TORONTO

STAFF REPORT
ACTION REQUIRED

Exhibition Place- Official Plan Amendment Application - Preliminary Report

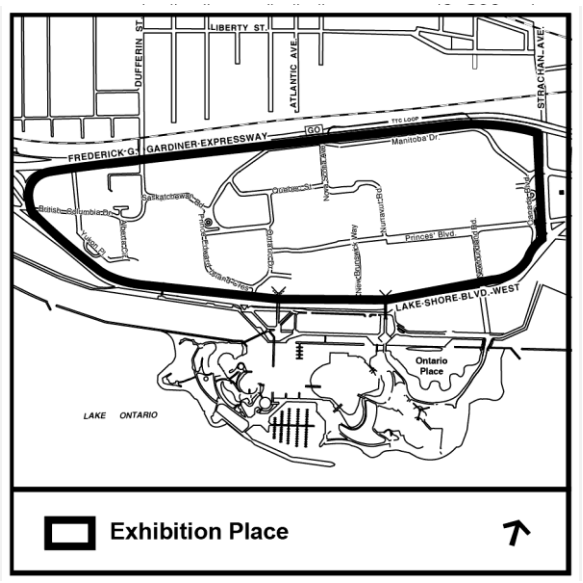
Date:	May 30, 2016
To:	Toronto and East York Community Council
From:	Director, Community Planning, Toronto and East York District
Wards:	Ward 19 – Trinity-Spadina; Ward 14 – Parkdale-High Park
Reference Number:	16 140616 STE 19 OZ

SUMMARY

City Council has directed Staff to determine the appropriate actions and conditions necessary to amend the Official Plan for the buildings within the lands designated *Parks and Open Space Areas* on the Exhibition Place grounds to permit leases in excess of 21 years. An Official Plan Amendment is required to extend leases on the property beyond 21 years as the sale or disposal of City-owned *Parks and Open Space Areas* is prohibited by Official Plan policies and the granting of a lease exceeding a period of 21 years is considered to be a form of disposition. Staff have undertaken some initial work and seek Community Council direction to begin the public consultation process for a potential City-initiated Official Plan Amendment to permit leases in excess of 21 years at Exhibition Place in areas designated *Parks and Open Space Areas*.

This report provides preliminary information on the Council request and seeks Community Council's direction on next steps and on the community consultation process.

A Community Meeting is targeted for mid-2016 with a final report in the fourth quarter of 2016.



RECOMMENDATIONS

The City Planning Division recommends that:

1. Staff be directed to schedule a community consultation meeting together with the Ward Councillor, to consider leases in excess of 21 years for the lands designated *Parks and Open Space Areas* at Exhibition Place.

2. Notice for the community consultation meeting be given to landowners and residents within 120 metres of the site.

3. Notice for the public meeting under the Planning Act be given according to the regulations of the Planning Act.

4. Staff be directed to work with the Ward Councillors, and Chief Executive Officer, Exhibition Place to identify other stakeholders to be consulted as part of the review process.

Financial Impact

The recommendations in this report have no financial impact.

DECISION HISTORY

At its meeting on December 16, 17 and 18, 2013, City Council requested the Province of Ontario to enter into a formal cooperative venture with the City to jointly plan and revitalize the Ontario Place and Exhibition Place Lands.

A link to the City Council decision and the member motion can be found here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.MM45.17

At its meeting of August 25, 26, 27, 29, 2014 City Council expressed support for the Province's conceptual plans to revitalize Ontario Place and authorized City Staff to work with the Province on a joint planning process and public consultation for the revitalization of Ontario Place and Exhibition Place.

A link to the City Council decision and report from the City Manager can be found here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.4

At its meeting on February 3 and 4, 2016, City Council adopted the following recommendations in the report "Official Plan Amendment for Exhibition Place" from the Chief Executive Officer, Exhibition Place.

