

Advancing the George Street Revitalization Project

Date: March 31, 2025

To: Executive Committee

From: Executive Director, Corporate Real Estate Management

Wards: 13 - Toronto-Centre

SUMMARY

The George Street Revitalization (GSR) project is a signature initiative of the Downtown East Action Plan and is distinguished by its continuum of care model that co-locates and integrates shelter services, a long-term care home, supportive housing with wrap-around services, and a community hub on a single site. The purpose of this report is to outline a path forward to deliver the GSR project in a manner that aligns with the original project vision, responds to the City's emerging priorities, and adheres to the approved project budget.

In July 2016, City Council authorized staff to proceed with an alternative financing and procurement approach, also known as a Public-Private Partnership (P3) model for the implementation of the GSR project, with Ontario Infrastructure and Lands Corporation (also known as Infrastructure Ontario, or IO) acting as procurement lead. Through 2020 and onwards, the construction sector began to experience significant financial impacts by the volatile increase in construction material costs, global supply chain disruptions, and labour shortages due to COVID-19 pandemic pressures. The same impacts were felt across the City, including the GSR project through the P3 process.

In February 2024, City Council directed staff to explore a City-delivered procurement and implementation model for the GSR project in order to bring the project in compliance with the approved project budget. Through work with City divisions and value engineering, the City can accommodate the delivery of key program elements and preservation of the three existing heritage buildings, two of which are semi-detached, on the Phase 1 site, through a City-led development within the current approved budget. Phase 1 occupies two-thirds of the site and includes the core elements of the GSR project, and Phase 2 occupies the remaining one-third of the site to the south, creating a potential future affordable housing opportunity.

The phased development approach allows the fully funded Phase 1 to proceed independently of Phase 2, which requires further project design and planning studies, due diligence work, as well as funding – ultimately minimizing the risk of delay of Phase 1.

The GSR project will be delivered through a Construction Management approach, an industry standard method which can emphasize certainty on budget prior to the start of construction; and provides further control and accountability to the owner. In this approach, the construction manager can take on the financial risk of completing the project within a set budget.

Pending adoption of the City-delivered approach, staff will proceed with the design services and construction procurement for Phase 1, and report back to the appropriate committee upon the conclusion of the competitive procurement process, estimated to take place by the third quarter of 2025. Phase 1 construction is estimated to start by the fourth quarter of 2026 with occupancy estimated for end of 2029.

To align all GSR related decision-making, two separate heritage and planning reports will be considered by City Council in April 2025 concurrently with this report. This includes a report from the Senior Manager, Heritage Planning, on the proposed heritage conservation and integration of the three designated heritage properties into the Phase 1 GSR building and a report from the Director, Community Planning, Toronto and East York District on the recommended approval of a City-initiated Official Plan and Zoning By-law Amendment to permit the construction of the Phase 1 GSR building.

As outlined in this report, staff are committed to continued thoughtful community engagement and the Seaton House Transition Plan, ensuring stakeholders receive updates and provide ongoing advisory input to the City of Toronto.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, recommends that:

1. City Council direct the Executive Director, Corporate Real Estate Management in consultation with the General Manager, Toronto Shelter and Support Services, General Manager, Senior Services and Long-Term Care, Executive Director, Housing Secretariat, Executive Director, Housing Development Office, and Executive Director, Social Development, Finance and Administration to proceed with the design and construction of Phase 1 of the George Street Revitalization project based on a City-delivered approach outlined in this report and within the current approved project budget.

FINANCIAL IMPACT

Implementation of Phase 1 of the project will be within the approved Toronto Shelter and Support Services' 2025-2034 Capital Budget of \$556,437,000 exclusive of the supportive housing component.

The addition of 70 units of supportive housing in Phase 1 will be funded through the Housing Secretariat's Council Approved 2025 Capital Budget 2026–2034 Plan, which

includes capital funding in the amount of \$54,447,934, the estimated cost for the program.

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

EQUITY IMPACT

The services and supports delivered through the GSR project will enhance equity outcomes for Indigenous peoples, Black residents, and other equity-deserving groups, including racialized populations, women, gender-diverse individuals, seniors, 2SLGBTQ+ communities, youth, newcomers, low-income individuals, and persons with disabilities. Through an integrated service approach, the GSR project is designed to promote inclusivity, address systemic barriers, and provide equitable supports for marginalized communities and individuals in vulnerable circumstances.

