



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Opportunity to Create New City Park at 105 Spadina Avenue and 363 Adelaide Street West

Date: July 13, 2020

To: The Board of Directors of CreateTO

From: CEO, CreateTO

Wards: 10 - Spadina-Fort York and Ward 11 - University-Rosedale

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed acquisition and disposition of land by the Board of Directors of CreateTO.

SUMMARY

The purpose of this report is to receive feedback and direction on the proposed terms of a transaction involving two City-owned properties at 105 Spadina Avenue and 363 Adelaide Street West, and the privately owned property at 101 Spadina Avenue, owned by Devgreat Inc.. The City-building benefits of this transaction are to create a new 1,000 m² public park, to significantly increase public parking on this site and to generate additional funds to be used for affordable housing.

As currently proposed, the transaction contemplates the disposition of a portion of the City-owned surface parking lots at 105 Spadina Avenue and 363 Adelaide Street West to Devgreat Inc., the Owner of the adjacent property at 101 Spadina Avenue.

Following the proposed disposition, the combined properties will be redeveloped by Devgreat Inc. into a mixed-use high-rise development and at a minimum 1,000 m² stratified public park. Public and private parking will be constructed below-grade under both the proposed development and the new city-park. The height of the development and mix of residential and non-residential gross floor areas are still to be finalized through the planning approval process.

Following the completion of the project, Devgreat Inc. will convey to the City the 1,000 m², rectangular public park at the corner of Spadina Avenue and Adelaide Street West, and a minimum of 70 below grade parking stalls constructed to TPA standards.

Lastly, all additional remaining proceeds from this transaction are to be used by CreateTO and the Housing Secretariat to acquire an estimated 25-30 affordable housing units in the area, with specific focus on potential affordable housing opportunities at the City-owned properties 35 Bellevue Avenue and 15 Denison Avenue.

RECOMMENDATIONS

The Chief Executive Officer, CreateTO recommends that:

1. The Board of Directors of CreateTO authorize the Chief Executive Officer in consultation with the Executive Director, Corporate Real Estate Management, the President of the Toronto Parking Authority and the General Manager, Parks, Forestry and Recreation (PFR) to negotiate with Devgreat Inc. the disposition of the properties known legally as 105 Spadina Avenue and 363 Adelaide Street West and identified as Parcel A in Appendix A (1,249 m² in size) substantially in accordance with the terms outlined in Confidential Attachment 1, and on the condition of the acquisitions described in Recommendations 2 and 3.
2. The Board of Directors of CreateTO authorize the Chief Executive Officer in consultation with the Executive Director, Corporate Real Estate Management, the President of the Toronto Parking Authority and the General Manager, Parks, Forestry and Recreation to negotiate with Devgreat Inc the acquisition of a portion of the properties known legally as 101 Spadina Avenue, 105 Spadina Avenue and 363 Adelaide Street West (1,000 m² in size) for use as a future public park, and as identified as Parcel A in Appendix B. substantially in accordance with the terms outlined in Confidential Attachment 1 and conditional upon the disposition described in Recommendation 1.
3. The Board of Directors of CreateTO authorize the Chief Executive Officer in consultation with the Executive Director, Corporate Real Estate Management, the President of the Toronto Parking Authority and the General Manager, Parks, Forestry and Recreation to negotiate with Devgreat Inc. the acquisition of strata title to a minimum of 70 underground parking spaces located on a portion of the properties known legally as 101 Spadina Avenue, 105 Spadina Avenue and 363 Adelaide Street West, for the future use of the Toronto Parking Authority, at a purchase price as outlined in Confidential Attachment 1 and conditional upon the disposition described in Recommendation 1.
4. The Board of Directors of CreateTO authorize the Chief Executive Officer to work with the Executive Director, Corporate Real Estate Management and the Executive Director, Housing Secretariat to ensure that all net proceeds remaining from this transaction following the acquisition of the public park and Toronto Parking Authority underground parking spaces, are allocated to the acquisition of affordable housing units in the area.

5. The Board of Directors of CreateTO authorize the public release of Confidential Attachment 1 following the closing of any purchase transaction.
6. The Board of Directors of CreateTO direct the Chief Executive Officer to work with the Executive Director, Housing Secretariat on a plan to redevelop the properties located at 15 Denison Avenue and 25 Bellevue Avenue and to report back to the Board in 3rd quarter 2020 with a development plan, and that consideration be given to selecting a not-for-profit partner as the development partner for both of these properties;
7. The Board of Directors of CreateTO direct the Chief Executive Officer to work with the President of the Toronto Parking Authority and General Manager, Transportation Services to locate on street replacement parking which contemplates the loss in surface parking from both 15 Denison Avenue and 25 Bellevue Avenue
8. The Board of Directors of CreateTO forward this report to Toronto Parking Authority Board for information.

