

Report Back on the First Parliament Site and Expropriation of City-owned Lands by Metrolinx for Transit Purposes

Date: October 13, 2021

To: Executive Committee

From: Executive Director, Corporate Real Estate Management, Executive Director, Transit Expansion Office, and Chief Planner and Executive Director, City Planning

Wards: 13 - Toronto Centre

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending expropriation of City-owned land by Metrolinx.

SUMMARY

This report responds to the following motions and recommendations as directed by City Council related to the following properties: 271 Front Street East, 25 Berkeley Street and the north portion of 44 Parliament Street (managed by Toronto Parking Authority) (collectively known as the "First Parliament Properties"), and the expropriation of the First Parliament Properties and the subsurface portion of Parliament Square Park partly located on the south side of 44 Parliament Street by Metrolinx and Infrastructure Ontario:

- MM31.35 Assessing Provincial Interest in the First Parliament Site - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy
- EX23.3 Provincial Transit-Oriented Communities Program
- MM35.30 Checking the Ticket - Understanding The Province's Extraordinary Powers to Expropriate for Transit - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy
- MM35.31 Ensuring Retention of Community Benefits Through Provincial Expropriation of Municipally-owned Land - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy
- MM36.23 Local Planning and the First Parliament Master Plan - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy

This report also seeks City Council authority for the City to accept Metrolinx's advance payment of compensation, pursuant to Section 25 of the Expropriations Act, for the expropriation of First Parliament Properties and part of Parliament Square Park in the amounts set out in Confidential Attachment 1.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, Executive Director, Transit Expansion Office, and Chief Planner and Executive Director, City Planning, recommend that:

1. City Council authorize the City to accept the advance payments of compensation offered by Metrolinx, without prejudice to the City's right to make a claim for further compensation, pursuant to Section 25 of the Expropriations Act for the expropriated properties at 271 Front Street East, 25 Berkeley Street and part of 44 Parliament Street, in the amounts set out in Confidential Attachment 1 and direct it to the Land Acquisition Reserve Fund (XR1012).
2. City Council authorize the public release of Confidential Attachment 1 following the full and final determination of the compensation payable to the City for the expropriation of the properties at 271 Front Street East, 25 Berkeley Street and part of 44 Parliament Street, by arbitration or appeal or, if settled, at the discretion of the City Solicitor.

FINANCIAL IMPACT

The advance payments of compensation to be received for the expropriated properties at 271 Front Street East, 25 Berkeley Street and 44 Parliament Street shall be deposited to the Land Acquisition Reserve Fund (XR1012). The detailed amounts related to the advance payments of compensation are set out in Confidential Attachment 1.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

On October 1, 2021, City Council adopted, as amended, MM36.23 Local Planning and The First Parliament Master Plan - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM36.23>

On July 14, 2021, City Council adopted, as amended, MM35.31 Ensuring Retention of Community Benefits Through Provincial Expropriation of Municipally-owned Land - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM35.31>

On July 14, 2021, City Council adopted, as amended, MM35.30 Checking the Ticket - Understanding The Province's Extraordinary Powers to Expropriate for Transit - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM35.30>

On May 5, 2021, City Council adopted, as amended, EX23.3 Provincial Transit-Oriented Communities Program, which provided information on the Province's Transit-Oriented Communities ("TOC") Program and an overview of the work currently being undertaken to operationalize the Memorandum of Understanding on the TOC Program entered into by the City and the Province, effective February 14, 2020. The report also contained information on a TOC proposal for the First Parliament Site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX23.3>

On May 5, 2021, City Council adopted TE24.11 King-Parliament Secondary Plan Review - Final Report, Secondary Plan and Zoning By-law Amendments which updated the King Parliament Secondary Plan and Zoning By-law in response to the King-Parliament Secondary Plan Review. The First Parliament Site and Parliament Square Park (south portion of 44 Parliament Street) is identified as a Public Realm Big Move. These are areas where there are to be public realm expansion and improvements and opportunities for place-making, heritage interpretation and enhanced connectivity with adjacent sites. In addition, the north portion of 44 Parliament Street is rezoned from R to OR to bring it into conformity with the Official Plan which designates the site as Parks.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TE24.11>

On April 7, 2021, City Council adopted MM31.35 Assessing Provincial Interest in the First Parliament Site - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM31.35>

On February 12, 2018, City Council approved the 2018-2027 Capital Budget and Plan for Facilities, Real Estate and Environment and Energy which included \$450,000 for a Heritage Interpretation Strategy and Master Plan for the First Parliament Site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

On February 2013 City Council approved the relocation of the St. Lawrence library branch to the First Parliament Site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX28.7>

COMMENTS

MM36.23 Local Planning and The First Parliament Master Plan - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy

1b. an update on the discussions with Infrastructure Ontario about the proposed concept for the Province's Transit-Oriented Community development at 271 Front Street and 25 Berkeley Street, including public input received to date.

