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A subsidiary corporation of the TDSB



Oct. 4, 2019

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(Public)

Management Report to the Board, September 2019

To: Robin Pilkey, Chair

This communication is to inform you that the report entitled *Management Report to the Board; September 2019* was received by the TLC Board at its meeting of September 26, 2019.

On behalf of the Board of Directors of the Toronto Lands Corporation, the report is being forwarded to the TDSB Board for information.

Sincerely,

A handwritten signature in black ink that reads 'David Crombie'. The signature is fluid and cursive, with the first name 'David' being larger and more prominent than the last name 'Crombie'.

David Crombie
Chair, TLC

cc. D. Sage, Executive Officer, TLC
cc. J. Malloy, Director of Education, TDSB
cc. C. Jackson, Associate Director, Business Operations and Service Excellence, TDSB
cc. S. Shaw, Executive Officer, Facility Services and Planning, TDSB

TORONTO LANDS CORPORATION
Management Report to the Board, September 2019

To: Chair and Members of the Toronto Lands Corporation

Date: 26 September 2019

Recommendation:

That the report, *Management Report to the Board, September 2019*, be received and forwarded to TDSB for information.

Rationale

This report provides an overview and update with regard to work in progress on each of TLC's business areas and specific project files within the TLC portfolio as directed by TDSB.

Context

TLC Real Estate Portfolio:

Under the new mandate, TLC Real Estate has reviewed the various activities surrounding property matters that impact the TDSB. The purpose has been to determine if any efficiencies, standards or financial savings could be created that would support the TDSB. Real Estate has studied the multiple projects and has taken the initiative to create new guidelines that will reduce expenditures and provide standards which will continue to protect and support TDSB.

In general, the analysis focused on real estate projects that resulted from third parties requesting the use or access short term to any TDSB asset. Public infrastructure projects, such as transit, city sewers, etc. require small non-viable portions of land of a permanent nature and consideration must be given to providing a collaborative process with other public sector agencies that does not negatively impact on the TDSB. Guidelines will be amended from time to time but be public documents that will be available for easy reference. In cases where public agencies or private individuals or organizations require TDSB property, there will now be an evaluation if TDSB can support the request, subject to Provincial agencies having expropriation rights. There will be a requirement where the organization must cover costs for legal fees, appraisals, any other reports, to ensure that these requests do not create a financial loss by the Board and, if there is a need to occupy the TDSB lands, subject to the health and safety of the students and staff. If occupation or temporary use is undertaken, a revenue stream at market value will be received to the Board.

Individual reports are provided for the current implementation of Guidelines on: (a) Developers building adjacent or in close proximity to TDSB property and, (b) Community Assess Agreements with City of Toronto for receipt of funds on external site improvements. Additional guidelines will be forthcoming. Guidelines provide for standards that increase efficiency, reduce negotiating timelines, and allow for an open transparent process to all parties.

TLC Real Estate will continue to evaluate requests surrounding TDSB properties from the private and public sector in order to bring forward opportunities that may be of value for consideration while working within the Regulatory process.

TLC Real Estate working with other public agencies are discussing and reviewing public needs on assets in each party's ownership to determine if there may be the right set of circumstances to bring forward a project for consideration to create an advantage for TDSB students and community. These projects can include potential land exchanges or redevelopment opportunities.

Specific project updates are detailed below that provide a current overview of the status or recent completion of a real estate matter.

Disposition

Greenwood Secondary School

24 Mount Joy Avenue (Danforth Avenue and Greenwood Avenue)

This disposition remains under conditional agreement of sale with the Conseil Scolaire Viamonds (CSV). In accordance with the conditions, the CSV has exercised its right to extend an existing condition to allow for Ministry of Education approval until the end of November, 2019. During this time frame, the CSV continues with due diligence activities. It is anticipated that approvals and due diligence will be positive in order to complete the sale of this transaction in early 2020 which will ensure the asset remains in the public sector.

Sir Robert Borden

200 Poplar Road (Kingston Road and Lawrence Avenue East)

A year ago, the Province requested that TLC delay the sale of Sir Robert L Borden to consider a potential community hub on the property, which resulted in an increase in operating costs for TDSB. For this reason, an agreement was reached by TLC and the Province to cover operating costs during this additional timeframe. The Province forwarded \$192,851 to TDSB as the initial payment. Recently, the Province forwarded the remaining outstanding balance of \$60,335 which now closes the matter.

