

Strategic Acquisition of 214-230 Sherbourne Street to Support City-Building

Date: March 18, 2022

To: Executive Committee

From: Deputy City Manager, Corporate Services, Executive Director, Corporate Real Estate Management, and Chief Executive Officer, CreateTO

Wards: 13 - Toronto-Centre

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto.

SUMMARY

On February 17, 2022, through Item [EX30.2](#) - "2022 Capital and Operating Budgets", City staff were directed to: (a) review feasibility on leveraging the 214-230 Sherbourne Street property with the intention to achieve Dan Harrison Revitalization and Housing Now objectives and report back directly to City Council meeting of March 9, 2022 on the outcome at the earliest convenience; and (b) explore available Section 37, Land Acquisition Reserve Fund, and other Provincial and Federal government affordable housing funding, and subject to funding availability, seek authority and necessary capital budget adjustments to submit an Offer to Purchase at the appraised market valuation for the lands at 214-230 Sherbourne Street (the "Subject Property").

With this direction, staff conducted a review of the opportunity, developed a plan, including identifying funding source(s) and submitted a non-binding offer to acquire the Subject Property. This report provides City Council details on the offer and the outcome as outlined in Confidential Attachment 1 and 2.

RECOMMENDATIONS

The Deputy City Manager, Corporate Services, Executive Director, Corporate Real Estate Management, and Chief Executive Officer, CreateTO recommends that:

1. City Council authorize the public release of the information contained in Confidential Attachment 1 and 2 to this report following closing of the acquisition transaction of the Subject Property.

FINANCIAL IMPACT

The relevant financial information is set out in Confidential Attachment 1 to this report, as it involves a proposed acquisition of land by the City of Toronto.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On February 17, 2022, City Council adopted Item EX30.2 - "2022 Capital and Operating Budgets", and directed staff to report to the March 9, 2022 meeting of City Council after reviewing the feasibility of leveraging the 214-230 Sherbourne Street property with the intention to achieve Dan Harrison Revitalization and Housing Now objectives and explore available Section 37, Land Acquisition Fund, and other Provincial and Federal government affordable housing funding, and subject to funding availability to seek authority and necessary capital budget adjustments to submit an Offer to Purchase at the appraised market valuation for the lands at 214-230 Sherbourne Street. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX30.2>

On November 9, 2021, City Council adopted Item EX27.4 City-wide Real Estate - Next Phase of Implementation, approving the Strategic Acquisition Policy and other actions to advance the implementation of the City-wide Real Estate model. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX27.4>

On March 10, 2021, City Council adopted Item PH21.2 - "Activating a Revitalization Plan for the Dundas Sherbourne Neighbourhood", and directed staff to conduct due diligence on the financial implications related to the full redevelopment of the Dan Harrison Community Complex and report back on a proposed plan to improve the built-form of the Complex and to create new supportive housing opportunities, including identifying funding sources to acquire 214-230 Sherbourne Street. This report also authorized entering into a conditional Agreement of Purchase and Sale and initiating expropriation proceedings for 214-230 Sherbourne Street if necessary. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH21.2>

On December 17, 2019 City Council adopted Item PH11.10 - "Activating a Revitalization Plan for the Dundas Sherbourne Neighbourhood", and directed staff to report to the Planning and Housing Committee on April 16, 2020 with a proposed neighbourhood revitalization plan for the Dundas East and Sherbourne Street area, including a business case for the modernization of the Dan Harrison Community Complex, and to examine opportunities to fund the acquisition of the Properties and the properties at 214, 218, 220, 222, 224, 226 and 230 Sherbourne Street.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.10>

On July 16, 17 and 18, 2019, City Council adopted Item EC6.16 - "Downtown East 2023 Five-Year Action Plan" which included comprehensive five-year Action Plan to coordinate City services and address long term community needs in the Downtown East area where the subject properties are located.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC6.16>

On April 16 and 17, 2019, City Council adopted Item MM6.13 - "The Dan Harrison Community Complex Master Plan", which directed staff to work with Toronto Community Housing a renewed comprehensive strategy for the Dan Harrison Community Complex.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM6.13>

On July 23, 24, 25, 26, 27 and 30, 2018, City Council adopted EX36.37 - "Feasibility of Acquisition or Expropriation of 214, 218, 220, 222, 224, 226 and 230 Sherbourne Street", which provided the preliminary assessment on the potential acquisition or expropriation of the properties located at 214, 218, 220, 222, 224 Sherbourne Street, and directed staff to report back on an affordable housing real estate acquisition/expropriation strategy as part of the HousingTO 2020-2030 Action Plan in 2019.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.37>

On March 26 and 27, 2018, City Council adopted Item MM38.10 - "230 Sherbourne Street - Potential Property Acquisition for Affordable Housing Purposes" which directed staff to report back to the June 25, 2018 Affordable Housing Committee on the results of the due diligence and the potential sources of funding to acquire the properties.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM38.10>

On January 31, 2017 adopted TE21.12 - "Designation of the Garden District Heritage Conservation District under Part V of the Ontario Heritage Act", which established the Garden District Heritage Conservation District (HCD). This HCD is currently under appeal at the Local Planning Appeal Tribunal. Properties within the HCD, including the Dan Harrison site and 230 Sherbourne has either been listed or designated as an important cultural heritage property. The City Council Decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TE21.12>

On March 31, 2015, City Council adopted Item TE 4.8 - "Final Report - Downtown East Planning Study - Official Plan Amendment" which established a site and area specific policy for the area known as the Garden District generally bounded by

Mutual Street, Carlton Street, Sherbourne and Queen Street. This site and area specific policy (OPA 82) put in place land use direction and permissions for sites in the area, including the Dan Harrison site and the properties at 214-230 Sherbourne.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE4.8>

COMMENTS

Proposed Acquisition of the Subject Property

City Council directed staff to explore the acquisition of the property at 214-230 Sherbourne Street (the "Subject Property") at the February 17, 2022 meeting of City Council. Staff conducted a review of the opportunity, developed a plan, including identifying funding source(s), and submitted a non-binding offer to acquire the Subject Property. This report provides City Council details on the offer and the outcome as outlined in Confidential Attachment 1 and 2.

Based on the outcome of the bidding process as outlined in Confidential Attachment 1 and 2, Housing Secretariat and Corporate Real Estate Management staff, in partnership with CreateTO, will report back to the April 27, 2022 meeting of the Planning and Housing Committee and as part of the Dan Harrison Revitalization Update report with additional details.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Location Map of Subject Property
Confidential Attachment 1 - Transaction Details
Confidential Attachment 2 - Letter of Intent

Attachment 1: Location Map of Subject Property