City Planning remains engaged in ongoing negotiations with Metrolinx and Infrastructure Ontario ("IO") around the built form, public realm and project requirements at the First Parliament Site (which is comprised of the First Parliament Properties and the Province-owned property at 265 Front Street East) as well as its companion site to the north which is referred to as the Corktown site. See Attachment 1 for an overview of the First Parliament Site ownership.

IO's initial development proposal shows a large scale mixed use development with buildings that encroach into the future Parliament Square Park extension that is envisioned by the Master Plan. The City is assessing its options to achieve the Master Plan's objectives respecting open space and programming of the First Parliament Site while acknowledging the Province's objectives for its TOC Program. This will require striking a balance between the civic purpose of the site as envisioned by the Master Plan and the principles of locating transit supportive uses and densities at high order transit stations.

In spring 2021, a community working group was convened by Councillor Wong-Tam in coordination with the Transit Expansion Office. This group continues to meet to discuss matters relating to the Corktown Station of the Ontario Line, the proposed TOCs and the First Parliament Site. In July 2021, IO formed a Local Advisory Committee of members from the larger working group who were interested in exploring the TOC proposals in more detail. This group has met three times and remains active. In late September 2021, IO launched its public consultation virtual open house series and websites for each of its TOC proposals. A second series of virtual open houses are planned for November 2021 to present revised proposals that are intended to respond to community and City input.

Through these engagement efforts, a number of priorities have been articulated for the TOC proposals, as follows:

- Secure a parkland dedication at the south end of the First Parliament Site that achieves the objectives of the Master Plan;
- Ensure additional open space is secured within the First Parliament TOC to commemorate the heritage of the site;
- Secure a district library within the First Parliament TOC;
- Space proof for a heritage interpretation centre, perhaps to be located within the library;
- Provide affordable housing as part of the TOC development;
- Secure community benefits that may include a daycare;
- Provide for a potential future secondary entrance to the subway station at the corner of Front and Parliament Streets; and
- Provide for an upgraded public realm and active uses at grade on all frontages.

MM31.35 Assessing Provincial Interest in the First Parliament Site - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy

1. City Council direct the Executive Director, Transit Expansion Office along with the Executive Director, Corporate Real Estate Management, the Chief Planner and Executive Director, City Planning and the Chief Executive Officer, CreateTO to report as soon as possible or to the June 8, 2021 meeting of City Council on any communication with Metrolinx

and the Province of Ontario about ongoing real estate negotiations for the City-owned First Parliament lands located at 271 Front Street East and 25 Berkeley Street.

See staff response to questions from MM35.30 below.

EX23.3 Provincial Transit-Oriented Communities Program

10. City Council direct the Executive Director, Corporate Real Estate Management and the Executive Director, Transit Expansion Office, in consultation with the Chief Executive Officer, CreateTO, to use the emerging and final recommendations of the Master Plan in ongoing negotiations with Metrolinx and Infrastructure Ontario and to report back on the outcomes of the negotiations and the final Master Plan to the July 6, 2021 meeting of the Executive Committee.

To support the ongoing discussions and negotiations with Metrolinx and IO on the expropriation and future development of the First Parliament Properties, the Deputy City Manager, Corporate Services wrote a letter dated June 10, 2021. This letter identified key components of the Master Plan that must be part of any redevelopment of the First Parliament Site and requested that Metrolinx and IO commit to those components as well as endorse the Vision, Guiding Principles and associated Planning Strategies in the Master Plan. In response, Metrolinx has confirmed that it intends to work closely with the City through the planning and design process for the First Parliament Site to investigate what is possible. See Attachment 2 for a copy of the letter.

The current status of the negotiations is discussed above in the staff response to MM36.23.