TLC previously reported on a conditional offer resulting from a request for offers on the Sir Robert Borden property that did not transpire into a firm agreement. More recently, Create TO had approached TLC and advised of the City's continued interest in the Sir Robert Borden site. Through an evaluation of TDSB's interests, staffs have created an opportunity for a land exchange which is being presented by way of separate Board report recommending approval to proceed.

Expropriation

68 Davisville Avenue abutting TDSB Property at 43 Millwood Road (one block east of Yonge Street)

As previously reported, the TDSB new Davisville replacement school site (43 Millwood Road) is constrained with limited design options due to the physical size of the site, the future City Aquatic Centre and site plan requirements as dictated by the City of Toronto, who is the approval authority for site plan applications. The school site is encumbered with a right of way that provides access over the site by the adjacent property owner, 68 Davisville. 68 Davisville utilizes its right of way as a driveway to access its private parking garage at the rear of its property. During construction of the new school, the right of way would be disrupted and upon project completion, the right of way would be impacted and no longer accessible in its current form. During school construction, the TDSB also requires sub-surface access to the 68

Davisville property for the installation of tie-backs. TLC on behalf of TDSB met with the property owners to obtain approval for a change to the right of way and a temporary easement for tie-backs. The property owners were reluctant to any agreement and requested a change to the site plan in the overall design components on the school property.

As a result, TDSB staff requested Board authority to proceed with the Expropriation process. On April 17, 2019, TDSB authorized an Application to Expropriate a permanent right of way and a three year temporary sub-surface easement for the installation of tiebacks. The property owners requested a Hearing of Necessity scheduled for July 11, 2019, which they ultimately decided to cancel. As a result, TLC with legal counsel negotiated a Permission to Enter agreement on July 26, 2019 which immediately gave the TDSB access to the right of way and ability to install the tiebacks. TLC, with its' legal counsel continues to negotiate a final agreement and settlement with the property owners.

Acquisition

Former Canadian Tire Property, Block 20

50 Woodsy Park Lane (Leslie Avenue and Sheppard Avenue East)

On May 21, 2019, TLC closed the transaction enabling the TDSB to acquired Block 20, a 1.8 acre parcel, of vacant land from the City of Toronto on the terms and conditions specified in the Option Agreement. TLC has now secured ownership for TDSB providing a site for a proposed new elementary school. In the interim, the City required a small portion of the property for tie-backs, and crane swing. On closing a temporary easement was granted during the construction of the City Community Centre. As the Catholic School Board purchased the additional Option lands, all three parties (City, Catholic School Board and TDSB) executed a postponement agreement for the future use of a new playground. Without any operational schools on site, it is premature to determine how to share use of a sports field which is to be built by the City on an adjoining property.

Lower Yonge – Menkes

The TDSB will require a new school in the Lower Yonge area of the City, east of Yonge Street at the waterfront. Menkes is one of the developers that is revitalizing this portion of the City and will be constructing an entire new mixed-use redevelopment. The redevelopment will include retail, residential, and a new City park. TLC has been negotiating the terms and conditions for the potential acquisition of a strata-ownership, subject to Ministry approval, in one of the Menkes towers, which if approved, is anticipated to be constructed in 2026, and it will be conditional upon the entering of a shared-use agreement with the City on the parkland. While the Menkes tower will provide for some exclusive podium outdoor area for a school, it remains a requirement for a school to have additional outdoor area which can only be accommodated within the new City park.

Land Exchange

18 Orde Street

The TDSB school, municipally known as 18 Orde Street, a heritage property, is situated just west of University Avenue, north of Dundas Street West, in the area where a number of hospitals are located. Specifically, Mount Sinai approached the TDSB, who requested the assistance of TLC to evaluate a potential opportunity where under a new Master Plan in this vicinity (the rear of the hospital building on Murray Street) would undergo major redevelopment and TDSB could potentially be part of a land exchange that would create a new school in this block. Early stages of the preliminary discussions explored this opportunity and a heritage report was prepared as part of an initial due diligence activity. TLC advised Mount Sinai and its

partners of the regulatory process and discussions resulted in a better understanding of assets and processes involved in order to create positive situations that can be advantageous to all parties. Mount Sinai remains in the process of evaluating its long term needs, academic/research or patient delivery model which will only then determine a true Master Plan and a viable financial model for a phased plan can be formulated. Any further discussions now remain on hold indefinitely as Mount Sinai must determine its next steps in their Master Plan.

