

ModernTO: Selection of Proponent for 610 Bay Street and 130 Elizabeth Street

Date: October 22, 2024

To: Executive Committee

From: Deputy City Manager, Corporate Services and Deputy City Manager, Development and Growth Services

Wards: Ward 11 - University-Rosedale

SUMMARY

The Board of Directors of CreateTO will consider [Item RA14.1, ModernTO: Selection of Proponent for 610 Bay Street and 130 Elizabeth Street](#) on October 29, 2024.

Recommendations from the Board regarding Item RA14.1 will be transmitted to the November 5, 2024 Executive Committee for consideration. That item will recommend a preferred proponent and key terms to City Council, and seek City Council's approval and authority to negotiate and execute transaction agreements.

In addition, City staff intend to submit a supplemental report on the redevelopment of 610 Bay Street and 130 Elizabeth Street following the meeting of the Board of Directors of CreateTO. The City supplemental report will include confidential financial impacts and additional recommendations that refer to Item RA14.1.

RECOMMENDATIONS

The Deputy City Manager, Corporate Services, and Deputy City Manager, Development and Growth Services, recommend that the:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

A supplemental report detailing the financial impact associated with the recommendations from the Board of Directors of CreateTO related to the redevelopment of 610 Bay Street and 130 Elizabeth Street will be submitted by City staff once Item RA14.1 is transmitted.

DECISION HISTORY

At its meeting on June 14 and 15, 2023, City Council adopted GG4.26 “ModernTO: 610 Bay Street and 130 Elizabeth Street - Results of Request for Expression of Interest” approving the shortlist of preferred proponents for the redevelopment of 610 Bay Street and 130 Elizabeth Street and authorizing CreateTO to issue a Request for Proposal to the Shortlisted Proponents as Stage Two of a Two-Stage Market Offering Process.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2023.GG4.26>

At its meeting of April 6, 2022, City Council adopted EX31.10 “ModernTO: Unlocking Eight City-Owned Properties” which provided an outline on the recommended portfolio strategy that optimizes city-building opportunities on eight City-owned properties included in the ModernTO program, including the properties at 610 Bay Street and 130 Elizabeth Street with the authorization to proceed with the issuance of a Request for Expression of Interest to the development and non-for-profit communities as Stage One of a Two-Stage Market Offering Process.
<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX31.10>

At its meeting on October 29 and 30, 2019, City Council adopted EX9.2 “ModernTO – City-Wide Real Estate Strategy and Office Portfolio Optimization” which established the strategic framework to optimize the city-wide real estate portfolio and launched the Office Optimization Plan (“ModernTO”). The report identified eight underutilized assets as opportunities to unlock value and address City needs and City building objectives, such as affordable housing, employment uses and community infrastructure, including 610 Bay Street.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.2>

COMMENTS

The ModernTO real estate program, approved by Council in October 2019, includes the consolidation and modernization of the City’s office portfolio to redevelop and repurpose eight strategically important City-owned real estate assets with an estimated total market value of approximately \$450M. The site at 610 Bay Street and 130 Elizabeth Street is one of the eight sites identified by City Council as currently underutilized, with opportunities to unlock value and address City needs.

A two-stage market offering process was taken to redevelop this site. The first stage of the market offering process was completed in summer 2023 with a proponent shortlist approved by City Council in June 2023. The second stage of the process was initiated in fall 2023 with a Request for Proposals (RFP) issued to the shortlisted proponents. The market offering concluded with a bid deadline of May 13, 2024.

The Board of Directors of CreateTO will consider [Item RA14.1, ModernTO: Selection of Proponent for 610 Bay Street and 130 Elizabeth Street](#), recommending a preferred

development proponent for the redevelopment of these City-owned properties on October 29, 2024. Following the Board's approval, that item, along with recommendations, will be transmitted to the November 5, 2024 Executive Committee for consideration. That item will recommend a preferred proponent and key terms and seek City Council's approval and authority to negotiate and execute transaction agreements, including ground leases and contribution agreements, and such other documents as may be necessary to finalize the arrangements with the preferred proponent.

In addition, City staff intend to submit a supplemental report on the redevelopment of 610 Bay Street and 130 Elizabeth Street following the meeting of the Board of Directors of CreateTO. The City supplemental report will include confidential financial impacts and additional recommendations that refer to item RA14.1.

CONTACT

Abigail Bond, Executive Director, Housing Secretariat, 416-338-1143,
Abigail.Bond@toronto.ca

Patrick Matozzo, Executive Director, Corporate Real Estate Management,
416-392-9158, Patrick.Matozzo@toronto.ca

Vic Gupta, Chief Executive Officer, CreateTO, 416-981-3889, vgupta@createto.ca

SIGNATURE

David Jollimore
Deputy City Manager, Corporate Services

Jag Sharma
Deputy City Manager, Development and Growth Services