MM35.30 Checking the Ticket - Understanding The Province's Extraordinary Powers to Expropriate for Transit - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy

1. City Council direct the City Manager to report to the October 27, 2021 meeting of the Executive Committee on the following questions:

a. How many meetings with the Province, through Metrolinx and other Provincial agencies, have City staff had regarding expropriation of City-owned properties?

Metrolinx and City staff meet bi-weekly, monthly or as needed to discuss property requirements for the Subway Program or the GO Expansion Program. For example, both parties have met bi-weekly since early 2021 to discuss the property requirements for the Ontario Line, one of the four provincial priority transit projects, where Metrolinx has consistently advised that due to its aggressive schedule, Metrolinx will initiate expropriation concurrently while continuing negotiations with the City to protect the project's timelines.

b. Explain in detail and sequence, the process for the expropriation and related business transaction the City staff are undertaking through their negotiations with Metrolinx and the Province of Ontario.

A typical expropriation process that Metrolinx has been following in connection with the transit projects is shown in the table below. Metrolinx may initiate expropriation proceedings at any time. In practice, once Metrolinx confirms the City-owned properties required for a project, Metrolinx will submit a formal request to Corporate Real Estate Management through

the submission of a Property Requisition Form outlining the nature of property interest and timeline of the request, providing the City with advance notice of properties that may be subject to future expropriations.

Table 1: Metrolinx Expropriation Process

Metrolinx's Expropriation Timeline/Milestones	Commentary
Order In Council authorizing expropriation to proceed without the inquiry procedure	<p>A typical expropriation process requires the expropriating body to complete a Hearing of Necessity, which can take between 3 to 9 months to complete and is intended to allow an independent body to assess the need of the land(s) being expropriated</p> <p>Under Section 44 of the Building Transit Faster Act, the Hearing of Necessity as required pursuant to the Expropriations Act is removed if the land(s) is at least partly on transit corridor land, and the expropriation is for a priority transit project</p> <p>With respect to the First Parliament Properties, Metrolinx has relied on Section 6(3) of the Expropriations Act, which provides that the Lieutenant Governor in Council may, in special circumstances where the Lieutenant Governor in Council considers it necessary or expedient in the public interest to do so, direct that an intended expropriation shall proceed without a hearing</p>
Notice of Anticipated Expropriation	Notice of application for approval to expropriate is served upon each registered owner(s) of the land(s) to be expropriated
Decision of Approving Authority to Expropriate / Certificate of Approval ("C.O.A.")	The expropriating authority will certify its approval to expropriate. This requires ministerial approval, anticipated to take 1 to 3 months
Registration of Expropriation Plan	Must occur within 3 months from C.O.A. Registration of Expropriation Plan will vest legal ownership of the expropriated interest in Metrolinx
Notice of Possession	Must be served to the City within 30 days from registration of Expropriation Plan

Metrolinx's Expropriation Timeline/Milestones	Commentary
Possession Date	As early as 90 days following the Notice of Possession

At any time during the expropriation process, Metrolinx and the City can come to a negotiated settlement on the transfer of rights to Metrolinx, the value of such rights and any terms and conditions related to such transfer of rights. Should Metrolinx choose to continue to rely on its expropriation rights, it must comply with defined regulatory timelines (as described above) and seek further formal approval authority to amend the nature of the property taking if needed.

c. What are the regulatory and financial differences between municipally-owned land expropriations under the Expropriations Act and municipally-owned land expropriations under the Building Transit Faster Act?

While the Expropriations Act requires landowners be paid market value for expropriated land, Metrolinx has the right to order the City to convey municipally-owned land or property interest(s) without compensation pursuant to Section 47 of the Metrolinx Act. Section 47 of the Metrolinx Act provides that the Lieutenant Governor in Council may, by order, order the City to transfer to Metrolinx, with or without compensation, all or some of the City's and its agencies' assets, liabilities, rights and obligations with respect to a project prescribed as a rapid transit project that is the sole responsibility of Metrolinx. The Ontario Line, Scarborough Subway Extension and Yonge North Subway Extension are currently prescribed by regulation under the Metrolinx Act to be a rapid transit project that is the sole responsibility of Metrolinx.