DECISION HISTORY

At its meeting on July 24 and 25, 2024, City Council adopted Item EC14.8, Downtown East Action Plan - Implementation Update and 2025-2030 Action Plan. The decision approved the updated Downtown East Action Plan for 2025-2030, continuing efforts to address social and economic challenges in the Downtown East area.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EC14.8>

At its meeting of February 6, 2024, City Council adopted 2024.EX.11.9 Advancing the George Street Revitalization Project – Update and Next Steps. Council directed staff to end the Memorandum of Understanding between the City and IO to deliver the GSR project using the Design-Build-Finance alternative financing and procurement delivery model, and to explore a City-delivered method for the GSR project to maximize the value of the current approved project budget and to report back the results to Executive Committee in the third quarter of 2024.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX11.9>

At its meeting of May 11 and 12, 2022, City Council adopted item PH33.6 - "Dundas-Sherbourne Neighbourhood Revitalization – Update" and directed the Executive Director, Housing Secretariat to undertake a community visioning exercise to support the revitalization of the neighbourhood and adopted a framework for the development of the broader Downtown East Housing Strategy.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH33.6>

At its meeting of September 30, 2020, City Council adopted GL15.7 Non-Competitive Contract with B+H Architects for Planning, Design and Conformance Consulting for the George Street Revitalization Project. Council authorized staff to enter into a non-competitive Agreement with B+H Architects as Planning, Design and Conformance Consultants for Phase Two of the George Street Revitalization project.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.GL15.7>

At its meeting of July 23, 2018, City Council adopted CC44.15 George Street Revitalization: Phase Two Agreement with Ontario Infrastructure and Lands Corporation. Council authorized staff to execute the Phase Two Agreement with Ontario Infrastructure and Lands Corporation for the George Street Revitalization Project.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CC44.15>

At its meeting of June 6, 2018 City Council adopted TE33.44 George Street Revitalization Streetscaping Plan. City Council endorsed the approach proposed in the report (May 18, 2018) from the Director, Public Realm, Transportation Services to develop a public realm plan to provide an enhanced streetscape on George Street between its intersection with Gerrard Street and Shuter Street taking into account planned, proposed and potential future redevelopment in the area, recognizing the historic Indigenous presence and the relationship to some of the most vulnerable members of our society; such improvements to also address safety, security and mobility and create more pedestrian-friendly, liveable streets.
<https://secure.toronto.ca/council/agenda-item.do?item=2018.TE33.44>

At its meeting of April 24, 2018, City Council adopted EX33.4 George Street Revitalization Procurement Strategy. Council authorized staff to issue the Request for Quotation and Request for Proposal for the implementation of the George Street Revitalization Project using an Alternative Financing and Procurement approach. Council also authorized staff to negotiate and enter into a Phase Two Agreement with Infrastructure Ontario while continuing in three non-competitive contracts with Infrastructure Ontario, PRISM Partners, and Montgomery Sisam Architects in development of the Project Specific Output Specifications. Council directed staff to engage CreateTO as appropriate through the Project's construction phase.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.4>

At its meeting of December 5, 2017, City Council adopted CD24.7 2018 Shelter Infrastructure Plan and Progress Report, whereby Council approved the 2018 Shelter Infrastructure Plan.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD24.7>

At its meeting of December 13 to 15, 2016, City Council adopted EX20.12 George Street Revitalization: Recommendations for Short-term Non-competitive Contracts. Council authorized staff to develop the Project Specific Output Specification, which is the design specification document for the project, by engaging three professional services for an 18-month duration: Infrastructure Ontario as Advisors, PRISM Partners as Owner's Representative and Montgomery Sisam Architects as Planning, Design and Conformance Consultants.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.12>

At its meeting on July 12, 2016, City Council adopted EX16.13 "George Street Revitalization: Recommended Procurement and Delivery Strategy". Through that report, Council authorized staff to proceed with aP3 model for the implementation of the GSR project using a Design-Build-Finance approach and also authorized staff to initiate negotiations towards an agreement with Infrastructure Ontario as commercial procurement lead.
<https://secure.toronto.ca/council/agenda-item.do?item=2016.EX16.13>

COMMENTS

Background

In July 2013, City Council approved in principle the revitalization of George Street by creating a new integrated facility to replace the existing Seaton House men's shelter. As a signature initiative of the Downtown East Action Plan, the GSR project is distinguished by its integration of shelter services, a long-term care home, supportive housing with wrap-around services, and a community hub, all under one roof to ensure a continuum of care.

