

**Parkdale Hub Project - 1303, 1313 and 1325 Queen  
Street West and 220 Cowan Avenue**

**Date:** April 27, 2021

**To:** The Board of Directors of CreateTO

**From:** Vice President, Land and Development Planning, CreateTO

**Wards:** Ward 4 - Parkdale-High Park

**REASON FOR CONFIDENTIAL INFORMATION**

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The attachments to this report (i) deal with a proposed or pending acquisition or disposition of land by the City of Toronto, and (ii) are about a position, plan, or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto.

**SUMMARY**

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The purpose of this report is to introduce the Parkdale Hub project to the Board of CreateTO and to advise of the ongoing work that CreateTO staff are leading, at the direction of City Council, to advance city-building opportunities through the Parkdale Hub project feasibility study.

This project was initiated through a Motion to Council in 2017 which directed the three Deputy City Managers to convene an inter-divisional agency table to determine the feasibility of a coordinated plan for the City-owned properties located at 1303, 1313 Queen Street West and 220 Cowan Avenue. The facilities at each of these properties are in need of significant capital investment over the next ten years in order to maintain their state of good repair. This provides a unique opportunity to plan and build the City's assets in a coordinated manner, leveraging existing adjacencies to create spaces that more efficiently and effectively serve the Parkdale community.

Since 2017, CreateTO staff have been collaborating with a wide range of City divisions and agencies on a feasibility study that assesses the potential redevelopment of these sites to better serve the Parkdale community, which has been designated by City Council as a Neighbourhood Improvement Area.

In December 2019, pursuant to a report on the findings of the Phase 1 feasibility study, City Council directed CreateTO to lead Phase 2 of the Parkdale Hub feasibility study. This project represents a strong opportunity for CreateTO to lead a transformational city-building initiative that will deliver wide-ranging social, cultural and economic benefits to the Parkdale community, including:

- The creation of new affordable housing;
- The revitalization and expansion of a Community Recreation Centre;
- The reconstruction and expansion of the Parkdale Library branch;
- The ongoing delivery of Artscape’s cultural hub program, which includes affordable live-work residences for artists;
- The creation of new community space and design elements that will strategically connect programs, services and people – creating an integrated “Hub”; and
- Significant enhancements to the public realm through the adaptive re-use of heritage buildings and improved connectivity with the adjacent properties.

CreateTO staff are mid-way through the completion of the Phase 2 feasibility study scope of work, which is outlined further in this report. Further to the Council direction received in the staff report dated December 2019, it is recommended that the Board forward this report to Council's Executive Committee as a Phase 2 update report. Staff will report back to CreateTO Board and Council in Q4 2021 with a final report on the Phase 2 feasibility study, including a business case.

## **RECOMMENDATIONS**

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The Vice President, Land and Development Planning recommends that:

1. The Board of Directors of CreateTO forward this report, including the Confidential Attachments, to Executive Committee for information with the request that the Committee maintain the confidentiality of Confidential Attachments 1 and 2 until released by the Board of Directors of CreateTO.
2. The Board of Directors of CreateTO authorize the public release of Confidential Attachments 1 and 2 following the closing of all purchase and/or sale and/or transaction(s).

## **FINANCIAL IMPACT**

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There is no additional financial impact to CreateTO arising out of the recommendations in this report. Resources required to support this project are being allocated from the current staffing complement and are part of the approved operating budget. Consultant costs are being recovered from Corporate Real Estate Management and the Housing Secretariat through approved City budgets.

## DECISION HISTORY

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On March 28 and 29, 2017, City Council adopted motion MM27.3 and requested the three Deputy City Managers to convene an interdivisional agency table, including: Parks Forestry and Recreation, the Toronto Public Library, Shelter Support and Housing Administration, City Planning, Economic Development and Culture, the Toronto Parking Authority, the Affordable Housing Office, Build Toronto, Toronto Public Health, Real Estate Services, and Social Development Finance and Administration to determine the feasibility of a coordinated City plan for City owned properties located at 1313, 1303 Queen Street West and 220 Cowan Avenue:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.MM27.3>

