



## STAFF REPORT ACTION REQUIRED

### City-building Proposal for 2740 Lawrence Avenue East (David and Mary Thomson CI School Site)

<b>Date:</b>	May 11, 2015
<b>To:</b>	Executive Committee
<b>From:</b>	Acting Deputy City Manager, Cluster A Deputy City Manager & Chief Financial Officer
<b>Wards:</b>	Ward 37
<b>Reference Number:</b>	AFS # 20368

### SUMMARY

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This report seeks authority to access the Land Acquisition Reserve Fund under the School Lands Acquisition Framework in order to acquire a minimum of 2.0 acres from the surplus David and Mary Thomson Collegiate Institute site at 2740 Lawrence Avenue East in Ward 37 in the Bendale neighbourhood of Scarborough. The David and Mary Thomson CI site forms the southern portion of the Toronto District School Board's Lawrence-Midland redevelopment project. The acquisition is for the purposes of a new child care centre and parkland.

### RECOMMENDATIONS

**The Acting Deputy City Manager, Cluster A and Deputy City Manager & Chief Financial Officer recommend that:**

1. City Council authorize the Chief Corporate Officer to negotiate the acquisition of approximately 2.0 acres of the westerly portion of the property municipally known as 2740 Lawrence Avenue East (hereafter "the Property") with the Toronto District School Board and Toronto Lands Corporation at the purchase price of \$4.2 million, and authorize the City to enter into an agreement of purchase and sale substantially on the terms outlined in Attachment 1 and on such other terms and conditions and such related documents as may be acceptable to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.

2. City Council adjust the 2015 Capital Budget of Real Estate Services by adding a project "2740 Lawrence Avenue East - Land Acquisition" for the amount of \$4.420 million, representing the purchase price and associated costs as identified in Attachment 1, for the acquisition of the Property, to be funded from the Land Acquisition Reserve Fund (LARF) (XR-1012).
3. City Council request the Chief Planner and Executive Director, City Planning to initiate zoning by-law amendments respecting the Arsandco Investments Limited - Midland and Lawrence Avenues (southwest quadrant) and Ronco Developments - Midland and Lawrence Avenues (northwest quadrant) to amend the Section 37 agreement provisions to authorize additional capital improvements with respect to the funds previously secured but no longer needed for the original purpose, in order to reallocate funds in the amount of \$1,288,686.71 to reimburse a portion of the acquisition cost of the Property.
4. City Council request the Chief Planner and Executive Director, City Planning, in consultation with affected Divisions, to negotiate the quantum and community facilities under Section 37 of the Planning Act to replenish the LARF from anticipated, uncommitted Section 37 funds arising from development at 2655 Lawrence Avenue East and the remainder of the TDSB's Surplus Parcel at 2740 Lawrence Avenue East, and that the sum equals the cost of the land for the parkland portion of the property, including all fees and disbursements. This amount will be negotiated with the developers in consultation with the local community and Councillor, and then be subject to a Statutory Public meeting under the Planning Act. Community benefits will include local parkland in the vicinity of Midland and Lawrence Avenues.
5. City Council direct that a community meeting be held in the area and that notice for the statutory public meeting under the Planning Act be given.
6. City Council request the City Solicitor to prepare agreements amending the respective Section 37 agreements to secure the amended Section 37 community benefits arising from Recommendations 3, 4 and 5 above, and that the amending agreement be executed prior to the introduction of the Bill in Council.
7. City Council authorize either of the Chief Corporate Officer or the Director of Real Estate Services to execute documents related to the acquisition of the Property on behalf of the City.
8. City Council authorize the Chief Corporate Officer to administer and manage the transaction relating to the acquisition of the Property, including the provision of any consents, approvals, waivers and notices, provided that she may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.

9. City Council authorize the City Solicitor to complete the contemplated real property acquisition transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.

## **Financial Impact**

The proposed acquisition of the 2.0-acre Property will provide 1.0 acre dedicated to the construction of a new child care centre, and 1.0 acre dedicated to parkland. Refer to Parts 2 and 3 on the draft reference plan in Attachment 2: Schedule "REF".

City Council approved a School Lands Acquisition Framework (SLAF) in May 2010, setting aside a total of \$15.0 million funded from the Land Acquisition Reserve Fund (LARF). In December 2013, City Council approved the continued maintenance of the remaining \$9.058 million accessible under the SLAF.