In addition, Section 44 of the Building Transit Faster Act, provides that Metrolinx is not required to undertake a Hearing of Necessity as required pursuant to the Expropriations Act, if the expropriated land is at least partly on transit corridor land, and the expropriation is for a priority transit project. As an alternative to the Hearing of Necessity process, the provincial Minister of Transportation may establish a process for receiving comments from property owners about a proposed expropriation and for considering those comments. To date, Metrolinx has provided Orders in Council as authority for expropriations of the First Parliament Properties without Hearings of Necessity, in accordance with Section 6(3) of the Expropriations Act, which provides that the Lieutenant Governor in Council may, in special circumstances where the Lieutenant Governor in Council considers it necessary or expedient in the public interest to do so, direct that an intended expropriation shall proceed without a hearing.

d. Is the First Parliament Site located at 271 Front Street East and 25 Berkeley Street subject to the Expropriations Act or Building Transit Faster Act?

By registration of Expropriation Plan AT5740805 on May 18, 2021, title to 271 Front Street East and 25 Berkeley Street vested in Metrolinx in accordance with the Expropriations Act, and not the Building Transit Faster Act.

e. Does the Province, through an agency like Metrolinx, need to justify the expropriation of the municipal lands through a process such as a Hearing of Necessity?

Pursuant to Section 44 of the Building Transit Faster Act, 2020, Metrolinx is not required to justify the expropriation of municipal lands if such lands are at least partly on transit corridor land and the expropriation is for a priority transit project. As per Section 45 of the Building Transit Faster Act, the provincial Minister of Transportation may establish a process for receiving comments by way of regulation or by another means. To date, for the First Parliament Properties and subsurface portion of Parliament Square Park partly located on the south side of 44 Parliament Street, Metrolinx has provided Orders in Council as authority for expropriations without Hearings of Necessity, in accordance with Section 6(3) of the Expropriations Act, which provides that the Lieutenant Governor in Council may, in special circumstances where the Lieutenant Governor in Council considers it necessary or expedient in the public interest to do so, direct that an intended expropriation shall proceed without a hearing.

f. Would the Province, through an agency like Metrolinx, be able to expropriate privately owned land without a Hearing of Necessity?

Yes, as provided above, Metrolinx is not required to undergo the Hearing of Necessity process for the expropriation of private lands if such lands are at least partly on transit corridor land and the expropriation is for a priority transit project. Further, pursuant to Section 6(3) of the Expropriations Act, the Lieutenant Governor in Council may, in special circumstances where the Lieutenant Governor in Council considers it necessary or expedient in the public interest to do so, direct that an intended expropriation shall proceed without a hearing.

g. Has or will a financial transaction be settled with the Province ahead of the possession of the First Parliament Lands on August 31, 2021 to ensure the City is properly compensated for the loss of these significant parcels of property and where will these funds be directly - general budget reserves or project specific funding?

Full and final settlement of the compensation for the First Parliament Properties was not settled ahead of the possession date of August 31, 2021. Metrolinx served an offer of compensation to the City on August 16, 2021 for 271 Front Street East and 25 Berkeley Street and on September 15, 2021 for 44 Parliament Street. The City is undertaking its own review to determine the fair market value of the First Parliament Properties, including but not limited to financial loss, claims and other costs the City has incurred resulting from the expropriation. As per the City's "Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property", proceeds received from any disposition of City property are to be deposited to the Land Acquisition Reserve Fund.

h. Is there any mandatory requirement by the Province under this expropriation process occurring at the First Parliament Site that the City must be compensated fair market value for the loss of these significant parcels of property?

As Metrolinx has vested title in itself to the First Parliament Properties pursuant to the Expropriations Act, the City is legally entitled to be compensated fair market value for the

First Parliament Properties, together with other compensation for other costs and damages, including injurious affection, that are due to the expropriation. The City has the option to accept the initial compensation offered by the expropriating authority in the amount set out in Confidential Attachment 1, negotiate additional compensation with the expropriating authority or obtain an arbitration settlement through the Ontario Land Tribunal. However, as provided above, Metrolinx has the ability under Section 47 of the Metrolinx Act to take the City's lands or assets with or without compensation with respect to a rapid transit project.

i. In the event of redevelopment of the First Parliament Site, is there a process to capture community benefits, as outlined in the Master Plan, and what is it and how does it work?

The Province has committed through the TOC Program to provide community benefits related to development proposals. The Province will provide 4 percent of the land value for the City to allocate to priority community services and facilities.

