Subway Line to effect either option 2 or 3. Consequently, options 1, 4 and 5 will be the focus of further investigation.

#### 1.1 Etobicoke Complex:

11.34 acres of City-owned lands comprised of the ECC property (8.62 acres) and the 2 Civic property (2.72 acres). An interim consolidation of City staff, who deliver services to the public in the West District, is already underway at this location predicated upon earlier Council direction.

The permanent establishment of the West District Service Centre at this site is constrained by the state-of-good-repair requirements of both buildings, the relatively inefficient interior space of both buildings, the lack of proximity to the subway line, and its location on the periphery of the West District.

#### 1.2 Westwood Theatre:

19.43 acres of City-owned lands with 2.18 acres occupied by TPS/22 Division. As noted in the Etobicoke Centre Secondary Plan adopted by Council at its November 26-28, 2002 meeting, the City-owned Westwood Theatre lands can form a focus for the area becoming a hub of community activity including potential recreational, cultural, government administration and institutional uses as well as significant public spaces. The ability to achieve objectives such as the provision of social and affordable housing is also possible. In addition, the TTC has expressed an interest in having a portion of the site allocated for commuter parking.

The further development of the Westwood Theatre lands is constrained by the required reconfiguration of the Six Points Interchange, which is a long-term municipal objective. The City will investigate alternative designs of the interchange so that, inter-alia, there is improved vehicular access to the Westwood Theatre lands.

#### 1.3 Bloor/Islington:

Five (5) acres of City-owned lands. As noted in the approved Etobicoke Centre Secondary Plan, considerable development potential exists above the Islington subway station (north-west corner of Bloor/Islington) for high-rise office and/or residential use. Development of the air rights above the subway will provide much needed building mass to match that which already exists on the north-east corner of the intersection.

The development of the air rights at the Islington subway station by the City solely as a West District Service Centre would be an under-utilization of the development potential of the site. A development in conjunction with the private-sector or other public-sector partners to maximize the development potential of the site warrants further study.

A joint development at Bloor/Islington would act as a catalyst for further development in Etobicoke Centre in order to achieve the tremendous potential of the area and would reduce the dependency on cars by putting people near transit. Such an undertaking would allow the City to exercise leadership and thereby help to create the conditions to promote the benefits of living, working, entertaining and investing in Etobicoke Centre.

The further development of the Bloor/Islington lands is constrained by the intensively utilized bus terminal (TTC and Mississauga Transit) and commuter parking requirements. In addition, the interests of two other property owners, Ontario Realty Corporation (Hydro One from an operational perspective) and the Royal Canadian Legion, are also important factors.

## 2.0 Next Steps:

Given the current fiscal constraints faced by the City, it is prudent and appropriate to explore alternative means of developing the new West District Service Centre.

A public/private partnership (“P3”) is a co-operative venture where there is an allocation of the risks inherent in the provision of a public service between the public and private sector partners. A successful P3 builds on the expertise of each partner to meet clearly defined public needs and provide a net benefit (or value for money) to the general public through the appropriate allocation of resources, risks and rewards. Currently, the Governments of Ontario and Alberta are pursuing P3s to meet program/office accommodation requirements. Governments throughout Canada are pursuing P3s, subject to the range of legal/business arrangements available to them, to meet a wide-range of public needs. Partnering selections for P3s are conducted as fair, open, and competitive processes.

## 2.1 Proposed Process:

It is proposed that a Request for Expressions of Interest (“REOI”) be issued to determine the level of interest in the private sector or other levels of government in providing financial and economic options to house the West District Service Centre in a building situated on either the City-owned Bloor/Islington lands or on the Westwood Theatre lands. The REOI would also invite potential partners to propose other non-City-owned sites that meet the City’s objective of being within close proximity of the Bloor-Danforth Subway Line in the West District. The REOI would be utilized to collect information on how a P3 and other transaction structures may be utilized to proceed with this initiative. The REOI will neither exclude nor shortlist respondents for future steps in this process. However, those who do respond have the opportunity to gain a better understanding and help shape the approach and content of the Request for Qualification (“RFQ”) and Request of Proposal (“RFP”) stages of this initiative should City Council decide to

pursue this process to these further stages. A further staff report would be submitted for Council's consideration that would include a business case/reference project for the permanent consolidation of the West District Service Centre at the Etobicoke Complex. This business case/reference project would act as the public-sector comparator to which other proposed developments would be benchmarked as part of the evaluation of proposals during the RFP stage.

