



REPORT FOR ACTION

Update on the Relocation of Don Mills Civitan Arena to 844 Don Mills Road (Celestica)

Date: March 15, 2017

To: Government Management Committee

From: General Manager, Parks, Forestry and Recreation

Wards: Ward 25 – Don Valley West, Ward 26 – Don Valley West

SUMMARY

This report responds to City Council's request for the General Manager, Parks, Forestry and Recreation (PF&R) to provide an update, in the first quarter of 2017, on the proposed relocation of Don Mills Arena to 844 Don Mills Road (Celestica site).

The relocation of the Don Mills (Civitan) Arena to the Celestica site was approved by City Council, in principle, in July 2016, subject to a number of conditions. These include: the resolution of the Ontario Municipal Board appeal dealing with employment policies; the submission of a complete development application for the Celestica lands; and a timeline and schedule for a replacement arena satisfactory to the General Manager of PF&R.

This information report addresses the resolution of these matters and also reviews the State of Good Repair Audit, which was conducted on the Don Mills Arena, and the Relocation Strategy in place to mitigate lost ice time should there be a gap between the closure of the existing arena and the opening of the new replacement arena. This report was prepared in consultation with City Planning.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. the Government Management Committee receives this report for information.

FINANCIAL IMPACT

The 2017 Council Approved Capital Budget and 2018-2026 Capital Plan for PF&R includes \$24.500 million to design and construct a new two pad arena with some community space and surface parking. The chart below provides a detailed breakdown of the approved budget:

Figure 1 - Chart outlining breakdown of design and construction of new two pad arena

	Funding Source	Total
Design	<ul style="list-style-type: none"> • \$877,000 from development charges • \$573,000 from PF&R's reserve funds • \$500,000 financed from debt 	\$1.950 million
Construction	<ul style="list-style-type: none"> • \$10.147 million from development charges • \$9.664 million from PF&R's reserve funds* • \$2.739 million financed from debt 	\$22.550 million
Total Approved Budget	\$24.500 million	
<p>*Of the \$9.664 million, \$4.500 million will be provided by Cadillac Fairview as part of the dedicated section 42 payment expected from future developments.</p>		

Should the negotiations with the landowner be successful and a comprehensive redevelopment of the lands at 844 Don Mills Road, 1150 and 1155 Eglinton Avenue East is approved, the land for the new Don Mills arena would be conveyed to the City of Toronto as a portion of the parkland dedication for the development.

The estimated operating costs for a new two pad ice facility is \$0.660 million annually, largely offset by revenue of \$0.620 million. Costs to maintain the outdoor portions of the site is expected to be \$0.015 million annually. Operating costs will be included in the future year Operating Budget submissions.

The closure of the current Don Mills Arena will generate an annual expenditure savings of \$0.380 million and a loss in revenue of \$0.270 million, resulting in anticipated net savings of \$0.110 million. Relocated programs will have no net costs in the interim between closing of the existing Don Mills Arena and the full operation of the new two pad arena.

As PF&R undertakes the design process and public consultation, to identify all of the program and facility elements of the new arena, costs may change. Council will be advised as new information and revised costs become available. There is also the potential for a multi-use programming approach to this facility to address various growth-related needs anticipated with future developments around the Eglinton Crosstown transit investment. Identification of suitable lands through the Celestica site development approval process that protects for future programming options is important along with ensuring area development supports facility provision. Opportunities, such as this new arena complex, form part of the current Parks and Recreation Facilities Master Plan, a 20-year plan that will prioritize investment in parks and recreation facilities.

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

DECISION HISTORY

At its meeting on July 12, 2016, City Council adopted the recommendations outlined in the report "Don Mills Civitan Area Proposed Replacement at Don Mills Road and Eglinton Avenue East." This report recommends that City Council approve in principle the relocation of the Don Mills Arena to the Celestica site, pending the resolution of matters related to land dedication and timing; authorization of staff advancing negotiations with the land owners; and the provision of an update to City Council by the first quarter of 2017. This direction can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM13.15>

ISSUE BACKGROUND

Located at 1030 Don Mills Road, the Don Mills Arena is a City-owned and PF&R operated facility (see Attachment 1). The facility, which was constructed in or about 1959, contains a single pad ice surface that is in need of replacement due to its age and existing operating condition. The process of finding a new location for the Don Mills Arena formally began in February 2008 through a resolution of North York Community Council.