This report seeks approval to adjust the 2015 Capital Budget for Real Estate Services by the addition of a project "2740 Lawrence Avenue East - Land Acquisition" by \$4.420 million gross, \$0 net, including all fees and disbursements, with funding provided from the LARF (XR-1012) under the SLAF for the acquisition of the Property. There are sufficient funds in the LARF to support the purchase recommended in this report.

The purchase of the Property for the child care centre portion is consistent with the SLAF but does not meet SLAF criteria for the acquisition of parkland. For this reason, the LARF is to be replenished for the portion of the purchase that is to be used for parkland. City Planning staff have identified \$1,288,686.71 in available Section 37 funds from the Arsandco Investments Limited - Midland and Lawrence Avenues (southwest quadrant) and Ronco Developments - Midland and Lawrence Avenues (northwest quadrant) Section 37 agreements which can be used to reimburse a portion of the acquisition cost of the Property. Anticipated additional funds from development at 2655 Lawrence Avenue East, and on the rest of the David and Mary Thomson school site at 2740 Lawrence Avenue East will bring the total reimbursement to above \$2.200 million. A City-initiated zoning by-law amendment application will be required to re-direct existing Section 37 funds, meaning these funds would not be accessible quickly enough to be available for acquisition of the Property.

The operating and maintenance costs of the portion to be used for parkland will be absorbed within the Parks, Forestry, and Recreation Operating Budget. The future operating impact for this Property will be added to future Operating Budgets when full maintenance services are expected to commence. The average cost of maintaining an acre of parkland is \$10,000 per year. Park development costs will be included in future capital budget submission with no impact to other planned Parkland Development projects.

The purchase of this property will provide the opportunity to construct a new child care centre and will require funding for its design and construction. The 2015-2024 Approved

Capital Plan for Children's Services includes \$3.900 million in funding for this centre, with future-year cash flows in years 2017 through 2019. Adjustments to the timing of the cash flow requirements resulting from the purchase of this property may be included in the 2016 -2025 Capital Submission for Children's Services, or in future year submissions if required. The operating and maintenance costs for the child care centre will be assumed by the operator (City or third-party provider) selected through an Expression of Interest process.

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

## **DECISION HISTORY**

At its meeting of May 11 and 12, 2010, City Council endorsed the School Lands Acquisition Framework and authorized funding from the land acquisition reserve fund in the amount of \$15 million over the years 2011, 2012 and 2013.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX43.2>

At its meeting of November 19, 2013, Scarborough Community Council directed City Planning staff to schedule a community consultation meeting for the lands at 1555 Midland Avenue together with the Ward Councillor.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.SC28.22>

At its meeting of December 16, 17 and 18, 2013, City Council adopted a motion requesting a reassessment of the City's interest in the Midland/Lawrence redevelopment site.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX36.11>

Also at its meeting of December 16, 17 and 18, 2013, City Council directed that the remaining funds contained in the Lands Acquisition Reserve Fund under the School Lands Acquisition Framework be maintained so that they may be accessed for an appropriate purchase in the future.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX36.11>

At its meeting of June 10, 11, 12 and 13, 2014, City Council requested various divisions to review and identify City building opportunities, in consultation with the Toronto District School Board and Toronto Lands Corporation, on the Bendale/David and Mary Thomson Toronto District School Board redevelopment site and report back to the Executive Committee at its meeting on August 20, 2014; such review to include consideration of community partnerships to develop community/recreation facilities and services on the David and Mary Thomson portion of the site.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.19>

At its meeting of July 8, 9, 10 and 11, 2014, City Council directed the Chief Planner and Executive Director, City Planning to undertake further consultations with the local

community with regards to TDSB's Midland-Lawrence redevelopment and report back to Council in 2015 prior to proceeding with site plan approval for the new secondary school and prior to scheduling a Statutory Public Meeting for the proposed residential subdivision on the Bendale Business and Technical Institute school site.

See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.MM54.41>

## **ISSUE BACKGROUND**

In 2012, the Toronto District School Board (TDSB), its real estate subsidiary, Toronto Lands Corporation (TLC), and the Ontario Ministry of Education approved the Lawrence-Midland Redevelopment Project. This project emerged as a response to recommendations from a Pupil Accommodation Review Committee, which is a Ministry of Education-mandated process to determine the future of a group of schools or a single school.

As part of its redevelopment plan for the Lawrence-Midland site the TDSB declared surplus both Bendale Business and Technical Institute and David and Mary Thomson Collegiate Institute on June 20, 2012. The board referred the lands, totalling approximately 18 acres (7.3 hectares), to the TLC for circulation under Ontario Regulation 444/98, Disposition of Surplus Real Property.