In July 2016, City Council authorized staff to proceed with a P3 approach for the implementation of the project, with IO acting as procurement lead. The project was slated to enter the construction procurement phase by late 2019. In March 2020, many of the critical stakeholders of the GSR project, including shelters and long-term care homes staff, became heavily involved in the City's emergency response to the COVID-19 pandemic.

Without critical stakeholder input, the GSR project experienced a roughly one-year schedule delay. Once the GSR stakeholders reconvened in early 2021 to continue to advance the P3 process, the construction sector also began to experience significant financial impacts by the volatile increase in construction material costs, global supply chain disruptions, and labour shortages due to COVID-19 pandemic pressures starting in 2020 and carrying into subsequent years, and the impact of which are still felt today.

City-Delivered Approach: Two-Phased Development of George Street Site

In response to the cost escalations, price volatility, and overall uncertainty in the construction sector, City Council directed staff in February 2024 to explore City-delivered procurement and implementation for the GSR project. Following this directive, a multi-disciplinary project team, comprising representatives from Corporate Real Estate Management (CREM), CreateTO, Toronto Shelter and Support Services (TSSS), Housing Secretariat (HS), Housing Development Office (HDO), Social Development, Finance and Administration (SDFA), Senior Services and Long-Term Care (SSLTC), and City Planning, worked diligently to develop a two-phased, City-delivered approach to revitalizing the George Street site.

Through work with City divisions and value engineering, the City can accommodate the delivery of key program elements and preservation of the three existing heritage buildings, two of which are semi-detached, on the Phase 1 site, through a City-led development within the current approved budget. Phase 1 will occupy two-thirds of the site and includes the core elements of the GSR project, and Phase 2 occupies the remaining one-third of the site to the south, creating a potential future affordable housing opportunity.

The phased development approach would allow the fully funded Phase 1 to proceed independently of Phase 2, which requires further project design and planning studies,

due diligence work, as well as funding – ultimately minimizing the risk of delay of Phase 1.

The GSR project will be delivered through a Construction Management approach, an industry standard method which can emphasize certainty on budget prior to the start of construction; and provides further control and accountability to the owner. In this approach, the construction manager can take on the financial risk of completing the project within a set budget.

Phase 1: GSR Building on North Portion of Site

The design and construction of the GSR building as part of Phase 1 will continue to be led by CREM in partnership with TSSS, HS, HDO, SDFA, SSLTC, and City Planning. Below is a summary of the recalibrated programmatic elements of the GSR building based on a City-delivered approach:

- Emergency shelter: 80 beds
- Transitional spaces: 100 beds
- Long-term care home: 124 beds
- Community hub: 2,269 square meters
- Supportive housing: 70 homes*

*Funded through separate Housing Secretariat's Council Approved 2026-2034 Capital Budget

Integrating Supportive Housing

Despite increased City action and investments, Toronto's housing and homelessness crises have worsened. Toronto is facing a shortage of supportive homes and the need for accessible, affordable rental housing with mental health and social supports continues to grow. To address this crisis, the City has a target of approving 18,000 supportive homes by 2030.

The City has made progress towards this target through leveraging its own land, capital funding and financial incentives, with critical funding from the federal and provincial governments. Since 2020, the City has led or supported the development of 24 supportive housing projects in 13 different wards, representing more than 1,700 supportive homes for people experiencing or at risk of homelessness.

In collaboration with the GSR project stakeholders, it has been determined that approximately 70 permanently affordable rental homes with support services can be incorporated into the GSR building on the northern portion of the site. Inclusion of supportive housing in Phase 1 provides the opportunity to leverage co-location with the onsite community services and facilities. In the development of the proposed supportive housing program, staff will explore opportunities to partner with health service providers to create enhanced supportive housing opportunities for those exiting homelessness with complex medical needs. This program model may build on recent initiatives integrating housing and health care such as the Social Medicine Initiative project at 90 Dunn Avenue, in partnership with University Health Network and United Way Greater Toronto.

To align all GSR related decision-making, two separate reports will be considered by City Council in April 2025 concurrently with this report. This includes a report from the Senior Manager, Heritage Planning, on the proposed heritage conservation and integration of the three designated heritage properties into the Phase 1 GSR building and a report from the Director, Community Planning, Toronto and East York District on the recommended approval of a City-initiated Official Plan and Zoning By-law Amendment to permit the construction of the Phase 1 GSR building.