"City Council request the Chief Planner and Executive Director, City Planning to determine the appropriate actions and conditions necessary to amend the Official Plan for the buildings within the lands designated Parks/Open Space on the Exhibition Place grounds to permit leases in excess of twenty-one years".

and,

"City Council, consistent with the August 25, 2014 City Council decision respecting "A Coordinated Planning Approach for Ontario Plan and Exhibition Place [Ex44.4]":

> a. request the Chief Planner and Executive Director, City Planning, in consultation with the Board of Governors of Exhibition Place, the Chief Executive Officer, Exhibition Place, and local Councillors, to report to the appropriate committee by the end of the second quarter of 2016 on the development of an appropriate Official Plan Amendment for the Exhibition Place / Ontario Place precinct with the objective of protecting and preserving heritage properties, public space, event accommodation and public enjoyment of this site, among other considerations, and to include details of a public consultation strategy in the report; and
>
> b. request the City Manager, in consultation with the Chief Planner and Executive Director, City Planning to continue the joint planning process currently underway, including public consultation, with the Province of Ontario for Exhibition Place and Ontario Place."

A link to the City Council decision and report from the Chief Executive Officer, Exhibition Place can be found below:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX11.13

ISSUE BACKGROUND

Proposal

The potential Official Plan Amendment will consider the appropriateness of leasing buildings within the part of the Exhibition Place designated as *Parks and Open Space Areas* in the Official Plan for terms in excess of 21 years. The sale or disposal of City-owned *Parks and Open Space Areas*, which includes leases in excess of 21 years, is prohibited by the Official Plan.

The proposal to extend leases has arisen in response to concerns raised by existing and potential tenants about capital investments in leased properties and the need to amortize these costs over a longer term. The lease agreements are primarily related to heritage buildings. In the case of these leases, the tenant is generally responsible for all capital maintenance of the building, including the grounds surrounding the property. If the Official Plan Amendment were to be approved, this would provide the option, if appropriate, for the City to approve longer term leases without amending the Official Plan each and every time.

At present, five buildings within the *Parks and Open Space Areas* designation are leased for extended periods of time. These include the Queen Elizabeth Building the Music Building, Bandshell Stage and Bandshell Restaurant; Ontario Government Building, and the Horticulture Building. While not leased out, BMO Field is within the *Parks and Open Space Areas* designation and is under a management agreement with Maple Leaf Sports and Entertainment Ltd. and will also be considered as part of this review. All of these buildings, with the exception of BMO Field which incorporates the former Sports Hall of Fame in its western face, are either listed or designated under Part IV of the Ontario Heritage Act.

Muzik Clubs Ltd.(Muzik) currently has a 20-year lease for the Horticultural Building expiring in 2024. In late 2012, Muzik. requested a ten year lease extension, which would extend the lease to 2034, in order to amortize a proposed patio investment. This request was not able to proceed at that time due to the Official Plan prohibition. Muzik proceeded with the patio without the lease extension.

As a result of the discussions surrounding the proposed extension of the lease for Muzik, Staff were requested to initiate an Official Plan Amendment to review this matter with respect to all buildings designated *Parks and Open Space Areas* to ensure a consistent approach and appropriate conditions to be applied for all affected tenants. This City-initiated Official Plan Amendment will focus exclusively on the west precinct in the area designated *Parks and Open Space Areas* in the Official Plan.

The second part of the Council motion requests a report on the development of an Official Plan Amendment for the Exhibition Place/Ontario Place precinct, and continued joint planning work with the Province of Ontario. The City Manager's office, along with staff from City Planning, Waterfront Secretariat and Exhibition Place, are working with the Province on the process to advance the co-ordinated approach for the two properties, and will include consideration of an Official Plan Amendment. This process is ongoing and will be reported out at a later date.

Site and Surrounding Area

Exhibition Place is a City-owned property located in the area bounded by Strachan Avenue to the east, Lake Shore Boulevard West to the south and west, and the Gardiner Expressway to the north. This 115 hectare (192 acre) parcel of land is City-owned and subject to the legislation and overseen by the Exhibition Place Board of Governors. The site contains a number of heritage buildings and several new developments including BMO Field, Hotel X, and a new Raptor's basketball practice facility. Heritage buildings are found throughout Exhibition Place with a significant concentration in the western portion of the site, many of which are leased-out to tenants. Newer developments and surface parking are primarily concentrated on the eastern portion of the site.

North: Located to the north of Exhibition Place are CPR/GO Train tracks and the Parkdale and Liberty Village neighbourhoods.

