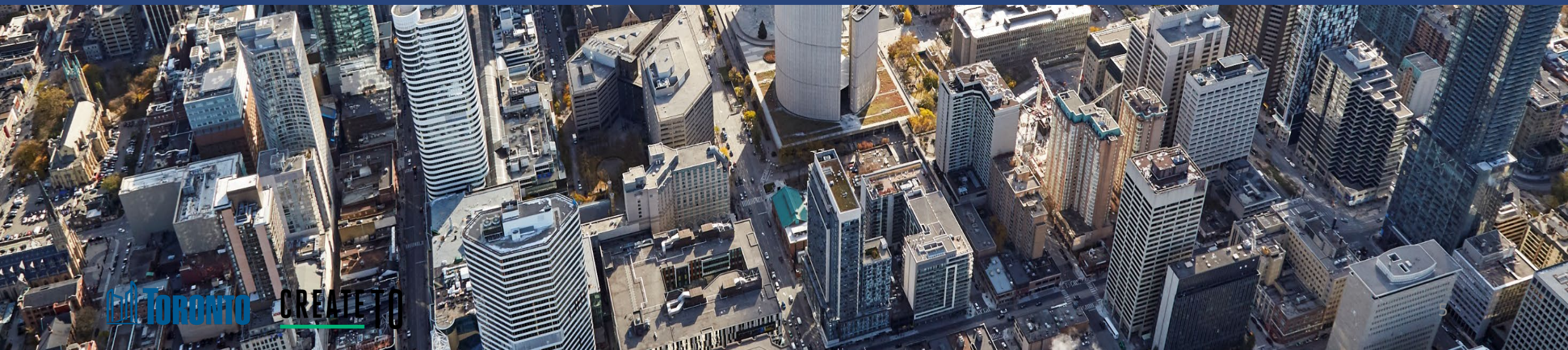




ModernT[🔄]

8 PROPERTIES BEING UNLOCKED





PURPOSE OF REPORT

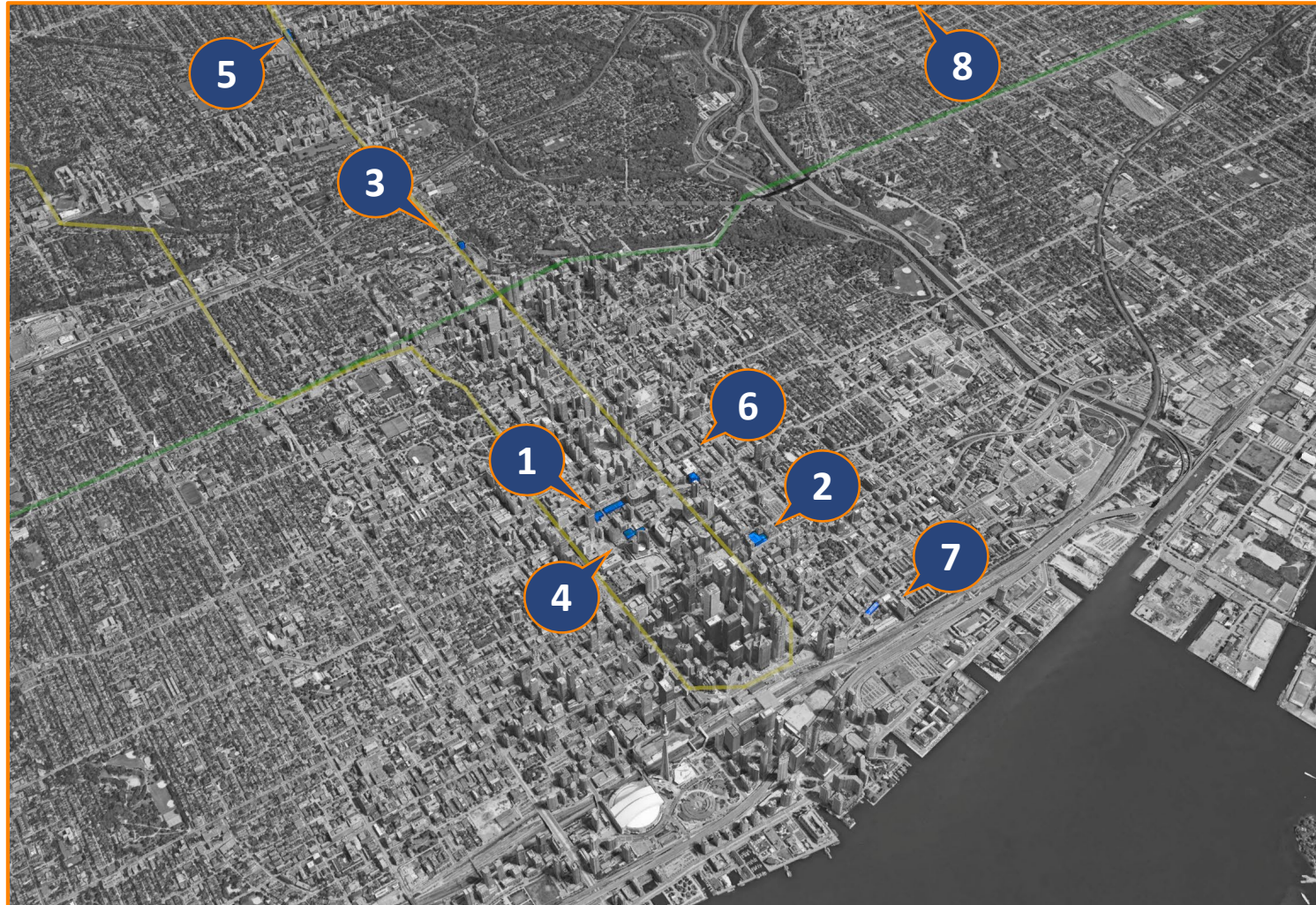
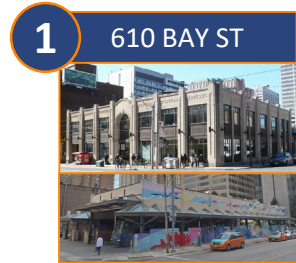
The purpose of this report is to outline to the CreateTO Board, Executive Committee and City Council a recommended portfolio strategy that optimizes city building opportunities on the eight City-owned properties that are targeted to be unlocked through the ModernTO program.