TDSB applied for an amendment to the zoning by-law and draft plan of subdivision approval to demolish the existing Bendale Business Technical Institute (BTI) school building to permit redevelopment of that site into a residential subdivision. A preliminary report on this application came before Scarborough Community Council on November 19, 2013 (Item 2013.SC28.22), where City Planning staff were directed to schedule a community consultation meeting for the lands at 1555 Midland Avenue together with the Ward Councillor.

A coterminous school board, Conseil Scolaire Viamonde (French public), expressed interest in the David and Mary Thomson site and entered into negotiations with TLC to purchase the site. However, the Ministry of Education has since withdrawn the offer. As a result, TLC intends to place the David and Mary Thomson school site on the open market where a developer is likely to purchase the site and propose a residential subdivision.

With this change in the original plans, Council directed the Chief Planner and Executive Director, City Planning Division (Item 2014.MM54.41) to undertake further community consultations on the rezoning, subdivision and site plan approval applications attached to the Lawrence-Midland site before proceeding with site plan approval or undertaking the Statutory Public Meeting for the residential subdivision proposed for the Bendale BTI portion of the site.

The TDSB has appealed the rezoning/subdivision and referred site plan approval to the Ontario Municipal Board on the basis that decisions weren't made within the time frame

required by the Planning Act. The Board has requested a range of dates when a hearing might occur, but no date has been established as of the date of this report.

In June 2014, Council requested that staff review and identify City building opportunities for the David and Mary Thomson site. City staff subsequently notified TLC in writing of the City's interest in the David and Mary Thomson site. Staff in Social Development; City Planning; Parks, Forestry and Recreation; Children's Services and Build Toronto, with assistance from staff in Real Estate Services and the Toronto Office of Partnerships, have developed a proposal for a portion of the site. The proposal includes two key components: (1) a child care centre and (2) parkland, both of which would have the potential for future expansion of use.

Given the enhanced community facilities addressed in this Report, the City Solicitor anticipates being in a position to provide a Confidential Report to City Council in June 2015 to establish the City's position in relation to the outstanding Municipal Board appeals of the Lawrence-Midland Redevelopment.

## **COMMENTS**

### **City-building Proposal at Midland-Lawrence Site**

#### **Child Care Centre**

The most significant human service infrastructure need identified for the area is child care for infants, toddlers, and preschoolers and a range of programs and activities that support families in the early development of their children. 1.0 acres of land will be acquired on which to build a facility designed to meet these needs. The child care centre would be designed for 62 spaces, requiring 6,800 sq. ft. over two storeys.

If additional capital funding can be secured, the proposal could also be expanded to include additional space for community-based child and family services. This need was identified in community consultations for the Dorset Park Community Hub. Social Development, Finance & Administration would enter into a Below-Market Rent agreement with a community partner for the child and family services space.

#### **Parkland**

While there are a number of features that make this land an attractive addition to the City's Park and Open Space System, this area already has an adequate level of existing local parkland provision. Parks, Forestry and Recreation have targeted areas of lower parkland provision as a priority for future use of parkland reserves. However, there are nearby areas, such as on the south side of Lawrence and west side of Midland, that are low parkland provision areas. Additionally, a Lawrence Avenue East Segment Study submitted in support of a development application at 2655 Lawrence Avenue East identifies the immediate area surrounding the site as subject to proposed and anticipated residential growth. This increase in development will place additional pressures on parks

in the area. This growth could also lead to future recreational needs without available land on which to construct any future facilities.

For this reason, the proposal also features acquisition of 1.0 acres of land to be operated as parkland, with the future possibility of considering construction of a Community Centre on the site only at such time as the need is identified through a comprehensive study for the area under Parks, Forestry and Recreation's Facilities Master Plan.

## **Financing the Proposal**

To facilitate this acquisition from the Toronto Lands Corporation (TLC), funds will need to be accessed from the Lands Acquisition Reserve Fund (LARF) under the School Lands Acquisition Framework:

- (1) funds from the LARF to acquire 1.0 acre for the child care centre;
- (2) additional funds borrowed from the LARF to acquire 1.0 acre for green space and potential site of a future recreation space. A portion of these funds would be reimbursed to the LARF through redirection of existing Section 37 funds. The remaining portion could be reimbursed through consideration of anticipated Section 37 funds from area development proposals.

