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OK to release.

Strategic planning approach for City-owned lands at 35 and 45 Strachan Avenue and 10 and 11 Ordnance Street

BRIEFING NOTE -

Issue/Background:

A strategic approach is needed to maximize value of City holdings at 35 and 45 Strachan Avenue and 10 and 11 Ordnance Street. This briefing note proposes a series of strategic steps to achieve this.

Key Information:

(1) The City's land holdings

The City owns four parcels of land totalling 24,340m² (6.01ac) situated within a larger triangular section of land bounded by Strachan Avenue to the west, and CPR/CNR rail lines to the north and south. The Official Plan designates these lands as *Employment Areas*. The zoning designation for these lands is I3D3 (former By-law 438-86) and E (current By-law 1156-2010), which permits an array of industrial and non-residential uses up to a density of 3.0 times the site area.

The attached Map 1 shows the property and current site occupants. Eva's Phoenix, a shelter for at-risk youth, is located at 11 Ordnance Street and operates under an operating/management agreement with the City/SSHA, which is reviewed annually. The neighbouring building to the west, at 35 Strachan Avenue, houses two non-profit tenants (Clay and Paper Theatre and Eva's Initiatives), while a portion of the building remains vacant. Both tenants have entered into 5 year leases agreements, which expire in 2016 and 2015, respectively. A City of Toronto Municipal Licensing and Standards office currently occupies 45 Strachan Avenue.

The eastern part of the site is a 15,661 m² (3.87ac) parcel known as 10 Ordnance Street; it forms part of the 24,340 m²/6.01ac overall City holdings. In January 2010, Council requested the commencement of a rezoning application to turn this industrially zoned site to parkland. Currently, the dimensions, size and shape of the proposed parkland parcel reflect the property boundaries for 10 Ordnance, but, in relation to the rest of the site, have no master planning rationale. 10 Ordnance Street is intended to be used for construction staging for the Fort York Pedestrian and Cycle Bridge (described below), as well as accommodating a major support for the bridge structure. Metrolinx has requested use of this property for construction staging for the later stages of the grade separation on Strachan Avenue, after the pedestrian and cycling bridge is completed.

(2) The Fort York Pedestrian and Cycle Bridge

In October, 2008, Council approved the construction of the Fort York Pedestrian and Cycle Bridge. The bridge is to connect communities north of Wellington Street to Fort York, spanning across rail corridors owned and operated by GO Transit, CN, and affiliated rail companies. City staff originally estimated this project at \$18.05M; however the lowest estimate received during the tender process was \$22.8M net of HST recoveries. The additional funds required to construct the bridge are covered in the Transportation Services 2011 Capital Budget through the deferral of other rehabilitation projects. Because the lowest tendered bid exceeded \$20 million, the award required authorization from Public Works & Infrastructure (PWI) Committee to move forward. In addition to the cost of construction, the City will have to acquire stratified air rights from both CN and Metrolinx. As displayed on Map 3, Parts 1 through 4 are expected to be transferred to the City from Metrolinx for a nominal fee, while Part 5 will need to be acquired from CN

On April 26, 2011, the PWI Committee voted in favour of seeking an alternative lower cost Pedestrian and Cycle Bridge to Fort ork. Construction timing for the bridge is very sensitive. If it does not take place in advance of grade separation/realignment work on Strachan Avenue and on CN/CPR rail lines bounding the site to the north (which is scheduled to begin in 2012), it will have to be deferred to a 2015 start. There would be numerous downsides to a 2015 start, including further cost escalations and disconnection from Toronto's bicentennial celebrations.

(3) Adjacent private land holdings

A privately-owned irregularly shaped parcel with an area of 6,469 m² is situated in the midst of the City's holdings, at 30 Ordnance Street. A Site Specific Official Plan Amendment was approved by Council on June 8 and 9, 2010 (OPA 125), allowing for residential uses at the site, while encouraging a portion of the development (2,230m²) to contain non-residential, employment uses A rezoning was not undertaken concurrently. However, the lands at 30 Ordnance are currently the subject of a rezoning application to change use permissions from industrial to mixed use residential and commercial. The proposal is to construct two residential towers, one 30 storeys and other 35 storeys (115.45m) in height, with a total of 516 residential units and a FSI of 8.36.

A small triangle of land at the easternmost end of the site (abutting 10 Ordnance) is owned by Metrolinx. There are a few easements on 10 Ordnance in favour of CP Rail and Metrolinx. These easements must be dealt with through the Master Plan and may result in land transactions

(4) Neighbourhood

A significant amount of development and redevelopment has occurred to the west of the site in the neighbourhood of Liberty Village. There are a number of applications and/or approvals for residential and employment buildings ranging from 25 to 32 storeys in height.