The report outlines the major activities undertaken by CreateTO to arrive at the report recommendations and **key objectives for “unlocking” the 8 sites:**

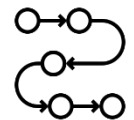
- **Address City Needs:** 8 City properties worth \$450M are being unlocked, it is anticipated that the majority of the value will be re-invested into City Building benefits, while a portion of the value will be allocated to the Land Acquisition Reserve Fund (LARF) as per Council direction
- **Prioritize Outcomes:** identified priorities for the 8 sites include new affordable housing, LARF contribution to help fund the ModernTO/ECC programs, and maximizing City Building opportunities.
- **Create New Affordable Housing:** targeting 33% of residential units across the portfolio to be affordable, generating approximately 500-600 new affordable rental and ownership housing units.
- **Create Additional City Building and Service Delivery Opportunities:** additional outcomes include new institutional and civic space, infrastructure and service improvements (paramedics multi-hubs, streetscape upgrades), parking replacement to support St. Mikes Hospital, office replacement and the preservation of valuable heritage structures.
- **Proceed with Public Consultation:** Public Meetings will be held on all re-development properties ahead of any planning applications. This will be conducted based on plans that more closely reflect the ultimate design and will be tailored to the proposed concept and development context.

8 CITY-OWNED SITES WILL BE UNLOCKED THROUGH THE MODERNT0 PROGRAM



MODERNTO REAL ESTATE PORTFOLIO STRATEGY APPROACH

- **Consultation:** Consult with key stakeholders including senior city leadership, local Councillors, City divisions, agencies and existing occupants to determine portfolio objectives and site specific needs
- **Re-Accommodation:** Determine re-accommodation strategy for each site, focusing on relocating non-office uses to fully unlock properties
- **Planning:** Identify Development Potential for each re-development site in working with City planning and architecture teams proposed massing, land use, urban design features, heritage impacts, etc
- **Financial Due Diligence:** Conduct financial due diligence and prepare preliminary business plans
- **Implementation:** Develop implementation strategies for each property in order to achieve overall portfolio objectives. Implementation strategies were developed in line with Council approved priorities and in partnership with City divisions and agencies, including City Planning, Corporate Real Estate Management, the Housing Secretariat, Economic Development and Culture, Social Development, Finance & Administration, Corporate Finance, Toronto Public Health, Toronto Parking Authority, Toronto Transit Commission, Toronto Community Housing Corporations and other impacted divisions