South: South of Exhibition Place are Lake Shore Boulevard West, the Martin Goodman Trail, the Toronto Inukshuk Park, the provincially-owned Ontario Place lands, and Lake Ontario.

East: Located to the east of Exhibition Place are the Gore, Fort York National Historic Site, the Fort York Neighbourhood, and Coronation Park.

West: Marilyn Bell Park and the Martin Goodman Trail are located to the west of Exhibition Place.

Recent Development and Existing Leases at Exhibition Place

A number of recent developments have been constructed at Exhibition Place in the last 10 years, including BMO Field, Hotel X, and a new Raptor's basketball practice facility.

Many of the existing leases at Exhibition Place are in areas designated *Regeneration Areas* in the Official Plan and as such are not subject to the Official Plan prohibition for leases in excess of 21 years. The following properties in the *Parks and Open Space Areas* designation are leased:

- Queen Elizabeth Building - Queen Elizabeth Theatre leased to 16730801 Ontario Limited for a period of 10 years with the lease expiring in 2020 and the Fountain Dining Room also leased to 16730801 Ontario Limited for 10 years with the lease expiring in 2020.

- Music Building - Leased to Toronto Fashion Incubator for 4 years with a lease expiring in 2020.

- Bandshell Stage and Bandshell Restaurant – Restaurant leased to 1475530 Ontario Inc/ "Gossip Restaurant" for a period of 20 years, expiring in 2025.

- Ontario Government Building - Leased to Liberty Entertainment Group/"Liberty Grand" for a period of 20 years, expiring at the end of 2020.

- Horticulture Building - Leased to Concert Hall Productions/ "Muzik Clubs Ltd." for a period of 20 years expiring in 2024.

BMO Field is also within the *Parks and Open Space Areas* designation. While not leased out, BMO Field is under a management agreement with Maple Leaf Sports and Entertainment Ltd. and will also be considered as part of this review.

A Chronology of new facilities as well as various initiatives related to Exhibition Place are listed at Attachment 3 to this report.

Provincial Policy Statement and Provincial Plans

The Provincial Policy Statement (PPS) 2014 provides policy direction on matters of provincial interest related to land use planning and development. These policies support the goal of enhancing the quality of life for all Ontarians. Key policy objectives include: building strong healthy communities; wise use and management of resources; and protecting public health and safety. The PPS recognizes that local context and character is important. Policies are outcome-oriented, and some policies provide flexibility in their implementation provided that provincial interests are upheld. City Council's planning decisions are required, by the *Planning Act*, to be consistent with the PPS.

The Growth Plan for the Greater Golden Horseshoe provides a framework for managing growth in the Greater Golden Horseshoe including: directions for where and how to grow; the provision of infrastructure to support growth; and protecting natural systems and cultivating a culture of conservation. City Council's planning decisions are required to conform, or not conflict, as the case may be, with the Growth Plan for the Greater Golden Horseshoe.

Staff will review the proposed development for consistency with the PPS and for conformity with the Growth Plan for the Greater Golden Horseshoe.

Former City of Toronto Official Plan

The proposed development is subject to the former City of Toronto Part I Official Plan as the Central Waterfront Secondary Plan is currently under appeal and as a result the new City of Toronto Official Plan is currently not in-force on the site.

In the former City of Toronto Part I Official Plan, all of Exhibition Place is designated *Open Space*. The Part I Official Plan directs that "In the areas designated as *Open Space* on Map 1, no City-owned land will be disposed of". It is also directed that "Where public lands designated as *Open Space* are in use for other than *parks* and open space purposes, Council shall encourage their use for *parks* and open space purposes.

All the lands within Exhibition Place are designated *Open Space* under the former City of Toronto Part I Official Plan.

Official Plan

The City of Toronto's new Official Plan was adopted by City Council in 2002 and brought into force by the Ontario Municipal Board in June 2006. While not in-force for the subject site, the City of Toronto's new Official Plan is Council-adopted, it will be considered in this review.

In the new City of Toronto Official Plan, the northern and eastern portions of Exhibition Place are designated *Regeneration Areas* and the western portion is designated *Parks and Open Space Areas* (*Other Open Space*) in the City of Toronto Official Plan Map 18 – Lane Use Plan (see Appendix 1).