All potential private- and public-sector partners will be encouraged to become involved with the development of a new West District Service Centre by responding to the REOI. The City will reserve the right to use or not use all or part of a response and will modify information to best suit the needs of the City with respect to the West District Project. The responses will be reviewed to gauge the level of interest in this Project. There will be no rankings as this will not be a competition.

## 2.2 Public Input:

Any building to accommodate the West District Service Centre, whether the end product of a P3 or a more traditional approach, must be of a form, mass and design, that will appropriately accommodate the West District Service Centre for years to come and contribute toward the ideals of the citizens of the City of Toronto in general and, in particular, the citizens living within the boundaries of the Etobicoke and Humber York Community Councils. The development of the West District Service Centre should also contribute to meeting the objectives of the new Etobicoke Centre Secondary Plan. It is proposed that the appropriate Council group hold a public meeting or meetings to seek input from the community prior to the issuance of a RFQ so that community input can be appropriately incorporated (i.e., before selection and other criteria are established).

## 2.3 Building Systems:

To further City Council's vision for Toronto as a clean, green and sustainable city, the process will seek options from prospective partners with respect to the feasibility of a zero-energy (or near zero) building—though the cost of building materials might be higher for zero-energy structures, operating costs can be dramatically lower. The higher cost of building materials may be further mitigated by the recent provincial government announcements about tax credits for solar panels and new investments in qualifying electrical energy efficient equipment to be eligible for a 100 per cent write-off in the year of acquisition.

## 2.4 Disposal of Surplus West District Lands:

The divestiture strategy for those “[properties] which would no longer be required” will be determined through the process. For example, the properties may be “invested” in the P3 or they may be divested through separate sale transactions. The ultimate objective will be to maximize net present value to the City while respecting the objectives of the new OP.

### 3.0 Moving Forward:

The proposed timing for the issuance of the REOI is Spring 2003.

The timing for the issuance of the RFQ would be subsequent to and conditional upon Council's adoption of a further staff report that incorporates public input, respondent input vis-à-vis the REOI, public-sector comparator, selection criteria, additional resource requirements, etc.

The timing for the issuance of the RFP would be contingent upon the completion of a City-commissioned consultant's study with respect to the reconfiguration of the Six Points Interchange and a joint City, TTC, Mississauga Transit, and GO Transit sponsored consultant's study, to be managed by the TTC, with respect to the operational and commuter parking issues that should be addressed to permit redevelopment of Bloor/Islington. City Council's direction upon receipt of staff's recommendations in response to the findings from these studies will need to be incorporated into the RFP before it is issued.

#### Conclusions:

The Etobicoke Complex is the only District Service Centre not located within close proximity to a subway line. While the Etobicoke Complex is accessible by motor vehicle and bus transit, it is not a central or convenient location for those individuals who utilize public transit relative to those in the other districts. A new West District Service Centre, that is optimally located with respect to a subway line, will become more convenient and accessible for the residents of the Etobicoke and Humber York Community Councils, and for travel (both business and commute) by staff. Further, the development of a new West District Service Centre to a more central and accessible location will improve the delivery of services to the public.

The ability to access the West District Service Centre by subway would reduce the stress on the environment and further the City's progress towards achieving the goals of the Environmental Plan.

A fundamental component of the City's Official Plan is the promotion of mass transportation and development along transit routes. The City has the opportunity to exemplify the leadership necessary to implement the OP by promoting development of its West District Service Centre in close proximity to a subway line while at the same time enhancing ridership on the TTC.

This report seeks Council's authorization to initiate steps towards the ultimate development of a new West District Service Centre and the sale and/or development of significant City-owned lands in the West District.

The proposed REOI will not obligate the City to proceed further with this process should Council decide that is not feasible or desirable.

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List of Attachments:

Etobicoke Civic Complex Aerial Photo  
York Civic Centre Aerial Photo  
Westwood Theatre Aerial Photo  
Bloor/Islington Aerial Photo  
Kipling Subway Station Aerial Photo

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The following Members of Council appeared before the Administration Committee in connection with the foregoing matter:

- Councillor Peter Milczyn, Etobicoke-Lakeshore; and
- Councillor Howard Moscoe, Eglinton-Lawrence.

(A copy of the Attachments referred to in the foregoing report was forwarded to all Members of Council with the December 12, 2002, agenda of the Administration Committee and copies thereof are also on file in the office of the City Clerk, City Hall.)