FINANCIAL IMPACT

The detailed financial terms of the proposed transaction are outlined in Confidential Attachment 1.

It is expected that the proceeds from the land sale would provide sufficient funds to finance the acquisition of the new public park, constructed to base park condition, and the acquisition of 70 fully constructed, underground parking spaces. The remaining proceeds from the transaction are to contribute to future affordable housing opportunities that are currently being explored at 35 Bellevue Avenue and 15 Denison Avenue. The only additional funding required from the City of Toronto in relation to this transaction is funding from PFR for the construction of the new city park from base park condition.

DECISION HISTORY

At its meeting of July 23, 2018, City Council adopted MM44.93 – "15 Denison Avenue - Exploring Affordable Housing and Cultural Animation Opportunities". Council requested that the Director, Real Estate Services, the Director, Affordable Housing Office, the Interim Chief Financial Officer, the Transition Lead of CreateTO and the Chief Planner and Executive Director, City Planning to explore affordable housing and cultural animation opportunities for 15 Denison Avenue, as an independent and/or joint development opportunity and report back in second quarter of 2019 with a conceptual design and feasibility plan. The City Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM44.93>

At its meeting of July 4, 2018, Toronto and East York Community Council adopted TE34.18 - "Visioning for 25 Bellevue Avenue Toronto Parking Authority Parking Lot". Council requested the Acting Director, Community Planning, Toronto and East York District, to undertake a visioning process, in consultation with CreateTO, the Affordable Housing Office, and other City divisions and agencies as needed, to consider potential city-building opportunities regarding the 25 Bellevue Toronto Parking Authority Parking Lot, in consultation with the Ward Councillor, Kensington Market Land Trust, and local community. The Community Council Decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE34.218>

COMMENTS

The properties located at 105 Spadina Avenue and 363 Adelaide Street West are currently owned by the City of Toronto and operated by the Toronto Parking Authority (TPA). The two properties together form an L-Shaped contiguous property which is 1,249 m² in size and currently contains a 36 space, surface parking lot operated by the TPA, as shown in Appendix A. The adjoining property at 105 Spadina Avenue is currently owned by Devgreat Inc. and contains a 2-storey retail building.

As currently proposed, the transaction contemplates the disposition of a portion of the City-owned surface parking lots at 105 Spadina Avenue and 363 Adelaide Street West to Devgreat Inc., the Owner of the adjacent property at 101 Spadina Avenue.

The combined properties will then be redeveloped by Devgreat Inc. in accordance with a Development Agreement to be executed with the City, which shall include a minimum 1,000 m² stratified public park and a mixed-use high-rise development that will contain both public and private parking below-grade, including a minimum of 70 TPA operated parking stalls. The height of the development and mix of residential and non-residential gross floor areas are still to be finalized through the planning approval process.

Following the completion of the project, Devgreat Inc. will convey to the City the 1,000 m², rectangular public park at the corner of Spadina Avenue and Adelaide Street West, as shown in Appendix B. This park is to be constructed to base park condition by Devgreat Inc., and the above base park improvements are to be designed and built out by Parks, Forestry and Recreation (PFR). The proposed public park will be constructed above public and private below-grade parking. Working in conjunction with PFR to minimize any potential impact on the proposed park, this transaction proposes a deeper than normal parking structure with a minimum of 3 m of soil coverage above the majority of the parking structure, with the exception of a portion of the ramp area.

This report seeks Board approval to finalize terms of the transaction with Devgreat based substantially in accordance with the terms outlined above and in Confidential Attachment 1. Subject to the approval of the recommendations contained within this report and finalization of the terms of the transaction, an Agreement of Purchase and Sale, a Development Agreement, a Reciprocal Cost Sharing Agreement and a Lease or

License Agreement will be drafted in conjunction with Corporate Real Estate Management, City of Toronto Legal Services and Parks, Forestry and Recreation.

As mentioned previously, the additional proceeds to be received by the City from Devgreat Inc. as part of the proposed transactions described above, are to be allocated towards 25-30 additional potential affordable housing developments in the area such as 25 Bellevue Ave and 15 Denison Ave. Both of these properties are City-owned and both are currently being operated by the TPA for public parking. 25 Bellevue Ave (Carpark 71) located in Ward 11 - University-Rosedale, contains 91 parking spaces while 15 Denison Ave (Carpark 106) located in Ward 10 - Spadina-Fort York, contains 120 parking spots. Both properties have been identified through City Council and/or Toronto East York Community Council as having City-building potential to provide affordable housing. CreateTO, along with City Planning, and Housing Secretariat, have initiated preliminary discussions and analysis of potential development on these two sites. CreateTO will continue these discussions and produce further analysis in order to report back to their Board.