Phase 2: Potential Affordable Housing Development Opportunity on South Portion of Site

The recommended approach to the site's revitalization allows for the fully funded Phase 1 to proceed while staff explore a potential affordable housing development opportunity on the southern portion of the site. The next steps for Phase 2 include feasibility assessment of developing affordable housing, rezoning, design and heritage considerations, market and financial analysis, as well as an evaluation of possible delivery methods. This work is in line with Council's approved HousingTO Action Plan and priorities for the redevelopment of City-owned land outlined in item EX9.3 "Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes" and will be led by HS, HDO, and CreateTO. The planning and redevelopment of the site through Phase 1 and Phase 2 are important strategic projects supporting the upcoming Dundas-Sherbourne Neighbourhood Revitalization and broader Downtown East Housing Strategy.

Responding to the George Street Community

The Downtown East area is home to approximately 209,505 individuals, representing 7.5% of the City's population. This is a fast-growing area with an estimated population growth of 14.6% from 2016-2021 according to Census Canada data compared to a population growth rate of 2.3% for the City as a whole.

The drug toxicity crisis continues in Toronto and across Ontario and Canada. In 2024, there were 4,076 non-fatal and 226 fatal calls for suspected opioid overdoses attended by Toronto Paramedic Services. The two neighborhoods with the highest concentration of calls were Downtown Yonge East (689 calls) and Moss Park (562 calls).

The Downtown East Action Plan 2025-2030 ([2024.EC14.8](#)) provides a comprehensive set of actions to coordinate City services and address complex challenges in Toronto's Downtown East area related to poverty, homelessness, community safety, mental health, substance use, and the drug poisoning crisis. The GSR project is a signature initiative of the Downtown East Action Plan, advancing several co-related initiatives to address the barriers and needs of community members from equity-deserving groups with a history of accessing services in this area.

Ongoing and Intentional Community Engagement Through the Stakeholder Reference Group

In response to City Council's direction in July 2013, the GSR [Stakeholder Reference Group](#) was formed to bring together a cross-section of key community stakeholders,

ensuring the innovative city-building project meets the diverse needs of the Downtown East. Since its formation in 2019, the group has shaped the GSR project through targeted engagement and input.

With the re-initiation of engagement opportunities on the GSR project, the Stakeholder Reference Group is expected to reconvene on a biannual basis, with the next meeting scheduled for Fall 2025. Continued thoughtful engagement will occur throughout the design and development process, ensuring stakeholders receive updates and provide ongoing advisory input to the City of Toronto.

Seaton House Transition Plan Update

Seaton House, Toronto's largest and one of its oldest shelters serving homeless men, has been a cornerstone of homelessness services since 1959. For decades, individuals experiencing homelessness have accessed essential supports at 339 George Street, deeply connected to the surrounding community.

The GSR project is a first-of-its-kind initiative aimed at modernizing and expanding shelter services through a comprehensive redevelopment of Seaton House. As part of this transformational effort, the City has been strategically relocating Seaton House residents to new shelter sites across Toronto. To date, four new shelter programs have opened under the GSR project and Seaton House Transition Plan, expanding access to shelter services while distributing capacity across the city.

The final new GSR shelter program at 2299 Dundas Street West, currently under construction, will include up to 80 shelter spaces upon completion. Alongside this effort, the City has established key housing partnerships with organizations such as Habitat Services, the Canadian Mental Health Association, and St. Clare's Multi-Faith Housing Society to support Seaton House residents in transitioning to stable, permanent housing.

Upon completion of the GSR building, two shelter programs will return to George Street, reinforcing the City's commitment to reintegrating essential services within the historic Downtown East community while modernizing facilities to better meet contemporary needs.

Conclusion

As a signature initiative of the Downtown East Action Plan 2025-2030 ([2024.EC14.8](#)), the GSR project is distinguished by its innovative continuity of care, integrating shelter capacity, a long-term care home, supportive housing with wrap-around services, and a community hub all under one roof. Recognizing the unique needs this project aims to address, staff have worked diligently to develop a two-phased, City-delivered approach to revitalize the George Street site. This approach aligns with the project vision and meets emerging City priorities while remaining within the approved project budget.

Pending adoption of the City-delivered approach, staff will proceed with the design services and construction procurement of Phase 1, and report back to the appropriate committee upon the conclusion of the competitive procurement process, estimated to

take place by the third quarter of 2025. Phase 1 construction is estimated to start by the fourth quarter of 2026 with occupancy estimated for end of 2029.

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SIGNATURE

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