On December 17, 2019, City Council adopted report EX11.6 "Parkdale Hub Project - Feasibility Study", which provided an overview of the findings and recommendations arising from the Phase 1 feasibility study for the Parkdale Hub project. Based on these findings and recommendations, Council directed CreateTO to lead and collaborate with City Real Estate Management, Parks, Forestry and Recreation, Toronto Public Library, Housing Secretariat, and Toronto Parking Authority in Phase 2 of the Parkdale Hub feasibility study. This report identified a preferred massing concept for the Parkdale Hub site, which included the opportunity for a strategic land assembly to further enhance programming opportunities, including additional affordable housing. Council authorized staff to initiate negotiations for the strategic land assembly, and directed staff to follow the guiding principles of the Housing Now Initiative in the implementation of the Parkdale Hub project:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX11.6>

On February 18, 2021, City Council adopted EX21.2 "2021 Capital and Operating Budgets". This included the adoption of the 2021-2030 Capital Plans for Parks, Forestry and Recreation, Toronto Public Library and Corporate Real Estate Management, each of which allocated capital funding towards the Parkdale Hub project over the next ten years. The adoption of this report also enabled the allocation of \$639,400 from the Housing Secretariat's budget towards the costs of undertaking Phase 3 of the Parkdale Hub project in 2022 and 2023, if directed to do so by City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX21.2>

## COMMENTS

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### Project Background

#### Council Direction and Vision

The Parkdale Hub project feasibility study was initiated in 2017 through a Motion to Council brought forward by the local councillor, Councillor Gord Perks. The Motion requested the three Deputy City Managers to convene an inter-divisional agency table to determine the feasibility of a coordinated City Plan for the City-owned properties located at 1303, 1313 Queen St. W. and 220 Cowan Ave., in the heart of the Parkdale community. CreateTO, within the context of the City-wide Real Estate Model, convened the interdivisional agency table and lead a series of workshops with City stakeholders,

community agencies and the broader Parkdale community throughout 2017, 2018 and 2019 to establish a shared vision for a revitalized and expanded community hub in Parkdale.

This vision included the following key principles:

- Current programs on site must continue to be accommodated through renovated or newly constructed space;
- New spaces should be created to meet the demand for enhanced programs and services in the Parkdale community;
- New affordable housing should be integrated in the Hub; and
- City owned spaces and services should be coordinated and collocated, creating a cohesive "Hub".

CreateTO played an essential role in anchoring this vision to the core principles of the City-wide Real Estate Strategy - ensuring that the proposed approach to the redevelopment of these sites maximizes the value of City assets, while balancing city building objectives, service requirements and financial drivers. This work aligned strongly with CreateTO's foundational mandate to bring a City-wide lens to the development of real estate solutions that are innovative in their approach and effective in their design and delivery

This vision for the Parkdale Hub site was presented to City Council in December 2019, at which time Council directed CreateTO to proceed with Phase 2 of the feasibility study. Council also requested that 1303 Queen Street West be included in a future Phase of Housing Now properties to be considered by Council, and directed staff to follow the guiding principles of the Housing Now Initiative in the implementation of the Parkdale Hub project, by paying specific regard to the Housing Now policy direction set forth by Council.