Pending Board approval of the recommendations contained within this report, the Toronto Parking Authority will also seek Toronto Parking Authority Board approval to proceed with the terms of this transaction

Subsequently, it is then intended that the Executive Director, Corporate Real Estate Management will report to the General Government and Licensing Committee to seek City Council approval to enter into the Agreement of Purchase and Sale, Development Agreement, Reciprocal Cost Sharing Agreement and Lease or License Agreement.

CONTACT

Don Logie, Senior Vice President, Development, (416) 981-2896, dlogie@createto.ca

Nick Simos, Director, Portfolio Execution, (416) 981-3779, nsimos@createto.ca

Peter Harron, Director, Development, (416) 981-3883, pharron@createto.ca

SIGNATURE

Brian Johnston
Chief Executive Officer

ATTACHMENTS

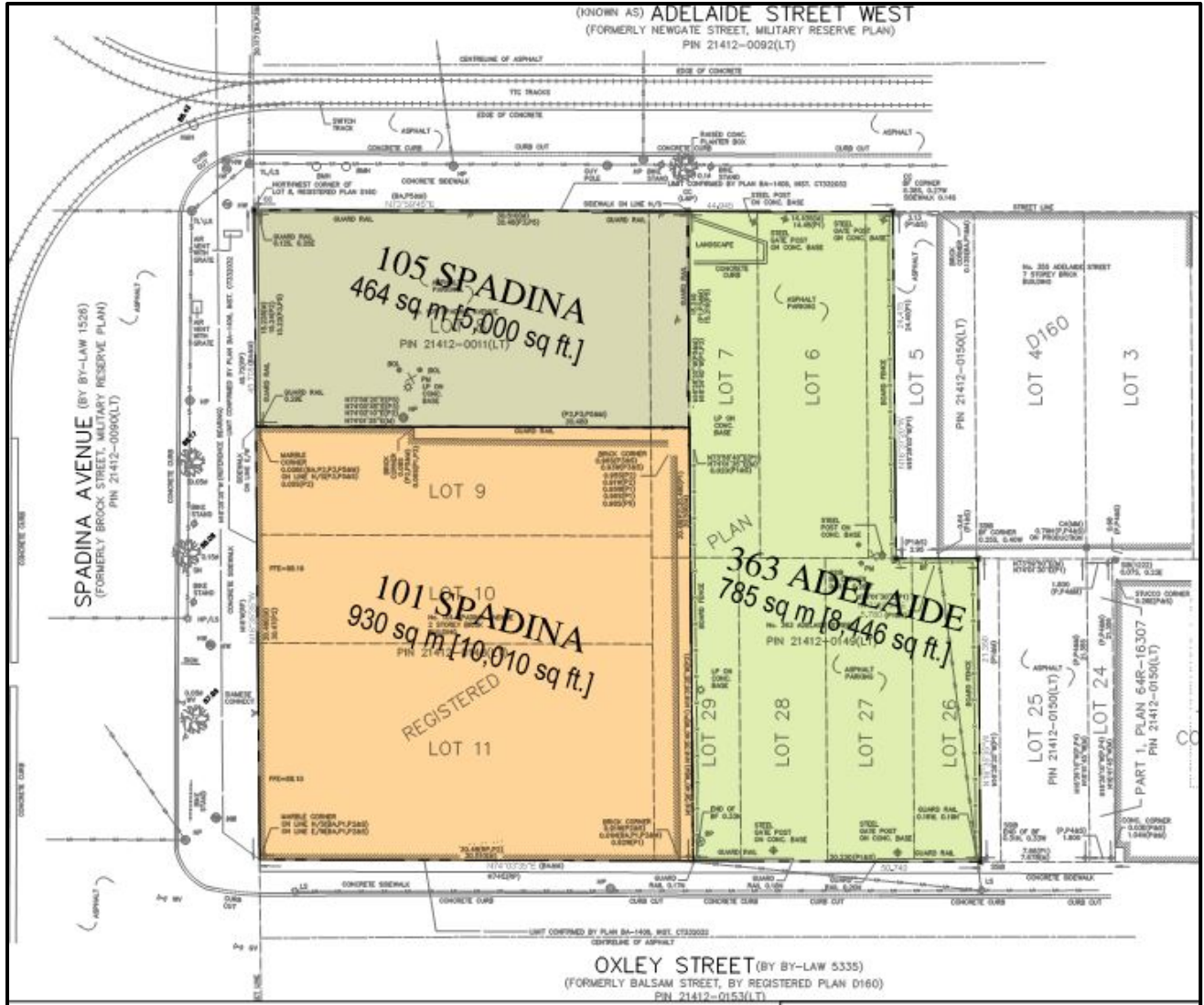
Appendix A - Properties to be Transacted

