

Build Toronto Corporate Report

To: Government Management Committee
From: J. Lorne Braithwaite, CEO, Build Toronto
Date: October 05, 2011
Subject: **Ordnance Lands—Response to GM 7.4 Report**

SUMMARY

The Government Management Committee requested Build Toronto to provide further information to its meeting of October 12, 2011, regarding GM7.4 and the Ordnance Lands. This report is supplementary to GM 7.4 and GM 8.4 regarding the status of the Bridge Connection.

RECOMMENDATIONS:

Build Toronto recommends that:

1. Build Toronto be requested to continue to work with Eva's Phoenix in order to assist them in a transition to new accommodations and that Build Toronto provide both consulting support and financial support to facilitate this re-accommodation.

Background:

At the Government Management Committee meeting of September 15, 2011, a report from the Chief Corporate Officer regarding a declaration of surplus for the lands at 11 and 25 Ordnance Street was deferred to the Government Management Committee of October 12, 2011. Build Toronto was requested to report on the relocation of Eva's Phoenix and other elements related to the potential redevelopment of the Ordnance Lands as follows:

1. Build Toronto to meet with the Executive Director of Eva's Phoenix, Councillor Mike Layton, Councillor Doug Ford, Councillor David Shiner, and the Director of Real Estate Services and report on a plan to address the relocation of Eva's Phoenix.
2. The Chief Corporate Officer and Build Toronto to work towards reporting on the following issues in an updated report to be submitted to the October 12, 2011 meeting of the Government Management Committee:

- a) Build Toronto consult with the Executive Director of Eva's Phoenix, and develop a viable solution for the relocation of Eva's Phoenix to a facility that meets their operational needs in a sustainable way.
- b) Build Toronto consult with the General Manager of Parks, Forestry and Recreation to include lands for the development of a Park within the Master Plan and report on the funding, design and timing of the Park development in the property transfer report.
- c) Build Toronto facilitate the opportunity to include a bridge connection within the development master plan of the Ordnance Triangle Lands and that the Chief Corporate Officer in consultation with the General Manager of Transportation Services and the Director of the Waterfront Secretariat report to the Government Management Committee on the funding, design and timing associated with the inclusion of a pedestrian bridge on this site.

This report addresses these matters.

Discussion:

The “Ordnance Triangle” lands consist of four City owned parcels and one privately held parcel of land. Two of the City-owned parcels were declared surplus and turned over to Build Toronto for comprehensive master planning at the Council meeting of May 2011. The two remaining parcels were not declared surplus, but Build Toronto was requested by the Chief Corporate Officer to undertake a full master planning process on the combined site. The advantages of this approach are clear in that the entire lands can undergo an integrated and comprehensive plan in order to unlock the value on this site, and to facilitate a number of City-Building initiatives including the establishment of a new signature City Park and the potential of revising the bridge connection between Fort York and Stanley Park through the Ordnance lands.

Build Toronto has moved very quickly on this initiative and has completed a comprehensive master plan, and has negotiated a joint venture agreement with the adjacent private land owner in order to enhance the value creation opportunity and to provide a better outcome for the City-Building aspects of this project. This element is critical in that the private landowner is well advanced in their planning process and could proceed to develop their lands on an advanced timetable in a configuration that would limit both the value creation opportunity, and the City Building aspects of the City Lands. The master plan and the joint venture agreement have been unanimously approved by the Build Toronto Board of Directors.

In order to achieve this master plan and an integrated plan, The Chief Corporate Officer, through report number GM 7.4 recommended that the two remaining

City-owned sites at 25 and 11 Ordnance Streets to be declared surplus be subject to a further report regarding an ultimate transfer to Build Toronto.

Eva's Phoenix:

Eva's Phoenix occupies the combined premises at 11 and 25 Ordnance Street as a below market rent (BMR) tenant, using approximately 40,000 square feet. Their rental term runs until September 2014 and there is a six month termination provision, and a renewal option for a further five year term within the lease document. Eva's runs a comprehensive youth training program and commercial printing shop in one of the buildings at this location receiving significant private sector and stakeholder support and additional operating support through the Shelter Housing and Support program of the City of Toronto. Also on this site, Eva's operates a 50 bed homeless youth shelter, and training facility that employ many of the youth within the program. The program is well managed and has an excellent track record.

