

## **770 Don Mills Road - Memorandum of Understanding with Toronto Lands Corporation**

**Date:** June 5, 2024

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

**From:** Chief Executive Officer

**Wards:** Ward 16

### **REASON FOR CONFIDENTIAL INFORMATION**

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The Confidential Attachment to this report deals with a proposed or pending disposition of land by the City of Toronto.

### **SUMMARY**

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The purpose of this report is to inform the Board of Directors of CreateTO of the ongoing discussions between CreateTO staff and the Toronto Lands Corporation ("TLC"), on behalf of the Toronto District School Board ("TDSB"), in respect of the opportunity to incorporate a public elementary school within the Housing Now development at 770 Don Mills Road.

770 Don Mills Road (the "Site") is a Phase 1 Housing Now site located at the southwest corner of Don Mills Road and Eglinton Avenue East. The Site is located directly adjacent to the Eglinton Crosstown LRT Science Centre station, a future Ontario Line station, as well as directly north of the Ontario Science Centre. The Site is currently a 5.48 acre vacant surface parking lot.

The proposed mixed-use, mixed-income development for the Site consists of three towers of 37-storeys, 48-storeys and 39-storeys in height and having a total of 1,254 residential units. It is proposed that 1/3 of the units will be affordable rental and 2/3 of the units will be market units.

There will also be a new 62-space non-profit childcare, a new public park, new public road and new retail as part of the overall development. The TDSB elementary school will be located in the base podium of Block 2, the 39-storey residential tower (see Attachment 1).

The Site obtained Re-zoning and Draft Plan of Subdivision approvals in June 2022 with no notice of appeal and is in full force and effect.

The TDSB elementary school was contemplated as a use early in the re-zoning process and is incorporated as part of the approved zoned lands. As part of the Don Mills Crossing Secondary Plan, there is also a requirement for a minimum Floor Space Index (FSI) of 1.0 of non-residential uses within the base of mixed-use developments. By incorporating the elementary school into the development at 770 Don Mills, this assists in achieving this Secondary Plan policy.

Subject to market conditions, the Site will be taken out for a market offering to seek a development partner in Q4 2024. Prior to bringing the Site to market, the deal terms with TLC need to be confirmed in order to provide clarity to developer proponents on what their role and responsibilities will be in delivering the elementary school as part of the overall proposed development.

Providing for an elementary school at this location meets TLC/TDSB's strategic plan goals by providing for a much-needed school in this neighbourhood and will benefit students and the surrounding community.

This partnership represents a great example of how two public agencies can work together to deliver on community benefits and achieve the goals of both organizations. This could also be a framework for future joint partnerships between TLC and the City of Toronto, whereby schools and residential developments can be delivered creatively together on public lands.

## **RECOMMENDATIONS**

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

1. Endorse the key terms of the Memorandum of Understanding substantially as outlined in Confidential Attachment 1 and direct the Chief Executive Officer, CreateTO to work with the Deputy City Manager, Corporate Services, and the Executive Director, Housing Secretariat, to advance the key terms in Confidential Attachment 1 to City Council for consideration;

2. Recommend that City Council approve the terms of the Memorandum of Understanding substantially as outlined in Confidential Attachment 1 and:

(a) direct the Chief Executive Officer, CreateTO, in consultation with the Executive Director, Corporate Real Estate Management to negotiate and finalize the Purchase Agreement, Tri-Party Development Agreement, Reciprocal Rights and Cost Sharing Agreement and such other agreements and documents as may be required in order to finalize the arrangement with Toronto Lands Corporation and Toronto District School Board; and

(b) authorize the Deputy City Manager, Corporate Services, and the necessary City of Toronto authorities to execute the Purchase Agreement, Tri-Party Development

Agreement, and such other agreements and documents, and take such other steps as may be required in order to finalize the arrangement with Toronto Lands Corporation and Toronto District School Board provided, they are materially in accordance with the terms of the Memorandum of Understanding.