Shared-Use Agreements with City of Toronto

Over many years, the TDSB has entered into shared-use agreements with the City of Toronto for the joint use of facilities across the City. The shared-use agreements can be categorized into the following:

- a) Community Use programming delivered by City and embedded within the school
- b) City Community Centre within the school but separate entrance or wing
- c) City Community Centre in separate building on TDSB property
- d) City Community Centre and TDSB school on City Property, or a TDSB school on City property
- e) Jointly owned real estate

In the majority of cases, these agreements have expired and have been operating on an overholding basis. TLC is taking under a complete review of all these sites to understand needs, requirements and concerns of all parties and provide an accurate catalogue of the pertinent property information for easy future reference. Preliminary discussions have commenced with the City staff and it is the objective of all parties to negotiate new agreements, or master agreements that will then clearly stipulate easily understood terms and conditions that will protect the interests of parties, be fiscally responsible and deliver to the needs of the students and their surrounding communities.

Provincial Infrastructure Projects

TLC has been contacted by authorities responsible for provincial infrastructure projects across the City where there may be an impact on TDSB property. The impact could be limited to access, request for a small non-viable sliver of property, or the provincial improvement could provide an impact for consideration at school site. Real Estate will, with the support of TDSB staff, evaluate the impact on TDSB property. Real Estate now requires that the agency cover all legal costs, any reports as deemed necessary by real estate, provide a revenue for use, if any, and consider additional mitigation measures at the project expense for the health and safety of the students at the facility. Transit remains a huge potential public infrastructure activity, both at the Provincial and Municipal level and it imperative to be aware of impacts to schools and work collaboratively to mitigate potential student impacts across the City. These projects at commencement require Ministry approvals and it is at this stage that if aware of a project, TLC on behalf of TDSB has the opportunity to provide its commentary for consideration. Once a project is approved, TLC will be required to negotiate an agreement and property activity on large projects may take a considerable length of time to come to fruition.

Any site specific property requirement will be treated on an individual basis with a separate report recommending approval to proceed with an agreement.

Leasing and Partnerships:

Baycrest Public School

The sale of Baycrest Public School to TCDSB closes on September 25, 2019. TDSB will lease the building back until December 31, 2020 allowing time for renovations to be completed at Sir Sandford Fleming. In addition to the Baycrest students, the private day care operator currently located at the school is expected to relocate as well.

As this was a sale governed by Ontario Regulation 444/98 the selling price to TCDSB was agreed to be determined by three independent appraisals based on "highest and best" use whereby the final price was established as the average of the two highest of the appraisals. These appraisal reports consisted of separately contracted evaluations obtained by the two boards and a third jointly contracted report.

**Lawrence-Midland Lands:
1555 Midland Avenue & 2740 Lawrence Avenue East**

The sale of lands associated with both Bendale Technical School ("BTI") and David Mary Thompson SS are being sold to a single buyer. The closing date for the sale will occur following the occupancy of the single new replacement school. Occupancy is now being targeted for the Monday following the Thanksgiving long weekend.

The closing of BTI sale requires the demolition of the building which is expected to be completed within approximately two months following the opening of the new school.

Leasing and Partnerships:**Community Planning and Partnership Leases**

In recent months TLC has executed three new leases to Indigenous non-profit organizations opening new Early Years parenting centres in TDSB schools. The three locations are Emily Carr PS, Bala PS and the Wandering Spirit School (formerly Eastern Commerce). In accordance with TDSB Community Planning and Partnership policies, the leases provide for a maximum initial term of five years but allow TDSB to repatriate the leased premises on six months' notice in the event that enrollment or programming changes warrant this action.

Agreement has been reached with the Boys and Girls Club tenant at York Humber HS to allow the tenant to expand its stand-alone portable installation from one to three units which will now accommodate both club administration and programming activities.

Child Care Leases

In order to more efficiently process the large number of ongoing lease amendments among TDSB's large inventory of day care tenants and third party before and after school supervisory programs, TLC has asked existing tenant to register their contact information to allow electronic document delivery and signature execution. Registrations to date have proceeded quite slowly and TLC will continue to encourage participation.

Staff are now considering securing a consultant to develop a more efficient lease administration process which flows from application, to approval, to documentation to accounting, and involves the operator, the school administration, TDSB Planning, TDSB Early

Years, TDSB Purchasing, TLC, the City and TDSB Business services. Efficiencies in paper processes and application flow are essential components of resource allocation.

Land Use Planning:

City Circulation of Development Applications

The City of Toronto circulates development applications (official plan amendments (OPA), zoning by-law amendments (ZBA), site plan approvals, and draft plans of subdivision) to TLC Land Use Planning for their review and comment. TLC has responded to 115 development applications from February 1, 2019 to July 31, 2019. See also separate TLC Board Report 2019-09-790.