The Province will meet parkland dedication requirements for its TOC proposals. This does not factor into the negotiation of community benefits.

j. If it is not expected to be a typical section 37 Planning Act process, what process is expected to be used, if any, to ensure proper community benefits are provided, and how would it differ from Section 37?

The Province has indicated that Section 37 will not apply to development proposals received by the City under the TOC Program. In the context of the TOC Program, the Province has proposed to establish a Value Allocation Framework that will give the City discretion to invest 4 percent of the land value in community services and facilities.

The City's position has been that these funds should not cover the costs of elements of the development that would normally be considered the general costs of development. The full details of the Value Allocation Framework are still being determined. This will include what will be covered by the funds, the way in which they are delivered to the City, and how certain obligations will be secured.

k. The City has expressed many priorities for the site, including siting a new public square, library, park and commemorative centre on the First Parliament Site through its First Parliament Master Plan document that is under development; is it expected that these community benefits will preclude other community benefits to ensure they are secured?

The negotiations over the design of the First Parliament TOC proposal and the community benefits that will be included continue between the City and IO. The First Parliament Master Plan is guiding City staff in these negotiations. The assessment of community service and facility requirements completed as part of the TOC Core Downtown Plan also provides guidance on the services required in this growing area.

The City may be able to contribute to the fuller development at the First Parliament Site in ways that will further advance City interests. For example, the capital budget for the planned district library on the First Parliament Site has been approved.

I. Is the City exploring the addition of affordable housing units to the proposed development concepts introduced by Infrastructure Ontario to the First Parliament Site?

The inclusion of affordable housing on the First Parliament Site and all TOC developments is a priority for the City. City staff are negotiating the terms for the provision of affordable housing with the Province.

MM35.31 Ensuring Retention of Community Benefits Through Provincial Expropriation of Municipally-owned Land - by Councillor Kristyn Wong-Tam, seconded by Councillor Joe Cressy

1. City Council direct the Executive Director, Corporate Real Estate Management, to report to the October 27, 2021 meeting of the Executive Committee with recommendations to permit City Councillors to seek City Council approval of business transactions related to the expropriation of municipal land by Provincial and Federal governments related to the creation of higher-order transit.

Chapter 213 of the Municipal Code sets out the City's policy with respect to real estate transactions and related matters. Section 213-2-2 delegates the approval authority for certain real estate matters, as set out in Appendix A and subject to compliance with the general conditions set out in Appendix B, including the obligation to consult with the local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward) prior to the exercise of the delegated approval authority. Appendix B also empowers the Deputy City Manager, Corporate Services, in consultation with any other applicable Deputy City Manager or the City Manager, to determine that a matter is of such special interest that it should be returned to the relevant Committee and City Council for consideration and determination.

The approval authorities related to expropriations for transit purposes, where City land is being expropriated, is set out below. With respect to municipal lands expropriated by Provincial and Federal governments related to the creation of higher-order transit, under the existing delegation of authority, City staff would consult with the local Councillor prior to any exercise of authority (including accepting any initial or final settlement offers). In practice, where the local Councillor has requested a matter be determined at City Council, City staff will direct such decision to the relevant Committee and City Council for consideration and determination. The local Councillor can also formally request that the Deputy City Manager, Corporate Services, exercise their authority under Appendix B to direct a specific matter to the relevant Committee and City Council for consideration and determination. In addition, City Council approval is automatically required where the total value of the authority sought exceeds \$10 million.

Table 2: Delegated Real Estate Authority

A. Approval Authority	(1) City Manager	(2) Deputy City Manager, Corporate Services	(3) Executive Director, Corporate Real Estate Management	(4) Director, Real Estate Services	(5) Manager, Real Estate Services
2(b) Expropriations For Transit Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated					
(i) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed:	\$10 million	\$5 million	\$3 million	\$1 million	\$50,000
(ii) Request Hearings of Necessity	No	No	No	Yes	Yes
(iii) Waive Hearings of Necessity	No	No	No	Yes	Yes

While the City has not received the full quantum of property interests (currently upwards of 250 properties) from Metrolinx for all the transit projects (GO Expansion and the Subway Program), the number of expropriations expected from Metrolinx in the coming years is expected to be significant, varying from material property acquisitions, such as the First Parliament Properties, to minor property takings along Right of Way land(s) with no express municipal purpose. A requirement to automatically require City Council determination for all transit-related expropriations will result in significant delays to Metrolinx's transit projects, and could potentially risk the City not getting compensation as per the Metrolinx Act for expropriated sites. Further, there would be a significant impact to Committee and City Council agendas and workload if all business transactions related to expropriation matters for transit project is reported back to City Council.