IDENTIFIED CITY BUILDING PRIORITIES ACROSS THE PORTFOLIO:



- **Creation of Affordable Housing:** The inclusion of a minimum of 33% affordable housing on all residential re-development opportunities within the ModernTO portfolio



- **Financial Sustainability:** The adherence to the strategic investment policy as outlined in recent Council direction through the City-Wide Real Estate strategy – Next Phase of Implementation (EX27.4)



- **Public Realm Improvements:** All of the proposed re-developments are to include public realm improvements and/or streetscape enhancements



- **City Service and Institutional Improvements:** The inclusion of city service improvements, such as Paramedics Multi-Hubs and future institutional uses.



- **Maintenance or Enhancement of Employment Opportunities:** Within the portfolio of eight sites, the total quantum of employment and office uses will be maintained or enhanced through the proposed re-development



- **Adaptive Re-Use of Heritage Resources:** Three properties within the portfolio have currently identified heritage resources. Those resources are to be adaptively re-used as part of any proposed re-development options.



- **Sustainable Development:** Any re-development within the ModernTO portfolio will be required to meet, at a minimum, Tier 2 of the Toronto Green Standards – Version 4.

MODERNTO PHASED IMPLEMENTATION STRATEGY

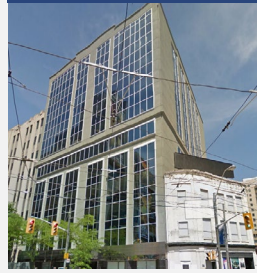
610 BAY STREET



931 YONGE ST



277 VICTORIA ST



SHORT TERM RE-DEVELOPMENT

SPECIFIC RECOMMENDATIONS ON PROPOSED VISIONS INCLUDED IN THIS REPORT

The proposed report recommendations are driven by timing to unlock the 8 Sites:

- The report outlines **specific recommendations** on the **5** sites that are available for redevelopment in the **Short Term**.
- The report provides an **update** on the **3** remaining sites that are available for redevelopment in the **Long Term**.
- Of the 5 sites available in the short term 3 are proposed for re-development and 2 are proposed to be re-purposed for other city uses.

95 ESPLANADE



18 DYAS ROAD



PROPOSED TO BE RE-PURPOSED

SPECIFIC RECOMMENDATIONS ON RE-PURPOSING SITES INCLUDED IN THIS REPORT

To be Completed in 2022:

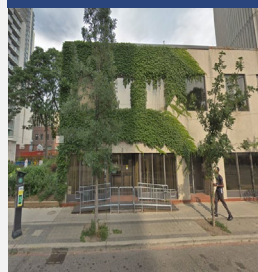
- Public Consultation on 610 Bay, 277 Victoria and 931 Yonge
- Bring 610 Bay and 277 Victoria to market
- Submit planning application on 931 Yonge
- Begin design work on 95 The Esplanade and 18 Dyas Rd
- Continue work on unlocking 33 Queen, 1900 Yonge and 75 Elizabeth

33 QUEEN ST E



Timing based on Ontario Line Construction

75 81 ELIZABETH



Timing based on Hydro One Major Infrastructure

1900 YONGE ST



Timing based on Master Control Centre Re-Location

LONG TERM RE-DEVELOPMENT

THIS REPORT TO PROVIDE AN UPDATE ON THESE SITES, PROPOSED VISIONS IN FUTURE REPORT

KEY REPORT RECOMMENDATIONS

The Chief Executive Officer, recommends that the Board of Directors of CreateTO:

1. Recommend that City Council adopt the following proposed city-building objectives to be prioritized across the portfolio of eight properties to be unlocked through the ModernTO program:
 - *(Lists the 7 Key Portfolio Objectives Outlined on Slide 4)*
2. Recommend that City Council to endorse the development strategy / vision on the following five properties to be developed in the short term as outlined in Appendix A:
 - 610 Bay St & 130 Elizabeth St, 277 Victoria St, 931 Yonge St, 18 Dyas Rd, 95 The Esplanade
3. Recommend that City Council forward this report to the Boards of the Toronto Transit Commission, Toronto Parking Authority and Toronto Community Housing Corporation for information.