Regeneration Areas are intended to provide for a mixture of uses in an urban form to revitalize areas of the City that are vacant and underutilized. A framework for development in *Regeneration Areas* is to be set out in a Secondary Plan. Official Plan policies do not prohibit the disposal of City-owned lands in *Regeneration Areas*.

Parks and Open Space Areas comprise a green open space network in Toronto. Development is generally prohibited in *Parks and Open Space Areas*. Section 4.3 Policy 8 identifies that "The sale or disposal of publicly owned lands in *Parks and Open Space Areas* is discouraged and no City owned lands in *Parks and Open Space Areas* will be sold or disposed of". This includes leases in excess of 21 years, as this is considered to be a form of disposal.

The proposed City-initiated Official Plan Amendment will focus exclusively on the area designed *Parks and Other Open Space* in the new Official Plan, as it is expected that when the Central Waterfront Secondary Plan is adopted by the Ontario Municipal Board with respect to the Exhibition Place lands, that the portions of Exhibition Place designated *Regeneration Areas* in the new Official Plan will be permitted leases in excess of 21 years under this land use designation.

Central Waterfront Secondary Plan

The Central Waterfront Secondary Plan was adopted by Council on April 16, 2003 as an amendment to Part II of the former City of Toronto Official Plan. It was appealed in its entirety, and although parts of the Plan have been approved by the Ontario Municipal Board, the Plan is not approved and in-force as it relates to the subject site. While it is not in-force for the subject site, the Central Waterfront Secondary Plan is Council-adopted and will be considered as part of this review.

The Central Waterfront Secondary Plan identifies that an extended Waterfront Light Rail Transit line will stretch from Exhibition Place to the Port Lands with excellent connections into the City.

The Central Waterfront Secondary Plan identifies that "Exhibition Place, historically a place for celebration and exhibition, will expand into a dynamic area where people work, live, and play". Exhibition Place is also intended to feature a significant open plaza capable of hosting large gatherings and festivals. The Central Waterfront Secondary Plan indicates that new development in Exhibition Place "will respect and celebrate Exhibition Place's existing heritage architecture and views of heritage buildings from the water. Opportunities for adaptive reuse of heritage buildings will be explored".

Zoning

Section 406 of the City of Toronto Act, 2006, contains provisions respecting Exhibition Place that entrusts its management and operations to the Board of Governors. Section 406(2) of the City of Toronto Act, 2006, outlines the use of the lands known as Exhibition Place as follows:

"Use of Exhibition Place
(2) Exhibition Place shall be used:

(a) For parks and exhibition purposes;

(b) For the purposes of trade centres and trade and agricultural fairs such as, but not limited to, the annual Canadian National Exhibition and Royal Winter Agricultural Fair

(c) For displays, agricultural activities, sporting events, athletic contests, public entertainment and meetings;

(d) For highway, electrical transmission or public utility purposes;

(e) For any other purpose that the City may approve."

Given the statutory provisions entrusting management and development of Exhibition Place to the Board of Governors with broad use permissions, Zoning By-law 438-86, as amended, is considered not to apply to development at Exhibition Place.

Planning Framework at Exhibition Place

In addition to the Official Plan policies and Zoning By-Law requirements, the development of Exhibition Place is guided by the 2010 *Structure Plan*, adopted by the Exhibition Place Board of Governors. The Structure Plan is to be read in conjunction with the Exhibition Place Strategic Plan which provides high level direction for the operations at Exhibition Place. The Structure Plan sets a framework for any new developments in Exhibition Place by identifying potential locations for new developments, indicating where major new open spaces can be preserved or created, providing locations for new transportation infrastructure, and indicating important buildings and landmarks to be maintained.

Earlier documents guiding the development of Exhibition Place were developed in consultation with City Planning. These documents include the 2004 *Development Concept Plan*, the 1998 *Exhibition Place Program and Development Concept*, and the 1982 *The Redevelopment of Exhibition Place* document.

Consistent throughout the documents guiding development at Exhibition Place is the idea that the heritage and open space character of the western portion of the site is intended to be maintained.

Reasons for the City-initiated Official Plan Amendment

Several of the buildings are leased out at Exhibition Place on long-term leases. An Official Plan Amendment is required to extend leases on the property beyond 21 years as the sale or disposal of City-owned *Parks and Open Space Areas* is prohibited by Official Plan policies. The granting of a lease exceeding a period of 21 years is considered to be a form of disposition, thus prohibited by the Official Plan.