In 2010, the City of Toronto, through a negotiated OMB settlement, agreed to exchange the Don Mills Arena lands for lands on a developer's (Cadillac Fairview) site where a new community centre would be constructed. Under the terms of the land exchange with Cadillac Fairview, the existing Don Mills Arena must close no later than October 2020. The new community centre would not include ice surfaces, and as a result, the City has been seeking to replace the arena on an alternative site. A set of criteria was developed to guide the site selection process for a new multi-pad arena within close proximity of Don Mills Arena. This included a minimum size of 1.2 hectares, uniform rectangular shape, ability to accommodate a 7,000 square metre twin pad arena footprint, minimum 250 parking spaces, appropriate zoning and land use designation, and transit accessibility.

As outlined in this report's Decision History, a number of locations were evaluated by City Staff as potential sites for the replacement of Don Mills Arena. While some did not progress beyond a preliminary screening, two sites did advance to more detailed assessment through a Request for Expression of Interest (REOI). The current preferred relocation site recommended by City Staff consists of a portion of lands, known municipally as 844 Don Mills Road, which along with 1150 and 1155 Eglinton Avenue East, form part of a 24-hectare landholding commonly known as the Celestica site (see Attachment 2). At its January 6, 2014 meeting, the Government Management Committee directed City Staff to meet with officials representing 844 Don Mills Road to discuss the possibility of locating the replacement Don Mills Arena to the Celestica site. Representatives of Celestica engaged PF&R staff in discussions on the potential of their lands as a site for a replacement Don Mills Arena. These discussions resulted in an

April 2014 report to the Government Management Committee and ultimately, Council's direction for PF&R and City Planning staff to examine options for relocating the arena to the Don Mills Road and Eglinton Avenue East area. City Staff conducted a more detailed review of the Celestica site based on the planning objectives for the area, as well as the identification of any timing and funding implications that may occur. Community feedback obtained at a public open house held on May 25, 2016 was also taken into account.

The City is currently conducting a land use study (Don Mills Crossing) to help guide future growth for the area situated around the future Eglinton Crosstown transit stop located at Eglinton Avenue East and Don Mills Road. The Celestica lands fall within the study area boundary.

COMMENTS

At its July 2016 meeting, City Council approved, in principle, the relocation of the Don Mills Arena to 844 Don Mills Road (Celestica site). This approval is subject to a number of conditions identified in the report's Recommendation 1 and discussed further below. City Council also authorized staff to advance negotiations with the owners of the Celestica site and report back on the status of the conditions in the first quarter of 2017.

Recommendation 1 in the report from the General Manager, Parks, Forestry and Recreation, and the Chief Planner and Executive Director, City Planning, contained the following conditions. The current status of each condition is as follows:

- i. a comprehensive settlement being approved by the Ontario Municipal Board in relation to the landowner's Ontario Municipal Board appeal of Official Plan Amendment 231 (Economic Health Policies and the Policies, Designations and Mapping for Employment Areas);*

On May 20, 2016, the landowners submitted a settlement offer to the City and at its meeting of June 7, 2016, City Council adopted a report from the City Solicitor on the proposed settlement offer and appeal of Official Plan Amendment 231. The settlement designated a portion of the site as *Regeneration Areas* and included a Site and Area Specific Policy requiring a comprehensive planning framework prior to new development occurring. The Ontario Municipal Board heard the matter on June 20, 2016, and issued its Order on December 20, 2016. This condition has been addressed.

- ii. the owners of the Celestica site submitting a complete development application identifying an appropriate parkland block for an arena complex satisfactory to the General Manager, Parks, Forestry and Recreation in consultation with the Chief Planner and Executive Director, City Planning;*

On October 12, 2016, City received Official Plan Amendment, Zoning By-law Amendment and Plan of Subdivision applications. The City issued its Notice of Completion Application on November 18, 2016. At its January 11, 2017 meeting, Planning and Growth Management Committee adopted City Planning's Preliminary Report (Item [PG17.8](#)) on the applications and directed staff to review the applications

concurrently with the Don Mills Crossing Study. The appropriateness of the proposed block will be addressed through the review and approval of the application.