The report also includes site specific recommendations for the five sites to be developed in the short term which are outlined in the following slides

KEY REPORT RECOMMENDATIONS - CONTINUED

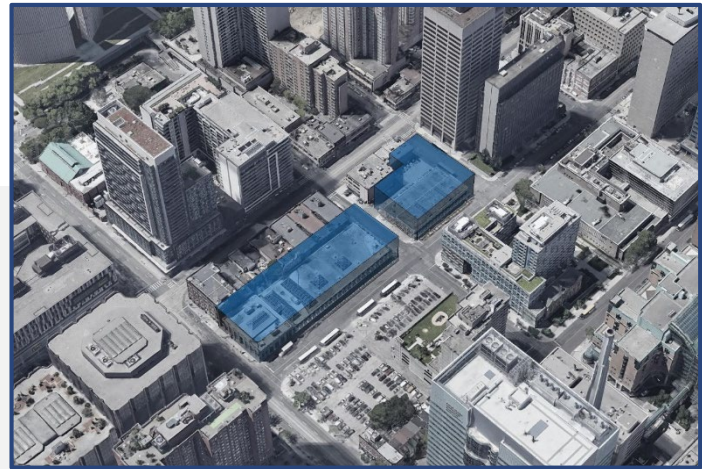
610 Bay Street & 130 Elizabeth Street

Report Recommendation:

- 4. Recommend that City Council authorize the Chief Executive Officer, CreateTO, in consultation with Corporate Real Estate Management and the Housing Secretariat, to issue a Request for Expression of Interest (REOI) to the development and not-for-profit community for the redevelopment of 610 Bay Street and 130 Elizabeth Street that will prioritize the delivery of affordable housing, a Paramedics Multi-Hub, adaptive heritage reuse while adhering to the City's strategic investment policy, as per Attachment 1. Following the offering, the Chief Executive Officer, CreateTO will report back to the CreateTO Board and City Council with the recommended strategy and proposed business case, which will be conditional upon consultation with the local community.*

Vision: A mixed-income, mixed-use, high-rise development to include market condo and rental units, affordable housing, a paramedic multi-hub, employment uses with a preference for life science partnerships, adaptive heritage re-use, streetscape improvements and LARF allocation. It is proposed that a Request for Expression of Interest (REOI) be issued to the development and not-for-profit community for the re-development of this site that will prioritize the delivery of the identified city-building priorities on this site while promoting creative and aspirational visions for this property.

Implementation: The REOI process will be designed to promote creative and innovative proposals that achieve the identified City Building priorities while encouraging respondents to partner with and integrate the project into the local community, which contains Canada's largest research hub and one of the ten largest biomedical clusters in the world.



KEY REPORT RECOMMENDATIONS - CONTINUED

277 Victoria Street

Report Recommendation:

5. *Recommend that City Council authorize the Chief Executive Officer, CreateTO in consultation with the Corporate Real Estate Management to negotiate the disposition of 277 Victoria Street to the entity identified in Confidential Attachment 3 at market value, subject to the following conditions:*
 - a) *The proponent to conduct additional community consultation in addition to what is required as part of the development application approval process*
 - b) *The proponent to maintain “The Works” in its current form until an accommodation strategy is developed and implemented*
 - c) *The proponent to include additional retail commercial space on the first and second floors, include replacement for the Sam the Record Man sign and consideration for any other heritage merits of the site (condition to be fulfilled upon rezoning approval)*
 - d) *The proponent to work with City Planning to incorporate public realm improvements along Victoria Street north of Dundas Street*
 - e) *City Council approval of the negotiated terms and conditions of sale*

Vision: A high-rise, mixed use, institutional development with retail and or community space on the ground and second floors. The site specific guiding principles developed for this site include capitalizing on a unique location adjacent to Yonge-Dundas Square while incorporating streetscape and public realm improvements, potential adaptive heritage reuse and fostering sustainability.

Implementation: Proposed sole-source negotiation with the entity identified in Confidential Attachment 3 with the intent of maximizing the market value of transaction, while achieving the city building priorities identified in the proposed vision.