(5) Land values

The value of the City's holdings at this site is estimated to be between and dependent on the future designation of the land, assuming that the site is clean, free of encumbrances and vacant. The chart below shows a range of possibilities based on a range of FSIs. The property at 30 Ordnance Street is the subject of a rezoning application for development at 8.36 FSI; the chart's upper end shows a FSI of 8.5.

FSI	Price per Square Foot	t Proje	Projected Sale Price	
0				
4.5	-			
6.5				
8.5				

Recommended Council approach

- (a) Direct Build Toronto to conduct master planning comprehensively on <u>all</u> land holdings bounded by Strachan Avenue and the two rail lines, not just City lands that may be turned over to them in May 2011. The master planning is to include the lands at 30 Ordnance and Metrolinx's holdings, in cooperation with these two parties.
- (b) Continue to pursue a pedestrian/cycling bridge that spans from Fort York to the City-owned lands on Wellington Street West. This amenity would enhance accessibility and marketability of the City's developable lands, especially at the eastern end of the site, which would otherwise be a dead-end parcel sandwiched between two rail lines.
- (c) Seek to frame the bridge with new development on either side (east and west), and at the same time, reserve sufficient parkland to provide relief. Designating some parkland will facilitate intensive redevelopment and enhance the aggregate development capacity of the lands.

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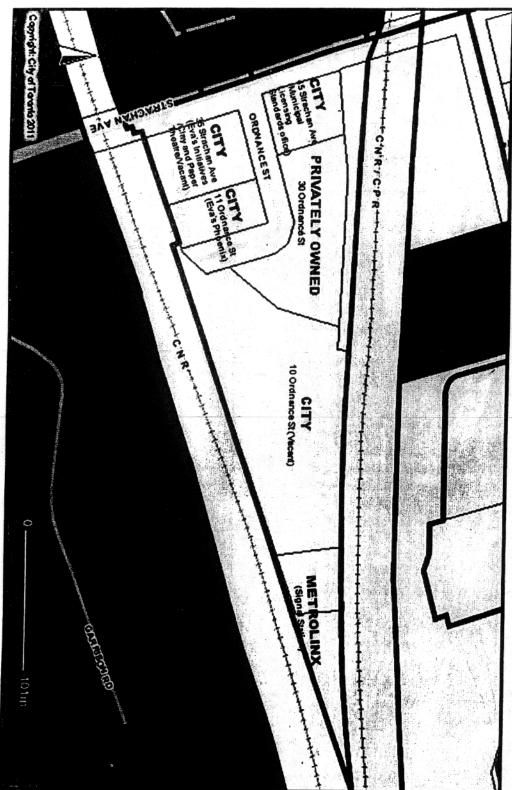
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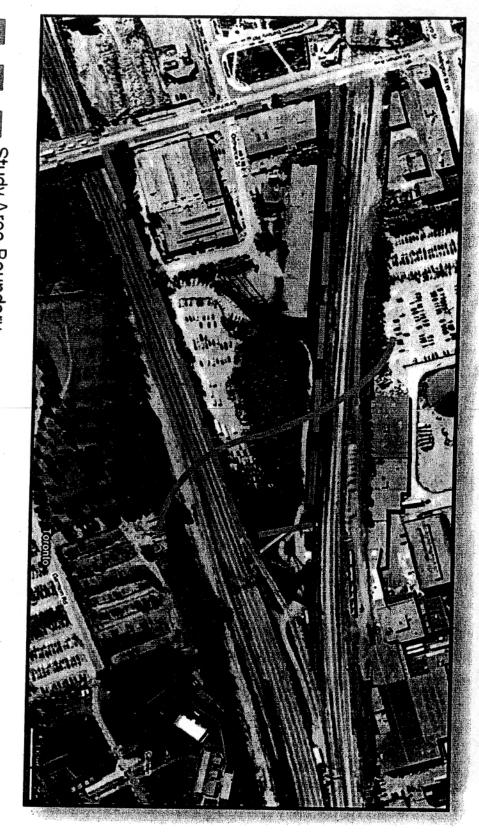
Date: May 10, 2011

Map 1 - Ownership and Tenants

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Map 2 - Context



Study Area Boundary
Approximate Location of Proposed Fort York Bridge

Map 3 - Stratified Air Rights