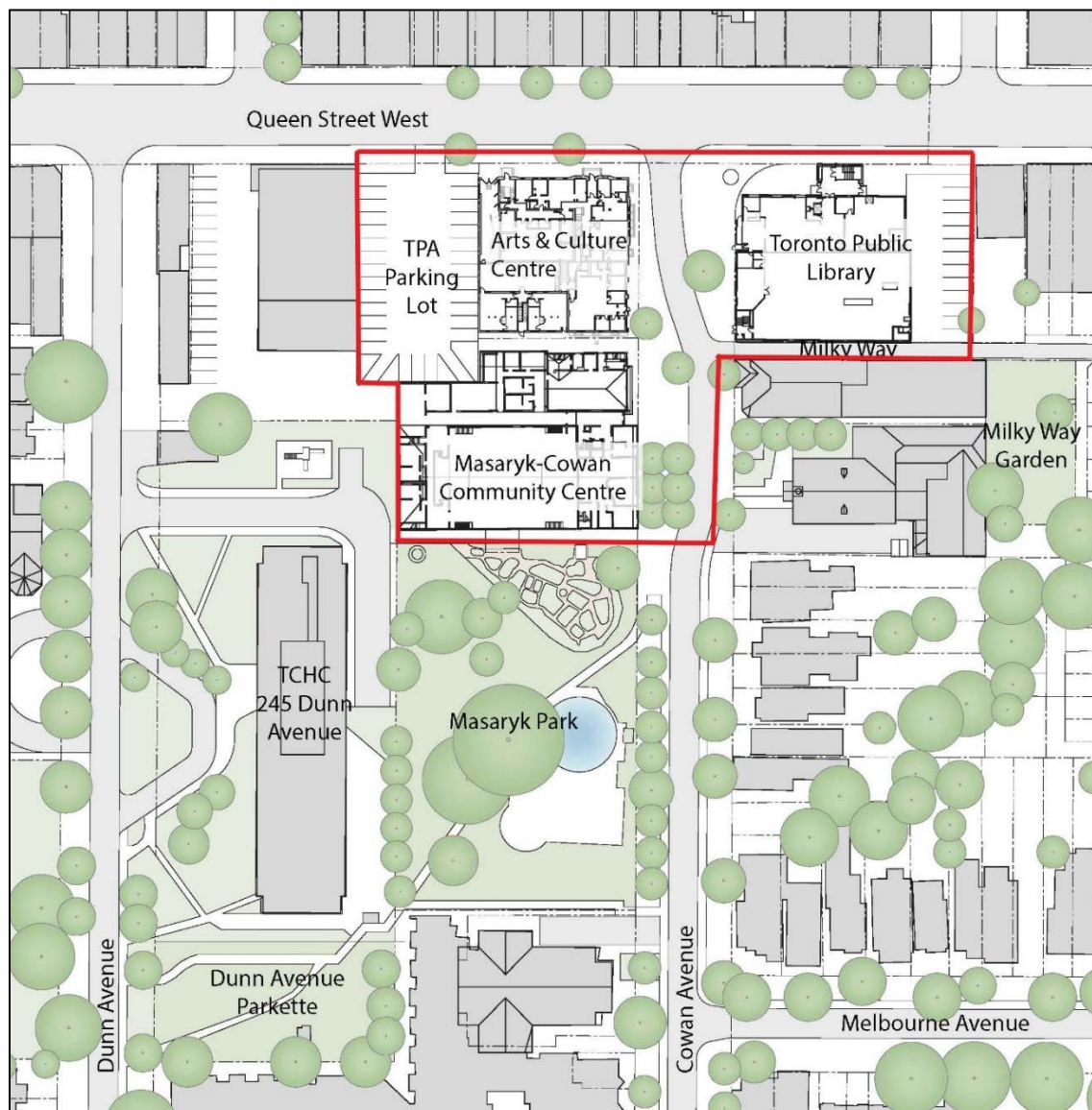
## Site Overview

The core of the Parkdale Hub site is comprised of City-owned properties located on the south side of the intersection of Queen Street West and Cowan Avenue, as identified in Table 1 and Figure 1.

Table 1: Parkdale Hub Site

<i>Address</i>	<i>Current Program</i>	<i>Operator</i>
1303 Queen Street West	Parkdale Library	Toronto Public Library
220 Cowan Avenue	Masaryk-Cowan Community Recreation Centre	Parks, Forestry & Recreation
1313 Queen Street West	Parkdale Arts & Culture Centre (artists' residence and community agency space)	Toronto Artscape Inc. (below-market lease with CREM)
1325 Queen Street West	Municipal Carpark 158	Toronto Parking Authority

Figure 1: Parkdale Hub Site and Context



## Design Concept

### Phase 1 - Preferred Massing Concept

The first phase of this project (2017 - 2019) included the completion of the following work program:

- Preliminary due diligence investigations;
- Vision development with City divisions and agencies, including programs currently operating on site and those with a City-wide mandate (such as the Social Development, Finance and Administration division and Toronto Public Health);
- Community engagement, including meeting with targeted stakeholder groups, public town hall meetings and questionnaires; and
- Conceptual design & massing study to identify possible approaches to redevelopment.