COMMENTS

Issues to be Resolved

Issues to be resolved through the review of the City-initiated Official Plan Amendment include the determination of whether it is appropriate to exempt all or portions of the lands at Exhibition Place designated *Parks and Open Space Areas* from the Official Plan provision. If the amendment was considered to be appropriate, criteria would be established to apply to any leases extending beyond 21 years.

Staff will be considering a number of conditions and criteria to be considered related to potential extended leases at Exhibition Place, including:

- Contribution of projects requiring extended leases to achieving broader public policy objectives
- Conservation and security of heritage resources (built, archaeological, cultural and landscape) and the appropriate means to secure these attributes
- Criteria/guidance for any additions to existing buildings
- Criteria/guidance for the scale, height and massing of new buildings
- Maintaining the open space character of the grounds by retaining significant open areas
- Maintaining soft landscape areas and trees
- Maintaining important views both within, from and into Exhibition Place
- Securing public access to the grounds around leased buildings including any public art on the property
- Adjacent land uses including Ontario Place
- Transit and transportation initiatives

Although not strictly a planning consideration, City Planning will consult with other City Staff and Exhibition Place to understand the financial arguments related to the request for longer leases.

Consultation Process

City Planning staff are targeting a Community Consultation meeting in mid-2016 comments and input into this review. In addition, Staff will work with the local Councillors and the Executive Director of Exhibition Place to identify a strategy to engage other stakeholders and interest groups in the review process.

Further Study of Exhibition Place

Exhibition Place is a unique area of the City, as it historically functioned as an exhibition grounds and contains many historic buildings and open space resources. The recent developments at Exhibition Place and the request for the lease extensions underscores the importance of ongoing or contemplated planning exercises for the Exhibition Place and surrounding areas. These include:

- Consideration of an updated Structure Plan to accompany the ongoing strategic planning for Exhibition Place
- Joint planning for Exhibition Place and Ontario Place, including the December direction from City Council for the consideration of an Official Plan Amendment for the Exhibition Place / Ontario Place precinct
- The Waterfront LRT Reset process, currently underway.

The review of the appropriateness of leases over 21 years will be considered in the larger policy and physical context of Exhibition Place and surrounding area and will be sensitive to any other initiatives related to Exhibition Place or Ontario Place that may be proceeding in parallel.