KEY REPORT RECOMMENDATIONS - CONTINUED



277 Victoria Street - Continued

Additional Report Recommendations:

- 7. Direct the Chief Executive Officer, CreateTO to work with the Medical Officer of Health Toronto Public Health and in consultation with Chief Planner and Executive Director City Planning, Executive Director Corporate Real Estate Management, General Manager Shelter, Support and Housing Administration, Executive Director Social Development, Finance and Administration and other divisions as required to create a working group to develop the real estate strategy and public consultation framework for the accommodation of “The Works” from 277 Victoria Street and to engage local health partners in the process.*
- 8. Direct the Chief Executive Officer, CreateTO to work with the Chief Planner and Executive Director City Planning, Executive Director Economic Development, General Manager Transportation Services, Executive Director Corporate Real Estate Management, Executive Director Social Development, Finance and Administration and other divisions as required to create a working group to explore improvements to the public realm, traffic flow, and pedestrian and cycling mobility at the Yonge-Dundas precinct in line with the yongeTOmorrow plan and other planning frameworks in consultation with the Yonge-Dundas Square, Downtown Yonge BIA, Ryerson University and other local stakeholders in this process as part of any redevelopment at 277 Victoria Street and direct the Chief Executive Officer, CreateTO to report back in the second quarter of 2023 with an implementation plan and identified budget requests.*

KEY REPORT RECOMMENDATIONS - CONTINUED



931 Yonge Street

Report Recommendation:

6. *Recommend that City Council authorize the Chief Executive Officer, CreateTO in consultation with Corporate Real Estate Management and the Housing Secretariat to undertake a market offering process for 931 Yonge Street immediately following the re-zoning of the property that prioritizes the creation of affordable ownership housing, delivery of public realm improvements and adheres to the City's strategic investment policy as outlined in the proposed vision and to report back to the CreateTO Board with the recommended proponent for City Council approval.*

Vision: A mixed-income, mixed-use, high-rise development to include affordable ownership housing. Guiding design principles for this vision include optimizing the site to achieve appropriate density while minimizing shadow impacts on adjacent parks and green spaces, enhanced public realm opportunities, while fostering sustainability

Implementation: CreateTO led re-zoning process in 2022 with a market offering that prioritizes affordable ownership housing immediately following the re-zoning of the property to allow for the uses outlined in the proposed vision.



18 Dyas Road

Report Recommendation: *No site specific recommendations*

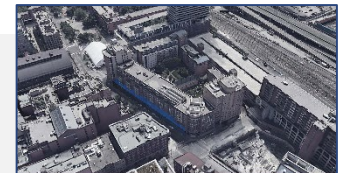
Vision: Property is proposed to be re-purposed for new City uses with Paramedics Multi-Function Station Hub as the primary use. Retaining this site for this use, results in significant cost avoidance versus acquiring new lands. The proposed concept will also house a fuel station to be relocated from Oriole Yards (a Phase 2 Housing Now site), which allows for a better development, additional density and more affordable housing units as part of the Housing Now offering on that site. The fuel station is required to be maintained in proximity to Oriole Yard to service City Fleet, making 18 Dyas a very suitable alternative as it is less than 3km away from its current location.



95 The Esplanade

Report Recommendation: *No site specific recommendations*

Vision: The Property is proposed to be repurposed for City services, entrepreneurship or incubator space, or for a not-for-profit below market rent tenant. With the retail / commercial market depressed due to COVID-19 impacts, the proposal for this site is to keep it for City uses and revisit a sale option in approximately five to ten years, or when the retail market supports a more favourable business case.



SUMMARY & NEXT STEPS

In Summary, the upcoming report on the ModernTO portfolio aims to achieve the following:

- Receive CreateTO Board and City Council endorsement on the proposed City Building objectives to be prioritized across the ModernTO portfolio
- Receive CreateTO Board and City Council endorsement on the specific visions for 5 of the 8 sites that are available for redevelopment in the short term.
- Provide an update on the 3 remaining sites that are available for redevelopment in the long term.
- Receive endorsement on the proposed implementation plan including the upcoming public consultation process

The Next Steps to bring this report to CreateTO Board and Council are as follows:

- Report to CreateTO Board on Mar 7th, 2022
- Report to Executive Committee on Mar 30th, 2022
- Report to City Council on Apr 6th, 2022