Further to the direction provided in the 2017 Council Motion, in 2018 CreateTO engaged DTAH Architects through a competitive procurement process to complete a conceptual design and massing study. All Phase 1 work, including the conceptual design and massing study, was funded through Corporate Real Estate Management ("CREM"); CREM also administered the Phase 1 budget. DTAH prepared a series of massing options for the City lands, with a view towards optimizing the ability of the site to achieve the numerous programmatic objectives identified by the interdivisional agency table and other stakeholders. DTAH was supported by heritage specialists, ERA Architects, who provided direction with regard to the listed and designated heritage resources on site.

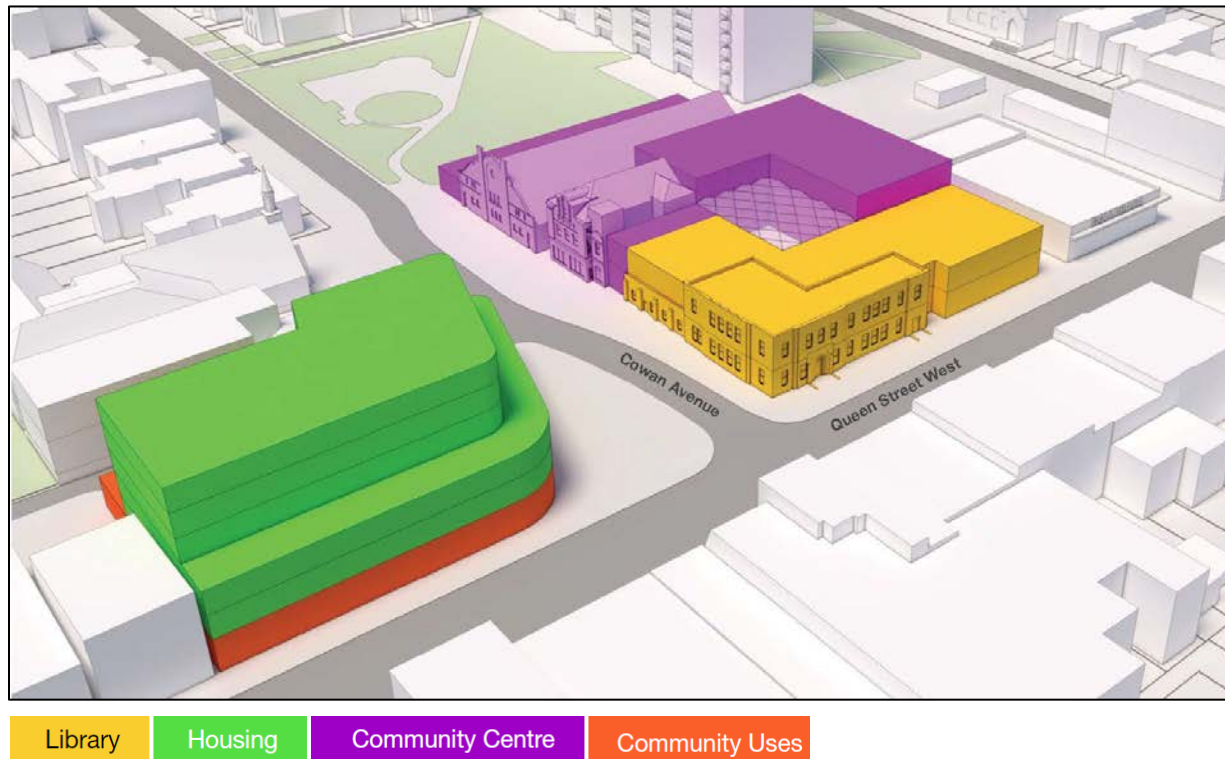
The consultant team was directed to examine for the core City-owned properties that comprise the Parkdale Hub site (see Figure 1), within the context of a broader "Study Area". This Study Area included additional City-owned lands to the south (Masaryk Park) and southwest (Dunn Avenue Parkette, and 245 Dunn Avenue - Toronto Community Housing Corporation (TCHC) residence) of the Hub site. These contextual properties are outside the scope of the Parkdale Hub project, but opportunities for potential site enhancements and connectivity will be identified on an ongoing basis.