CONTACT

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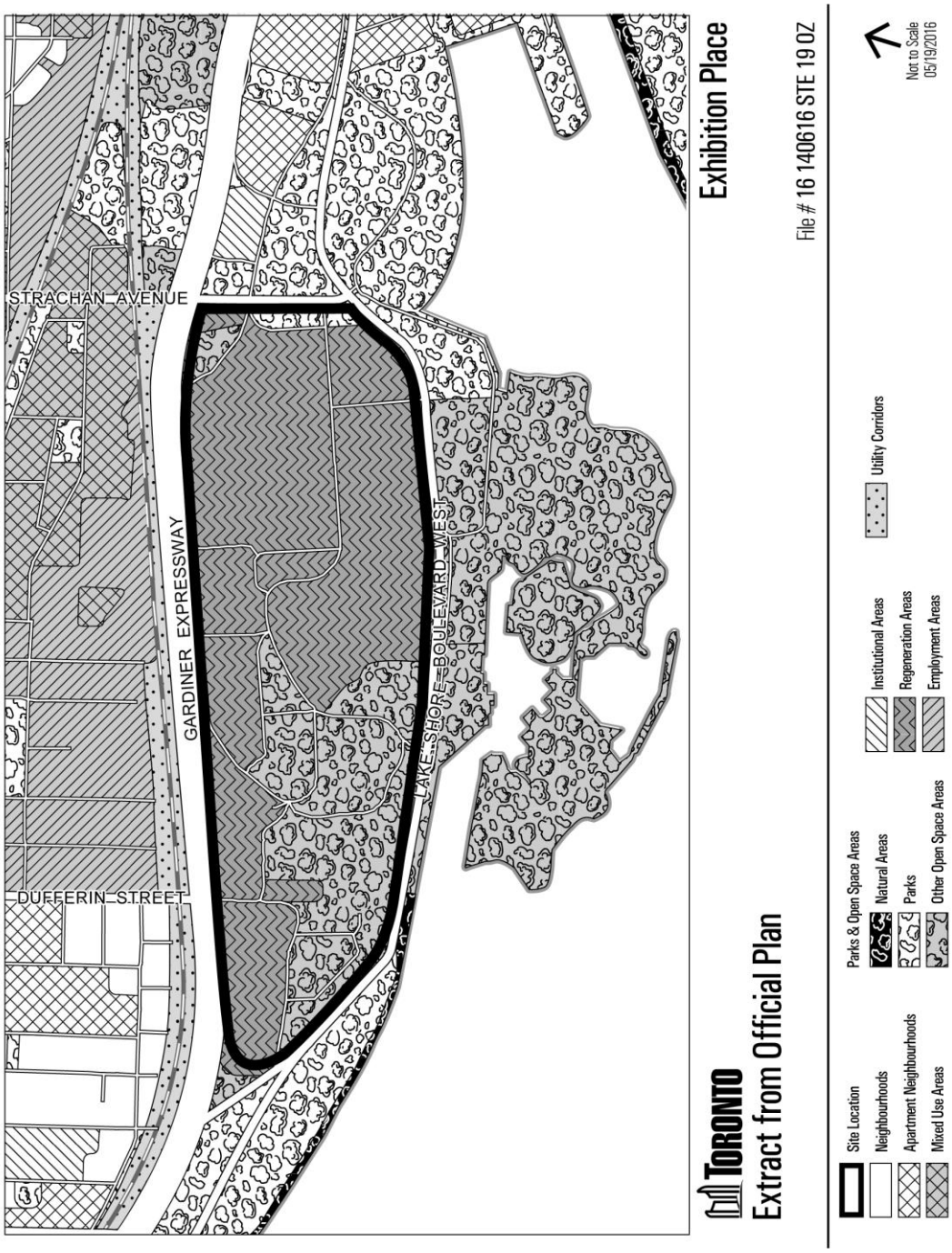
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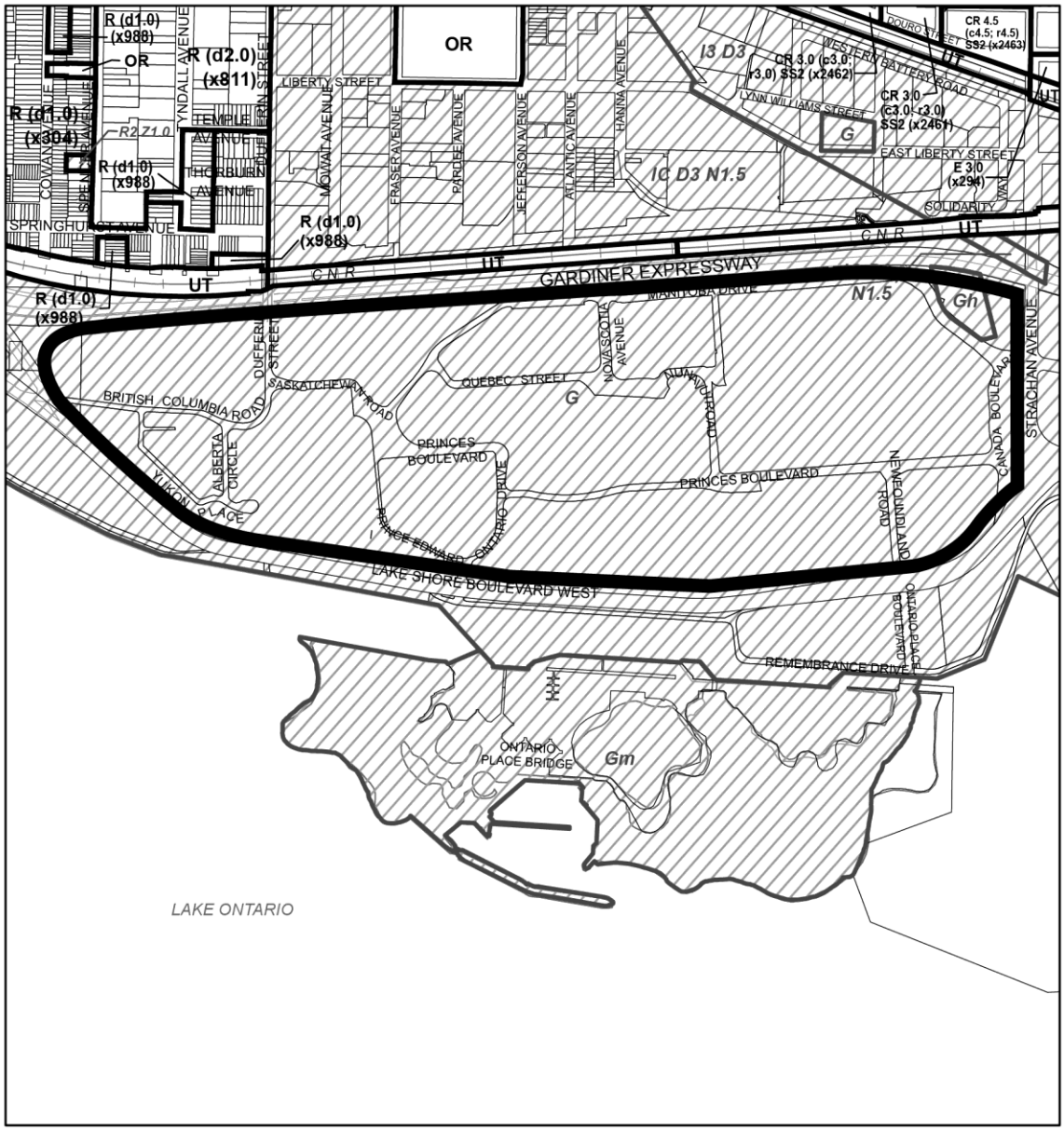
ATTACHMENTS