Appendix B - Proposed Ownership Post-Transaction

Confidential Attachment 1 - Terms and Financial Summary of Transaction

Appendix A

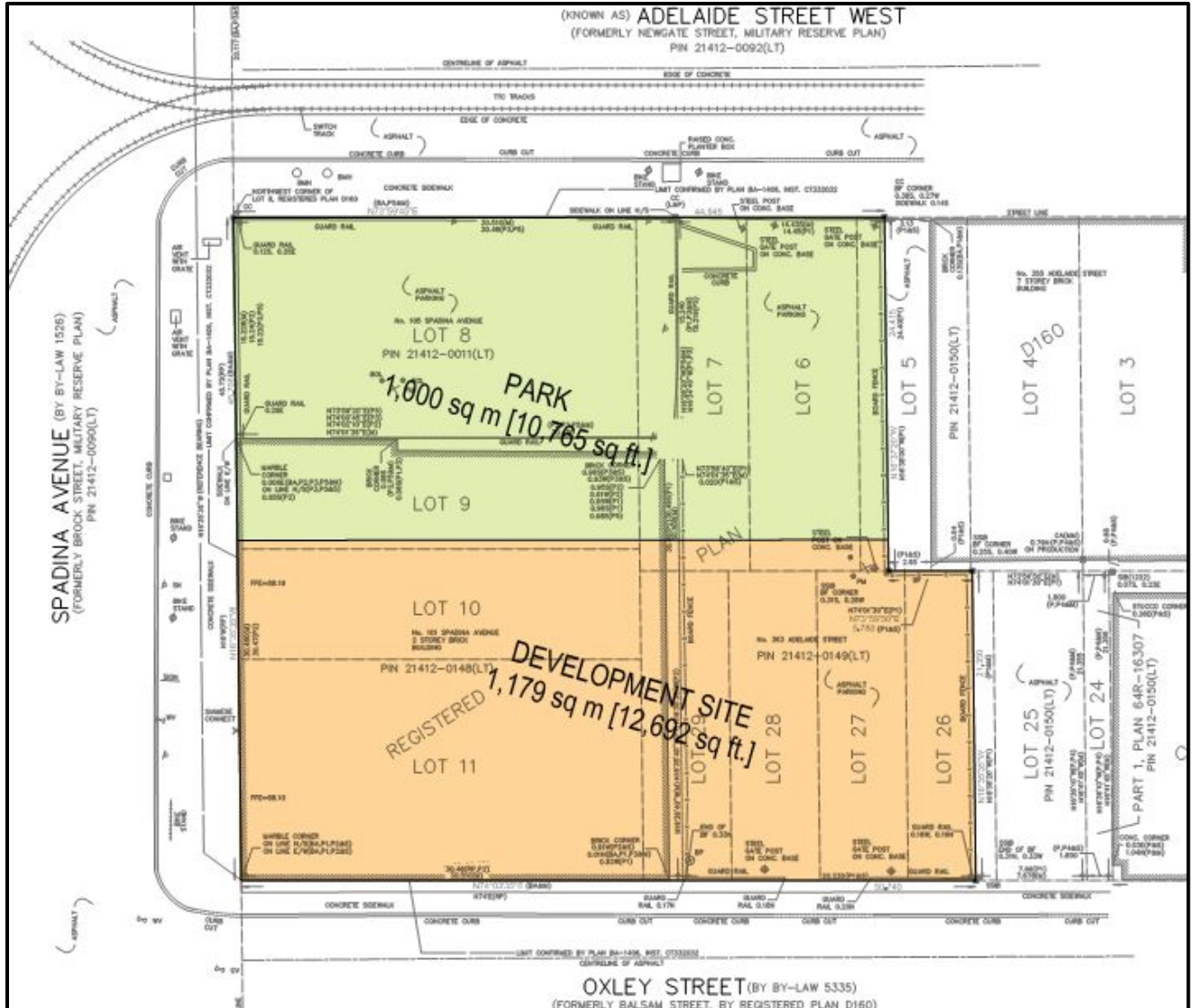
PROPERTIES TO BE TRANSACTED



- 105 Spadina - City of Toronto Ownership
- 363 Adelaide - City of Toronto Ownership
- 101 Spadina - Devgreat Inc. Ownership

Appendix B

Proposed Ownership Post-Transaction



- Proposed City of Toronto Ownership
- Proposed Devgreat Inc. Ownership