DTAH's final report included four conceptual massing options, each demonstrating a different approach to accommodating the desired program mix on site. The four conceptual massing options were refined and critically evaluated using the following criteria:

- Planning policy context;
- Site conditions and constraints;
- Heritage considerations;
- Design principles;
- Programming requirements;
- Project vision statement and guiding principles;
- Preliminary pro forma analysis; and
- Community and stakeholder feedback

Based on this analysis, a preferred massing concept emerged (see Figure 2), and was endorsed by City Council through the 2019 report.

Figure 2: Preferred Massing Concept, Phase 1



### Opportunity for Strategic Acquisition

At the direction of the project team and City stakeholders, in Phase 1 DTAH also explored massing concepts that included the possible incorporation of a neighbouring privately-owned property (the "Additional Property"), should a strategic acquisition of the Additional Property be pursued. The purpose of this analysis was to assist staff and Council with assessing the potential value of a land assembly that could enhance programming opportunities for the Parkdale Hub project, given the significant demand for community programs, services and affordable housing in the Parkdale community.

The address of the Additional Property was identified to Council in a Confidential Attachment to the 2019 report, and it is identified in Confidential Attachment #2 to this report. Through the 2019 report, Council authorized staff to initiate negotiations for the acquisition of the Additional Property for affordable housing purposes as part of the Parkdale Hub project, on the basis that any resulting transaction would be subject to approval by Council with a report that identifies budgeted funds being available for such purposes. Through CREM's 2021 - 2030 Capital Plan, Council allocated a budget for the acquisition of the Additional Property in 2022, pending final Council authorization of the negotiated transaction.

The preferred massing concept identified in the 2019 report to Council included the option to incorporate the Additional Property. The expanded massing concept that reflects this land assembly can be found in the Confidential Attachment to this report.

## Phase 2 Work Plan

The second phase of this project was initiated in Q2 2020, and is ongoing. CreateTO's work plan for this phase includes:

- *Advancing design, based on preferred massing concept*  
A design team lead by DTAH Architects is currently developing the design to a stage appropriate for submitting a rezoning application. Their scope of work includes the preparation of two design options - one with the Additional Property and one without.
- *Construction phasing strategy*  
DTAH's scope of work includes recommending an approach for phasing the construction of the Parkdale Hub project in a way that minimizes disruption to existing programs and residents, mitigates negative impacts of construction on the neighbourhood, and facilitates project financing.
- *Acquisition negotiations*  
The Corporate Real Estate Management division is leading outreach and negotiations with the owner(s) of the Additional Property
- *Business plan*  
A third-party costing analysis will be completed in Q3 2021, following the completion of DTAH's design work for this phase of the project. Staff will report to the Board and City Council with a business plan that identifies any available opportunities to leverage external funding sources, with an understanding that the balance of the budget will require City funding to be secured through the annual budget process.
- *Environmental studies*  
Phase 1 and 2 Environmental Site Assessments, Hydrogeological and Geotechnical reports.
- *Community engagement*  
Engaging the diverse communities within Parkdale, with a particular focus on current tenants and users of the facilities within the Parkdale Hub site.
- *Programming model*  
Refining the replacement requirements of existing programs on the site, and working with community stakeholders and City agencies and divisions to develop a programming model for new community space that is created at 1303 Queen St. West and/or the Additional Property.
- *Operations and collaboration framework*  
Supporting programming divisions, agencies and community partners to establish core principles that will govern program colocation at the Hub.

Council directed CreateTO to work with an architectural team to advance the design for the Parkdale Hub site, based on the preferred massing concept, with a view to initiating a rezoning process for the site. In spring 2020 CreateTO re-engaged DTAH Architects through a competitive procurement process.

DTAH continues to work with CreateTO to maximize what can be achieved with the project lands through program colocation, through the thoughtful introduction of additional massing, and through creative place-making solutions. This work includes extensive collaboration with Heritage Preservation Services and City Planning, who received direction through the 2019 report to work with CreateTO to explore



opportunities for increasing the density of affordable housing on the City-owned lands that comprise the Parkdale Hub site as well as on the Additional Property.