Given the existing robust framework around the exercise of delegated authority for expropriation matters, which includes the ability to direct individual transactions, at the request of the local Councillor or the Deputy City Manager, Corporate Services, to the relevant Committee and City Council for determination, City staff do not recommend further changes.

2. City Council direct the Executive Director, Corporate Real Estate Management, to report to the October 27, 2021 meeting of the Executive Committee with recommendations to replace delegated staff authority with City Council approval of all claims and Offers of Compensation

related to the expropriation of City-owned properties at 271 Front Street East and 25 Berkeley Street.

As the compensation for the expropriated properties at 271 Front Street East and 25 Berkeley Street exceeds the \$10 million threshold delegated to City staff, City Council approval is required. As such, the request to replace the delegated staff authority for the said properties is not required.

Recommendation 1 of this report seeks authority for the City to accept the advance payment of compensation offered by Metrolinx pursuant to Section 25 of the Expropriations Act for the expropriated properties at 271 Front Street East, 25 Berkeley Street, the north portion of 44 Parliament Street (managed by Toronto Parking Authority) and the stratified below grade of portion of 44 Parliament Street (Parliament Square Park). As City staff are still in the process of reviewing the Offers of Compensation and accompanying appraisal, it is appropriate for the City to accept the advance payment at this time, without prejudice to the City's rights to claim additional compensation in the future. City Council approval authority will be further sought once a settlement is reached with Metrolinx with respect to the final determination of all claims and compensation payable to the City in accordance with the Expropriations Act.

The acceptance by City Council of the amounts offered by Metrolinx set out in Confidential Attachment 1 would be without prejudice to the City's right to make a claim for further compensation in the future once the City has had the benefit of receiving appraisal and other expert advice as to valuation. In the event that Metrolinx does not agree with the City's opinion of value, the City would have the right to make a claim for the amount and have that claim adjudicated before the Ontario Land Tribunal pursuant to the terms of the Expropriations Act. All of the City's costs incurred to seek advice on the appropriate land value and to make its case before the Ontario Land Tribunal would be borne by Metrolinx

3. City Council direct the Executive Director, Corporate Real Estate Management, to report back to the Executive Committee in first quarter of 2022, on a process for returning statutory compensation generated through Provincial and Federal expropriation of municipal lands back to the local community.

Net proceeds from the sale or disposition of real estate assets, including compensation as result of expropriation, are to be deposited in the Land Acquisition Reserve Fund to fund future capital requirements, as per the "Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property" (Clause embodied in Report No. 9 of the Policy and Finance Committee, June 2002). This will provide a source of funding to solution unfunded needs, as well as create capacity for future needs and ensure that the City continue to invest strategically beyond the 10-year capital plan.

Further, as presented in the report *City-wide Real Estate - Next Phase of Implementation* that is being considered by Executive Committee in October 2021, net proceeds from the sale of property will be centralized for decision-making with a City-wide perspective. The City-Wide Real Estate Model along with the principles for strategic real estate investment developed by City Council in 2017, guide strategic real estate investment and ensure that real estate decisions are made on a city-wide basis leading to efficient utilization and optimization of available capital.

CONTACT

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SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