Knowing that any comprehensive redevelopment of the Ordnance Triangle lands would ultimately require the relocation of Eva's Phoenix, Build Toronto has been working with Eva's for the last several months in understanding their operation and their accommodation requirements, their catchment area, and operational needs and has met with Eva's a total of six times. Build Toronto has undertaken significant field work and examined 15 possible sites with the goal of meet the operational needs of Eva's Phoenix. These sites have included sites that are privately held market site for sale or lease, City of Toronto owned sites, and sites within the Build Toronto inventory. Build Toronto has further researched three "representative" sites that are being actively reviewed in conjunction with the leadership of Eva's Phoenix, and Build Toronto has retained additional external resources to assist in that process.

Response to Government Management Committee Items:

1. Eva's Phoenix Relocation: A large multi-stakeholder meeting was held on September 28, 2011, that included Councillors Ford, Layton, Shiner and Thompson and a representative from the Mayor's office and Councillor Ainslie's office. Senior City Staff from Real Estate Services and Shelter Services also attended along with a number of Senior staff and Board members from Build Toronto, and Maria Crawford, Executive Director of Eva's Phoenix. At this meeting, a full review of the Ordnance Lands was provided including the conceptual master plan and an outline of the potential park configuration and the possible pedestrian bridge connections. Build Toronto also presented its findings with respect to the preliminary accommodation options that have been indentified for Eva's Phoenix, and Build Toronto outlined their commitment to finding a viable

relocation option for Eva's to take effect prior to the expiration of their current BMR lease in September 2014.

In this respect, Build Toronto has committed to assist Eva's Phoenix with their relocation with three distinct resource implications:

- Assist Eva's Phoenix with in-house consulting support and specific external consulting over the course of the relocation process;
- Assist Eva's Phoenix with a contribution in land and/or financial support to facilitate the relocation process;
- Allow Eva's Phoenix to stay in their current location until the end of their BMR lease period in September 2014, resulting in a phasing of the redevelopment process with a significant opportunity cost for Build Toronto.

The commitment in these three areas will provide the majority of the funding required to successfully relocate Eva's into a viable and sustainable long term solution to their accommodation needs, maintain all existing programming requirement with minimal disruption to their current services. This commitment has been made to Eva's Phoenix in writing.

2. Park Development: Build Toronto is actively working with staff from the Parks, Forestry and Recreation Division to examine the options for the provision of a new signature park within this redevelopment site. The joint venture approach to this site in conjunction with the adjacent landowner significantly improves the size, configuration and functionality of the new Park site which could facilitate the connection to the two pedestrian bridges that would connect Fort York to the South with the Stanley Park area in the North through the Ordnance Lands and also include the opportunity for the emerging residential community in East Liberty Village to access this Park and possible Bridge Connection. It is premature to provide a detailed report on the funding, design and timing issues associated with the development of this park. These issues would be dealt with through the ongoing development planning approach to these lands and Build Toronto would continue to engage City Planning and Parks, Forestry and Recreation officials in this process.
3. Potential Bridge Connection: In conjunction with the Park options as outlined above, Build Toronto has met with staff from the Waterfront Secretariat, Parks, Transportation and Technical Services to examine options for the possible inclusion of the pedestrian bridge. Build Toronto has identified that the redevelopment will generate Section 37 funds which could be used to offset a portion of the costs associated with the bridge project. It is our understanding that staff from Technical Services will be reporting to the Public Works and Infrastructure Committee with a further

report that would address the preliminary funding, design and timing issues associated with the possible bridge in the November 2011 Cycle so that Council can review the bridge options in the context of the redevelopment of the Ordnance Lands. Beyond this stage Build Toronto would continue to engage City officials in this process.

Summary:

The coordinated approach to the redevelopment of the Ordnance Triangle Lands will yield significant benefits to the City and local community and will maximize the value-creation opportunity on these City owned lands. In this context, it is clear that the surplus declaration and subsequent transfer of these lands to Build Toronto is the logical and most appropriate direction to take. It is critical that these lands be brought under Build Toronto's control as expeditiously as possible in order that the joint venture agreements with the adjacent private landowner can be finalized and Build Toronto can capitalize on current market conditions.

The related issues associated with the relocation of Eva's Phoenix are being met through the ongoing dialogue and written commitment of financial support from Build Toronto in order to meet the September 2014 timeline associated with the expiration of their current BMR lease. Build Toronto has committed significant support to Eva's Phoenix through this process and will continue to work with them over the near term to assist in providing a viable and sustainable accommodation solution.

The redevelopment process on these lands will also provide an opportunity for the creation of a new signature City Park and will also facilitate a possible pedestrian bridge connection between Fort York and the Stanley Park areas. The redevelopment will create significant financial levies for Section 37 and Parkland dedication funds for this purpose.

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