Figure 3: Demonstration Plan, Aerial View Looking South Along Cowan Ave.



CreateTO staff will report back to the Board in Q4 2021 with the final results of the Phase 2 feasibility study, including the advanced design work. The current design concept (see Figure 3) envisions the colocation of expanded Masaryk-Cowan Community Recreation Centre and Parkdale Library programs on the combined lands east of Cowan Ave. Through the thoughtful adaptive reuse of the heritage buildings on this site, new programming spaces and natural light can be introduced to both programs. On the City lands east of Cowan Ave. a new 6-storey affordable housing project (approximately 62 units) is envisioned with community uses, including the relocated Parkdale Arts & Culture Centre program, at grade. This design is preliminary, and will continue to evolve during Phase 2 based on stakeholder and public feedback and the ongoing pursuit of program efficiencies.

The current design for the Additional Property can be found in Confidential Attachment #2. The concept shown in Figure 3 has been designed to function either independently or cohesively with the Additional Property.

## Housing Now

Through the 2019 Parkdale Hub Project - Feasibility Study report, Council requested that 1303 Queen Street West be included in a future Phase of Housing Now properties to be considered by Council, and directed staff to follow the guiding principles of the Housing Now Initiative in the implementation of the Parkdale Hub project, by paying specific regard to the Housing Now policy direction set forth by Council. The Additional

Property, if acquired, could also be considered as a potential Housing Now property, based on the massing concept shown in Confidential Attachment #2.

The City's Housing Secretariat has been working closely with CreateTO to review the affordable housing opportunities presented by the Parkdale Hub project, and the team are pursuing a development approach based on a partnership with a community non-profit housing group. In this case, a competitive call for a non-profit developer, or a non-profit led partnership, would be managed by the Housing Secretariat. 1303 Queen Street West and the Additional Property could either be marketed together or separately.

### **Parking**

An underutilized below-grade parking garage at the adjacent TCHC property (245 Dunn Ave.) has been identified as a strategic opportunity to secure parking requirements for the Parkdale Hub project. This property was part of the contextual "Study Area" of first phase of the project, and staff have had ongoing discussions with TCHC about this opportunity to revitalize and enhance the use of the TCHC garage. The garage has 384 parking spaces, approximately 20% of which are required by TCHC staff and residents on an ongoing basis. The garage is in need of structural repairs, which TCHC will be undertaking in the next two to three years. City Planning and Transportation Services have indicated that they would be supportive of this "off-site" approach to parking provision for the Parkdale Hub project.

### **Climate Change Initiatives**

On July 23, 2020, a CreateTO Board motion was passed to ensure that all future CreateTO projects meet or exceed the Toronto Green Building Standard Version 3, Tier 2, and that all future reports list opportunities to address climate change and city building. TransformTO is Toronto's climate action strategy adopted by Council in 2017. In 2019, Council declared a Climate Emergency and Acceleration Action Plan towards net-zero emissions by 2050 or earlier. CreateTO, in support of TransformTO, will collaborate with the City's Environment and Energy Division on an ongoing basis, reviewing projects such as the Parkdale Hub project for TransformTO alignment and implementation opportunities. There is significant opportunity for reduction of existing and future emissions associated with the City's real estate portfolio throughout the asset management lifecycle, helping to reduce environmental impact, lower long-term operating costs, stimulate the green economy and produce more resilient operations and facilities.

### **Business Plan**

The Parkdale Hub project will continue to advance through the City Council's stage-gating process for Major Capital Projects, which recognizes the complexity of estimating the budget impacts of such projects over multiple years, and allows for Council approval of the project and the forecast budget at each phase of design.

To date, City Council has allocated significant capital funding towards project elements in the City of Toronto **2021 - 2030 Capital Plan**.

The Parks, Forestry and Recreation 10 year capital plan includes **\$63,000,000** for the Masaryk Cowan Community Recreation Centre. The Toronto Public Library 10 year capital plan includes **\$32,700,000** for the Parkdale Library Branch. Further information about Corporate Real Estate Management's budget allocation for the acquisition of the Additional Property can be found in Confidential Attachment 1 and 2.