- iii. *the identification of an appropriate timeline and schedule satisfactory to the General Manager, Parks, Forestry and Recreation for the conveyance of suitable parkland for an arena complex to permit construction of a replacement facility that addresses the October 2020 closure of the current Don Mills Arena.*

The development applications for the Celestica site propose a new mixed-use community of residential, office, commercial, retail and recreational uses along with new public streets and parks. The site's redevelopment is proposed through a number of phases over several years. The site's comprehensive redevelopment will be subject to parkland dedication pursuant to Section 42 of the *Planning Act*. The lands required for construction of the arena qualify as parkland dedication and would be secured through the development approvals, and conveyed clean, free, and clear of encumbrances, at no cost to the City. Council has not yet made its decision with respect to these development applications and there is no written agreement in place to ensure the conveyance of these lands or the timing of the conveyance.

The Celestica site is currently an active manufacturing operation, as well as the corporate head offices for the company. The potential arena location is partially occupied by structures and below grade infrastructure associated with the site's central plant operations. The development consortium has indicated these uses will be relocated over time, but some of this relocation is tied to other site development timelines, including the construction of a new office building to replace the existing corporate headquarters. As a result, the applicant advises that the lands proposed to be conveyed to the City and used for the replacement arena facility are unlikely to be available until 2021 at the earliest. This is due to on-going employment activities occupying a large portion of the site.

In addition, the site's manufacturing history suggests that environmental remediation of lands may be required, which could result in additional time impacting the delivery of the new facility.

TIMING AND LOGISTICS

The Don Mills Arena at 1030 Don Mills Road is slated to be closed by October 2020. Preliminary discussions have begun with Cadillac Fairview to explore the possibility of a lease extension, beyond the October 2020 closing date, given the fact that the construction of the new arena will not be completed until several years after the current closing date.

A State of Good Repair Audit was conducted on the Don Mills Arena, in February 2017, to determine the viability of the arena's existing structure and infrastructure, and to provide information about whether the arena can function effectively and safely at least until October 2020. The results of the State of Good Repair Audit indicate that some necessary work is required (primarily for the repair of the roof) to keep the facility safely

operational until the current lease expires in October 2020. If a lease extension is granted beyond 2020, further investigations will be required to determine the financial implications with respect to maintenance costs and the state of good repair.

Timing of the Celestica Parkland Dedication

The development applications for the Celestica site are currently under review by the City. The development consortium for the Celestica site, through discussions with City Staff, have indicated that it is amenable to conveying the replacement arena lands in base park condition within the first quarter of 2021 (although there is no signed agreement to this effect). This date is predicated on a number of factors, one of which is that the development application must receive Council approval by the end of 2017. Additionally, the lands would only be dedicated to the City after the building that is currently located on that parcel has been demolished and the soils of the proposed parkland dedication have been tested and remediated if necessary. If the City receives the parkland conveyance by the first quarter of 2021, the two pad arena should be constructed by 2024, barring any setbacks or complications. The timing and schedule presented by the development consortium for the Celestica site is generally acceptable to the General Manager of Parks, Forestry and Recreation.

Don Mills Arena Programming Relocation Strategy

City Staff anticipate that despite all efforts there may be a gap, of approximately four years, between the current closing date of the existing Don Mills Arena and the construction of the new two pad arena.

In accordance with PF&R's Ice Allocation Policy, groups will be relocated in the following priority:

1. Recreation Programs (Programs offered by the PFR Division)
2. Community Youth (House leagues)
3. Competitive Youth (GTHL and NYHL games and team practices)
4. Competitive Junior Hockey
5. Community Adult (Leagues and pick-up games)
6. Commercial (Hockey Schools)

The ice allocation policy sets out a formula to determine the weekly number of prime time hours to which each organization is entitled. The formula proportionately assigns available ice time by considering the user category and number of City of Toronto residents registered in each organization. Non-prime time ice is not allocated using the policy because there is very little competition for space. There will be minimal impact to daytime users.

The relocation strategies will keep PF&R instructional programming and the youth house league hockey programs within the local area by relocating as many as possible to arenas within a 5-6 km radius of Don Mills Arena.

CONCLUSION

The Celestica site development consortium has indicated that the parkland, where the two pad replacement arena may be located, is to be conveyed to the City within the first

quarter of 2021. As a result, the new facility will not be constructed before the current lease for Don Mills Arena expires in October 2020. This timing is predicated on a number of assumptions including City Council's approval of the development applications and the execution of an agreement to bind the owner in terms of the conveyance.

Discussion regarding a lease extension for Don Mills Arena beyond the October 2020 closing date continue, however, there is a possibility that there may be a service gap between the closure of the existing arena and the opening of the new replacement arena. The Don Mills Arena Programming Relocation Strategy addresses these concerns as City Staff will attempt to mitigate any lost ice time.