Attachment 1: Official Plans
Attachment 2: Zoning
Attachment 3: Exhibition Place Chronology

Attachment 1: Official Plan



Attachment 2: Zoning



TORONTO City Planning

Zoning By-Law No. 569-2013

Exhibition Place

File # 16 140616 STE 19 OZ

Location of Application

R Residential
CR Commercial Residential
E Employment Industrial
OR Open Space Recreation
UT Utility and Transportation

See Former City of Toronto By-Law No. 438-86

R2 Residential District
CR Mixed-Use District
I3 Industrial District
IC Industrial District
G Parks District
Gh Parks District

Not to Scale
Extracted: 05/19/2016

Attachment 3: Exhibition Place Chronology

1995:	Construction begins for a new Trade Centre at Exhibition Place (Enercare Centre). The new Trade Centre opened in 1997.
2003:	Central Waterfront Secondary Plan adopted by City Council. This document provides direction of planning on the Central Waterfront, including Exhibition Place. The Central Waterfront Secondary Plan remains under appeal at the Ontario Municipal Board and is not yet in force for Exhibition Place.
2005:	City Council approves the development of BMO Field. BMO Field opened in 2007.
2009:	Automotive building renovated and reopens (Allstream Centre).
2012/2013:	Exhibition Place considered among potential sites for new casino development in Toronto. City Council decided to oppose the establishment of new gaming sites in the City of Toronto.
2013:	City Council endorses in principle the expansion of exhibition/convention facilities at Exhibition Place.
2013:	Coordinated approach to master planning at Exhibition Place and Ontario Place discussed between the City of Toronto and the Province of Ontario.
2014:	Hotel X receives site plan approval. (Hotel X is now under construction.)
2014:	City Council approves expansion of BMO field. Phase 1 of the expansion opens for the 2015 Pan Am Games. Phase 2 completed 2016.
2015-Present:	Board of Governors of Exhibition Place commissions a parking study for Exhibition Place. This parking study is ongoing.
2016:	Basketball Training Facility receives final site plan approval and opens.
2015-Present:	Waterfront LRT Reset underway providing a comprehensive review of existing and planned waterfront transit, including transit at Exhibition Place.
2016-Present:	City Council directs Staff determine the appropriate actions and conditions necessary to amend the Official Plan for the buildings within the lands designated Parks/Open Space on the Exhibition Place grounds to permit leases in excess of twenty-one years.