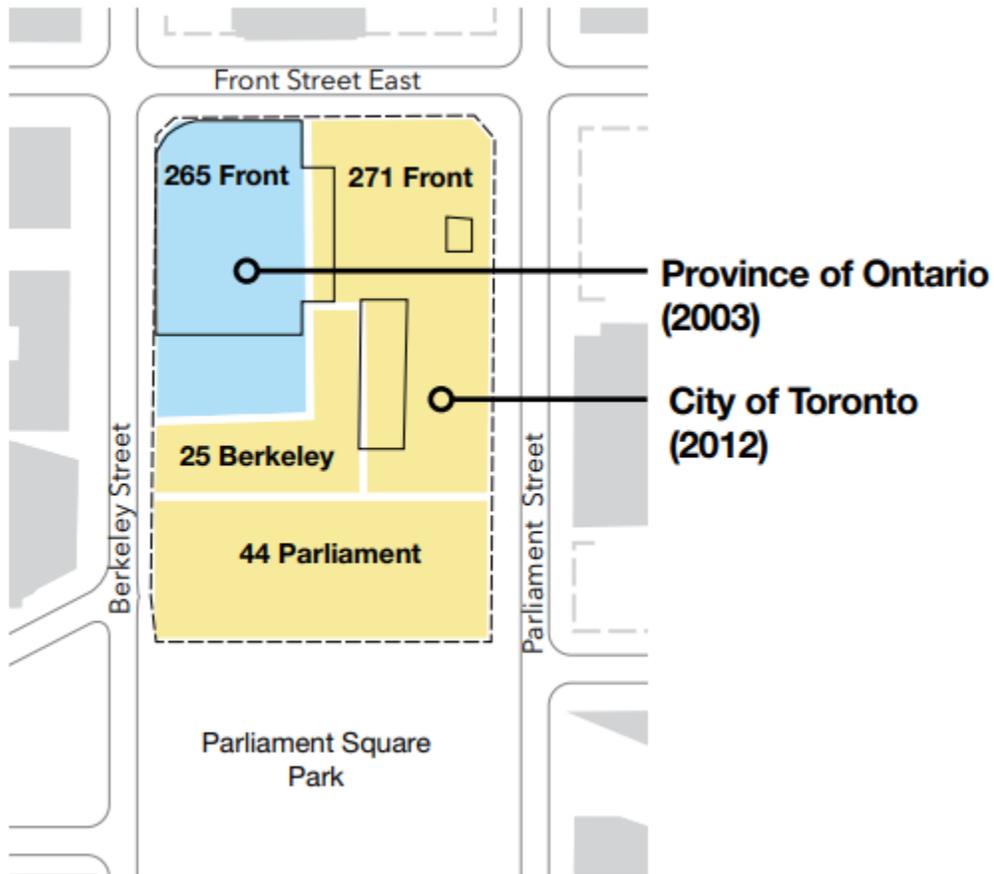
Derrick Toigo
Executive Director, Transit Expansion Office

Gregg Lintern
Chief Planner and Executive Director, City Planning

ATTACHMENTS

Confidential Attachment 1 - Details of Advance Payments of Compensation from Metrolinx
Attachment 1 - Overview of the First Parliament Site Ownership
Attachment 2 - Letter from the City to Metrolinx and Infrastructure Ontario

Attachment 1 - Overview of the First Parliament Site Ownership



Attachment 2 - Letter from the City to Metrolinx and Infrastructure Ontario



Deputy City Manager, Corporate Services

June 10, 2021

Jason Ryan
Vice President, Pre-Construction Services
Metrolinx

Michael Fedchyshyn Senior Vice President
Infrastructure Ontario

Via email

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Re: 271 Front St. E, 25 Berkeley St., the north portion of 44 Parliament St, and a stratified fee simple below grade interest of a portion 44 Parliament St. (collectively, the "First Parliament Site") – Future Use and Long-Term Development

Dear Mr. Ryan, Mr. Fedchyshyn,

Following up on Tracey Cook's letter of June 4 regarding City Council Agenda Item EX23.3: Provincial Transit-Oriented Communities Program, I am writing to clearly set out the City of Toronto's expectations with respect to the immediate and long-term uses of the First Parliament Site.

The First Parliament Site is the location of Upper Canada's first purpose-built parliamentary buildings and has been subject to significant City-led planning and community engagement to develop a 20-year Master Plan that celebrates the site's history and creates an animated multi-functional community hub. A component of the Master Plan consultation was the development of a vision and a set of guiding principles, intended to act as a framework to guide the planning and future development of the First Parliament Site. The full Vision, Guiding Principles and Planning Strategies, developed through consultation with the community and stakeholders, is attached.

Metrolinx and Infrastructure Ontario have indicated a willingness to respect the work invested into the master planning process throughout our discussions. Accordingly, in order to advance the plans for the long-term use of these properties, the following are the four key components that must be a part of any redevelopment plans for the site:

1) Create a publicly-owned Parliament Square and conserve in-situ significant archaeological resources

The identification of heritage properties and the protection and conservation of cultural heritage resources is a long-standing City priority, none more so than with the First Parliament site. Given its significance, the First Parliament Site has been the subject of more than 20 years of City and community-led efforts to locate the parliamentary remains and to bring the site into public ownership.