A third-party costing analysis will be completed in Q3 of this year, following the completion of DTAH's design work for this phase. Very preliminary cost estimates have been completed internally, and are provided for context in Confidential Attachment #1. This project is anticipated to be partially financed through the CMHC Rental Construction Financing Initiative. CreateTO is working with City staff to explore any opportunities that are available now, or in the future, for funding from other levels of government. All remaining project costs are expected to be funded by the City of Toronto through the annual budget process, with the exception of any equity contributions from the non-profit developer.

## **Community Engagement**

Engaging with Parkdale community members, stakeholders and local organizations has been fundamental to the development of a shared vision for this project. Through monthly check-in meetings, staff have updated Councillor Perks on the ongoing progress of the Parkdale Hub project and have worked collaboratively to ensure the local community is informed and engaged in the project.

Community engagement activities in Phase 1 included two public town hall meetings, a public survey, meetings with community organizations currently operating out of the City facilities, and a meeting with Artscape's residential tenants living on site. A project website ([www.parkdalehub.ca](http://www.parkdalehub.ca)) was created to share information with the public on an ongoing basis.

The engagement plan for Phase 2 includes the establishment of a Local Advisory Committee (LAC) comprised of representatives of Parkdale organizations with an interest in the project. The mandate of the LAC is to provide a forum for feedback, guidance and advice to the project team at key decision points during the public consultation process. The first LAC meeting was held virtually on March 24, 2021, and the second LAC meeting will follow the public meeting, which is scheduled to take place virtually on May 27, 2021. The purpose of the public meeting is to solicit feedback on the evolving design for the City-owned properties within the Parkdale Hub site (i.e. not including the Additional Property).

## **City-Building Opportunities**

The Parkdale Hub project is a transformational city-building initiative that will deliver wide-ranging benefits to the Parkdale community, including:

- The creation of new affordable rental housing;

- The revitalization and expansion of the Masaryk-Cowan Community Recreation Centre, to better deliver recreational programming to the community through a more efficient design and the addition of space;
- The reconstruction and expansion of the Parkdale Library Branch, to provide increased visibility and accessibility to the third busiest library branch in the city;
- The ongoing delivery of Artscape's cultural hub program, which provides affordable live-work housing for local artists as well as an art gallery and community office space;
- The creation of new inclusive and accessible community space and design elements that will strategically connect programs, services and people - creating an integrated "Hub"; and
- Significant enhancements to the public realm in the heart of the Parkdale neighbourhood, through the sensitive adaptive re-use of heritage buildings and improved connectivity with the adjacent residential neighbourhood.

This project will serve as a catalyst supporting the ongoing social, cultural and economic vibrancy of the community and contributing to the City's broader city-building objectives including much needed affordable housing. This can only be realized through the innovative collaboration of numerous City divisions and agencies, the non-profit sector and the broader Parkdale community.

## **Next Steps**

CreateTO staff will continue reporting to the CreateTO Board and City Council at key milestones throughout the Parkdale Hub project, including:

- Report to CreateTO Board on Completion of Phase 2 Feasibility Study
  - Targeting Q4 2021
  - Report will include design concept that is ready for a rezoning submission, along with associated cost estimates and a funding strategy.
  - Report will be forwarded to Executive Committee if approved.
- Report on Feasibility of Additional Property Acquisition
  - Targeting Q4 2021, based on negotiation progress
  - Report will identify whether the acquisition of the Additional Property has been deemed feasible based on the progress of negotiations with the current property owner. If it is deemed feasible, key terms of the transaction will be provided for Board and Council review and approval.
  - Report will be forwarded to Executive Committee if approved.

If directed by the CreateTO Board and City Council, Phase 3 of the Parkdale Hub project will include a City-initiated rezoning application to prepare the sites for redevelopment.

## **CONTACT**

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## **SIGNATURE**

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Carlo Bonanni  
Vice President, Land and Development Planning

## **ATTACHMENTS**

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Confidential Attachment 1 - Preliminary Financial Analysis  
Confidential Attachment 2 - Additional Property Details