The General Manager of PF&R is satisfied with the current proposed timeline and schedule outlined in this report concerning the conveyance of suitable parkland for an arena complex, and the projected construction date of the replacement arena and will explore further options that would serve to ensure that the conveyance occurs on satisfactory terms.

CONTACT

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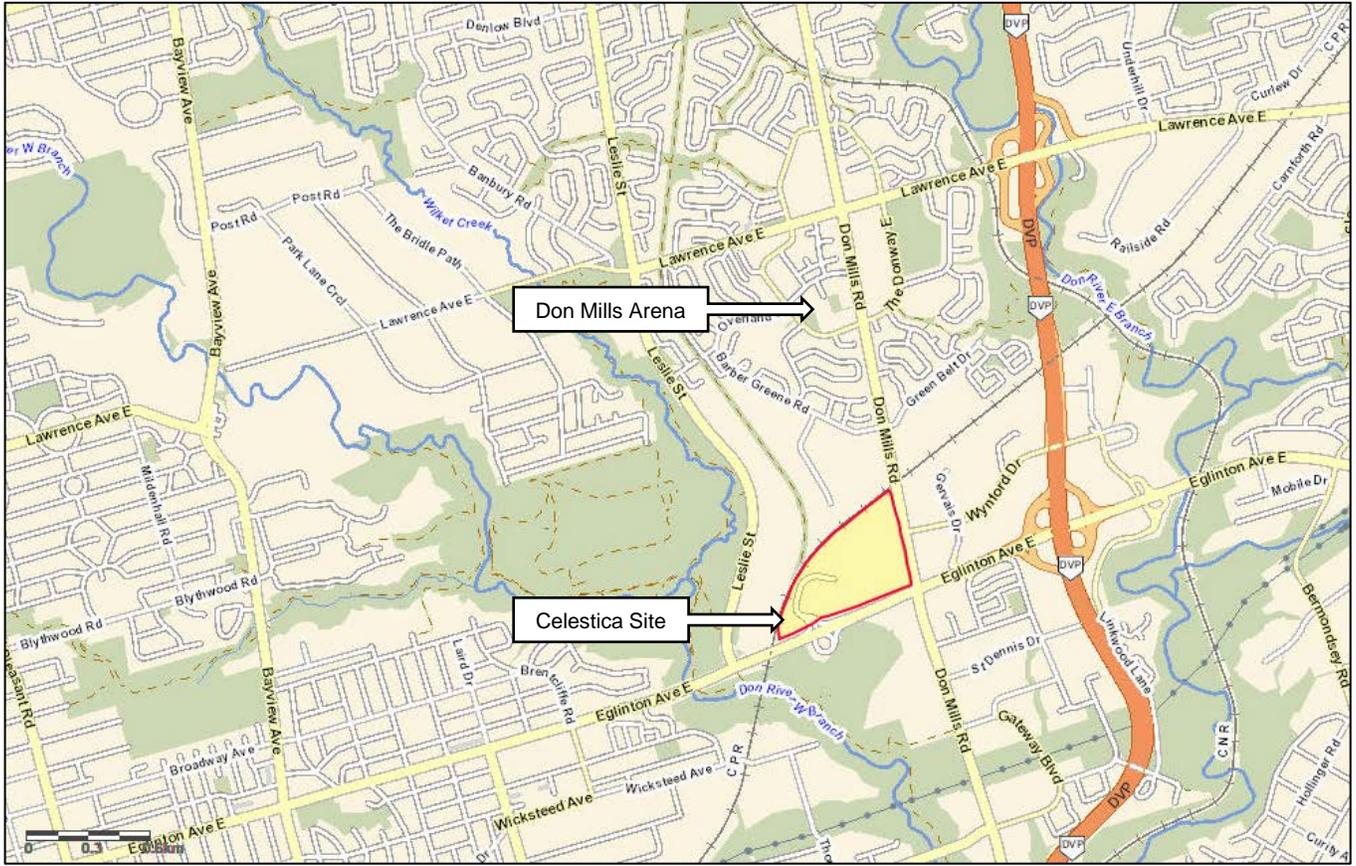
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Janie Romoff
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Attachment 1: Context Map of Don Mills Civitan Arena and the Celestica Site
Attachment 2: Celestica Site – 844 Don Mills Road and 1150 Eglinton Avenue East

Attachment 1: Context map of Don Mills Civitan Arena and the Celestica Site



Attachment 2: Celestica Site – 844 Don Mills Road and 1150 Eglinton Avenue East