The portion of the site that contains the archaeological resources associated with the Parliament buildings should remain in public ownership for the creation of a Parliament Square. For the community stakeholders that have worked alongside City staff, it is the most important civic legacy that can be left for future generations and should be respected as such.

Further, a public commitment to compliance with applicable heritage legislation and working collaboratively with the City to ensure the protection of the invaluable heritage characteristics of the site, including entering into a heritage easement, is critical to ensuring the historical value of the site will be protected indefinitely.

2) Create a District Library and associated outdoor space

At its meeting of February 20, 2013, Toronto City Council approved the relocation of the existing 4,833 sq. ft. St. Lawrence branch to the First Parliament Site. The new library must be 25,000 – 30,000 sq. ft. (a district library) to serve a larger catchment area population (minimum of 100,000 people) and service area (residents within a 2.5km radius) with expanded hours of up to 65.5 hours per week. The vision for this library at the First Parliament Site is that it will play a role in interpreting the history of the site through programming to provide curated learning opportunities, interactive exhibits and displays and heritage-themed experiences that are draws for the local and broader community and a destination place for tourists and visitors to the City.

To advance its role as a community gathering space, the library will also require associated outdoor space with such features as external seating, attractive landscaping and reading or community gardens with wireless access. Outdoor spaces provide opportunities for enhanced library services and programming and they can be easily transformed into vibrant community or event spaces. The library's outdoor space will also provide meaningful opportunities for heritage interpretation such as partnering with Indigenous Nations to tell their stories.

The City has set aside funding for the construction and operation of this relocated and expanded facility.

3) Create a Public Park

The Master Plan contemplates converting the existing Toronto Parking Authority lot located at 44 Parliament Street into a publicly-owned park (as re-designated from Regeneration Area to Parks at its meeting of July 4, 2017, and subsequently rezoned

from Residential to OR (Open Space – Recreation) on May 5, 2021 as part of the King-Parliament Secondary Plan Review, Secondary Plan and Zoning By-law Amendments.

The rationale for the Parks designation and subsequent rezoning was to expand the public realm by providing additional park land and to improve north-south connections between David Crombie Park to the south and the First Parliament site. This was done in response to community engagement and feedback for a high quality and connected public realm and for the expansion and improvement of parks in the King-Parliament area.

The recently approved King-Parliament Secondary Plan also identifies the First Parliament site and Parliament Square Park (which is part of David Crombie Park) as a Public Realm Big Move. These are areas where there are to be public realm expansion and improvements and opportunities for place-making, heritage interpretation and enhanced connectivity with adjacent sites.

Some of this work is already planned. On June 8-9 City Council adopted, as amended, IE 22.11 Cycling Network Plan - 2021 Cycling Infrastructure Installation - Second Quarter Update and Missing Link Sidewalk Program - 2021 Local Road Sidewalk Installation. It has a number of recommendations including a proposed bikeway along the south edge of the TPA parking lot separate, from the existing east-west pedestrian pathway between Berkeley Street and Parliament Street.

Similar to the library, the park plays an important role in interpreting the history of the site. Through landscaping, design features, site elements and interpretation activities the park has the ability to tell stories to attract local residents and visitors alike. Also, as a public park, it is open 24/7 and is accessible to all. The Master Plan proposes one narrative theme and that is the creation of a Lake Shore park depicting the original Lake Ontario shoreline but there can be other stories.

4) Create an Interpretative Centre

The creation of an interpretive centre within any redevelopment has been a long-standing component for the site. An interpretative centre would contribute to the cultural life of the City as partnerships could be formed with cultural, place-making and historical organizations to collaborate on heritage interpretation activities and events.

I recognize there are ongoing discussions with the City's Planning Division with respect to the necessary planning review and approval process for the redevelopment plans for the First Parliament Site, including discussions with respect to the inclusion of affordable housing and other City priorities within the proposed development. The listed considerations are solely reflective of the City's work with respect to the Master Plan for the site and are not intended to be a comprehensive list of all the City's considerations for redevelopment.

I am requesting a meeting as soon as possible to review the above and how these considerations can be reflected in the redevelopment plans for the First Parliament Site. The City remains committed to collaboratively working to achieve the successful

construction of the Ontario Line. However, the First Parliament Site is of particular importance to the City and the larger community.

Thank you,



Josie Scioli
Deputy City Manager City of Toronto

Attachment 1: Vision, Guiding Principles and Planning Strategies

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