3. Direct that the information contained in Confidential Attachment 1 to this report remain confidential in its entirety, as it deals with a proposed or pending disposition of land by the City of Toronto.
4. Recommend that City Council direct the information contained in Confidential Attachment 1 to this report remain confidential in its entirety, as it deals with a proposed or pending disposition of land by the City of Toronto

## **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.

Due diligence, marketing and partial human resource costs are being recovered by CreateTO from the City's Housing Secretariat in line with current City approved budgets.

A summary of the key terms of the Memorandum of Understanding is included in Confidential Attachment 1.

## **DECISION HISTORY**

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On July 4, 2018, North York Community Council adopted NY32.25 "Preliminary Report – Official Plan Amendment and Zoning By-law Amendment Application – 770 Don Mills Road and 805 Don Mills Road" with amendments. This report provided preliminary information and an early opportunity to raise issues for follow-up with regard to the application submitted by Build Toronto Inc. (now CreateTO).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.NY32.25>

On December 13, 2018, City Council adopted CC1.3 "Housing Now", which approved the activation of 11 City-owned sites for the development of affordable housing as part of creating mixed-income, mixed-use and transit-oriented communities. 770 Don Mills was named as one of the Phase One sites.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.3>

On January 30 and 31, 2019, City Council adopted EX 1.1 "Implementing the "Housing Now" Initiative". This report provided recommendations on the organizational structure and processes to deliver the Housing Now Initiative, the proposed affordable housing program and the overall financial implications of the program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

On June 16, 2022, City Council adopted PH34.2, the "Housing Now – 770 Don Mills Road - City-Initiated Zoning By-law Amendment and Draft Plan of Subdivision – Final Report" to facilitate the development of mixed-use residential developments with a minimum of 33% affordable rental units. There were no appeals or objections and By-law 582-2022 came into full force and effect as of June 16, 2022.  
Agenda Item History - 2022.PH34.3 (toronto.ca)

## **COMMENTS**

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### TLC/TDSB Partnership

Through the re-zoning process, TDSB had advised CreateTO that there was a need for a new elementary school in Ward 16 to accommodate growth in the Don Mills Road and Eglinton Avenue East corridor. TDSB requested that the Site accommodate a new public elementary school to meet these needs.

CreateTO, TDSB and TLC worked co-operatively together during the re-zoning process to incorporate a new, approximately 63,000 square foot K-8 elementary school into the podium of one of the residential towers along with approximately 35,000 square feet of outdoor yard space and a 10,000 square foot outdoor rooftop play space for exclusive use by the TDSB.

TDSB would acquire the school as fee-simple stratified title along with eight (8) parking spaces located in the underground garage either by long-term lease or through the acquisition of the spaces as condominium units.

The 35,000 square feet of outdoor yard space would also be transferred to TDSB as fee-simple stratified title which would be for the exclusive use by the TDSB during school hours with public use after school hours and on non-school days, secured by way of shared-use agreement.

The deal will be conditional on the approval of the Ministry of Education for TDSB to pay all hard and soft costs associated with the construction of the elementary school, outdoor yard space and eight parking spaces as well as paying land value for the TDSB elementary school space. A cost estimate has been prepared by a cost consultant and has been provided to TDSB to inform them of approximate costs for the delivery of the school elements.

Land value for the school space will be determined by appraisers as reflected in Confidential Attachment 1.

The future developer proponent will be responsible for constructing and delivering the shell of the TDSB school as well as the outdoor yard areas and associated parking.

CreateTO and TLC will commence work on draft legal agreements consisting of a Purchase Agreement, a Reciprocal Rights and Cost Sharing Agreement to define shared elements of the project, and a Tri-Party Development Agreement which will

outline the roles and responsibilities of each party for the delivery of the school. These agreements will need to be substantially settled prior to CreateTO going out to market for a developer proponent.

TLC's Board endorsed the major terms of the MOU at its meeting on May 28th, 2024, authorizing TLC to negotiate and execute all agreements and other documents as required to effect the transaction.

## **CONTACT**

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## **SIGNATURE**

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Vic Gupta  
Chief Executive Officer

## **ATTACHMENTS**

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Attachment 1 - Site Context Plan  
Confidential Attachment 1 - Key Terms for Proposed Transaction with TLC/TDSB

# Attachment 1 - Site Context Plan