There are existing Section 37 funds available from the Arsandco Investments Limited - Midland and Lawrence Avenues (southwest quadrant) and Ronco Developments - Midland and Lawrence Avenues (northwest quadrant) Section 37 agreements which can be re-directed to partially fund this proposal. City Planning staff have also identified anticipated Section 37 funds from area developments at 2655 Lawrence Avenue East, and on the rest of the David and Mary Thomson school site at 2740 Lawrence Avenue East to fully reimburse the LARF for the cost of the parkland portion of the Property. A City-initiated zoning by-law amendment application will be required to re-direct the existing Section 37 funds, meaning these funds will not be accessible quickly enough to be available for property acquisition.

The operating and maintenance costs of the portion to be used for parkland will be absorbed within the Parks, Forestry, and Recreation Operating Budget. The future operating impact for this Property will be added to future Operating Budgets when full maintenance services are expected to commence. Park development costs will be included in a future capital budget submission with no impact to other planned Parkland Development projects.

The purchase of this property will provide the opportunity to construct a new child care centre, which has been identified as New Child Care #6, and will require funding for the design and construction of the new child care centre. The 2015-2024 Approved Capital Plan for Children's Services includes \$3.900 million in funding for this centre, with future-year cash flows in years 2017 through 2019. Adjustments to the timing of the cash flow requirements resulting from the purchase of this property may be included in the 2016-2025 Capital Submission for Children's Services, or in future year submissions if required.

## CONTACT

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## SIGNATURE

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Chris Brillinger  
Acting Deputy City Manager, Cluster A

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Roberto Rossini  
Deputy City Manager &  
Chief Financial Officer

## ATTACHMENTS

- Attachment 1 - Terms and Conditions for Part of the Property municipally known as 2740 Lawrence Avenue East
- Attachment 2 - Schedule "REF"



**Attachment 1: Terms and Conditions for Part of the Property  
municipally known as 2740 Lawrence Avenue East**

Owner:	Toronto District School Board
Location:	2740 Lawrence Avenue East, Toronto (Schedule "REF" in Attachment 2.)
Legal Description:	<p>Being those lands shown as Parts 2 and 3 on the draft reference plan attached hereto as Schedule "REF", measuring approximately 2.00 acres, and being part of those lands legally described as:</p> <p>Part of Lot 2, Registered Plan 3414 and Part of Lots 25 and 26, Concession 1, City of Toronto in the Land Registry Office of Toronto (No. 66);</p> <p>Together with an easement over those lands shown as Parts 5 and 6 on Schedule "REF" for the purposes of pedestrian and vehicular ingress and egress from Lawrence Avenue East to Parts 2 and 3 on Schedule "REF"</p>
Approximate Lot Size:	No less than 2.0 acres (0.81 ha)
Improvements:	Open space
Closing Date:	TBD following the expiry of the Due Diligence Condition and meeting the requirements of the related OMB Minutes of Settlement
Deposit:	\$2.00
Conditions:	<p>Satisfactory results of the Due Diligence investigation and Minutes of Settlement from pending OMB hearing must be met.</p> <p>Until such time as a public road is provided for the site, TDSB shall provide an easement over those lands shown as Parts 5 and 6 on Schedule "REF" for the purposes of pedestrian and vehicular ingress and egress from Lawrence Avenue East to Parts 2 and 3 on Schedule "REF".</p> <p>TDSB shall be permitted to make use of the subject lands for school playground space until the closure of David and Mary Thomson Collegiate Institute pursuant to a temporary licence, provided that maintenance of the land shall remain the responsibility of TDSB.</p>

The completion of the transaction shall also be conditional upon the City being satisfied that TDSB's commitments to construct a road on Part 6 and to dedicate Parts 4 and 5 of Schedule "REF" as parkland have been secured in a manner satisfactory to the City, and that TDSB shall enlarge the site area of the proposed Secondary School site by at least one acre at the south end of the school site contiguous with the lands to be acquired by the City.

<b>Payment to Vendor:</b>		
<b>Purchase Price:</b>		\$4,200,000.00
<b>City's Costs</b>		
<b>(Approximately)</b>	HST (non-refundable):	\$73,920.00
	Land Transfer Tax	\$61,500.00
	Registration Costs:	\$200.00
	Phase I & Phase II ESA:	\$80,000.00
Total Purchase and Closing Costs:		<b><u>\$4,415,620.00</u></b>