TLC staff have also recently introduced a new streamlined process for reviewing development applications with TDSB Planning and Strategy staff to ensure that student accommodation concerns are identified.

The review of these applications has also involved TLC staff attending public open houses and statutory public meetings, as needed, in order to represent the TDSB's interests in areas where issues related to school accommodation are anticipated, as well as where there are potential land use planning impacts on existing TDSB sites.

Review of Development Applications in Proximity to School Sites

Where developments are proposed in proximity to TDSB sites, TLC has assessed the impacts of the proposed development on TDSB operations and assets, including issues such as traffic, shadowing, setbacks, and construction management.

TLC has prepared a guideline document for reviewing development applications that are in close proximity to TDSB sites. The guideline provides a protocol for reviewing development applications to ensure a comprehensive and consistent approach, in order to protect TDSB's assets, operations, students and staff from adverse impacts of nearby development. This guideline is set out in a separate TLC Board Report 2019-09-791.

TLC continues to meet with developers and/or City staff early in the planning approval process to discuss land use planning and construction management concerns with the proposed developments.

City Initiated Planning Studies

A. General

The City of Toronto is currently undertaking over 50 planning studies in the City. TLC has conducted a preliminary review of these studies and has identified approximately 20 studies that require monitoring or active participation to ensure that the TDSB's interests are protected.

TLC has assisted in developing City-initiated Community Services and Facilities Strategies by providing information for Etobicoke Centre, North York Centre, Sherway, Eglinton/Laird, Golden Mile, the Durham-Scarborough BRT Project Study Area and the University of Toronto Secondary Plan Study Area. Details of the City studies with significant TLC involvement are provided below.

B. Golden Mile Secondary Plan

The Golden Mile Secondary Plan Study was initiated by the City with the goal of developing a vision and comprehensive planning framework in the study area to facilitate and support appropriate residential and non-residential growth while protecting and encouraging new employment and office development.

The Golden Mile Study Area is located within a commercial/industrial area of the City that was never assigned a home school. In December 2018, TLC and TDSB staff attended a school sector meeting on the Golden Mile Secondary Plan and informed the City that the TDSB requires a new elementary school in the area due to anticipated residential growth in the area.

On June 25, 2019 TLC staff attended the final community consultation meeting, where staff provided an update on the status of the study, as well as a summary of the proposed infrastructure improvements and next steps. TLC staff attended the meeting to answer any questions related to the community services and school component of the study. This meeting was attended by approximately 130 people.

TLC staff will continue to work with the City as they refine the preferred alternatives and prepare the final plan for this area, which is targeted for Fall 2019.

Laird in Focus

Launched in November 2016, the purpose of the Laird in Focus Study was to focus and shape anticipated growth around the intersection of Eglinton Avenue East and Laird Drive and along the west side of Laird Drive, anchored by the transit infrastructure being constructed as part of the Eglinton Crosstown Light Rail Transit (LRT).

The City is developing a vision and plan to guide growth and future development within the Laird Drive and Eglinton Avenue area. The Laird in Focus Planning Study will build upon previous planning studies and recent investments in the Eglinton Crosstown Light Rail Transit project to support a mixed-use and complete community.

Although the focus of the study is around transportation and built form policies, TLC and TDSB staff have been actively working with the City in the development of site and area specific policies (SASP). On July 12, 2019, the Technical Advisory Committee, which includes City staff and other public sector partners (including TLC/TDSB) met to go over the final stage of the process (Phase 4 Implementation) and to review the draft SASP.

Since then, TLC staff have provided written comments to the City to ensure the SASP address phasing of development commensurate with community facilities. TLC's main interest lies within the importance of providing adequate community services and planning for complete communities. The public release of the SASP is expected in Fall 2019.

Local Planning Appeal Tribunal Matters

A. Midtown

The Midtown area of the City of Toronto is experiencing significant residential intensification and population growth, with a large number of development applications at various stages of approval. The TDSB is facing serious challenges in accommodating students locally in the area. The TDSB is currently undertaking a Program Area Review in this area. The TDSB projects a shortage of 800 elementary pupil spaces in the Midtown Area over the long term.

On June 2019, TLC Board approved the strategy set out in report 2019-06-779.

TLC continues to work with City staff (policy, development review and legal) to discuss the TDSB's accommodation challenges in the area and strategies to align the timing of development with the provision of education facilities.

B. Port Lands

The Port Lands occupy an area of 325 hectares (800 acres) to the southeast of Downtown. The Port Lands planning framework and Official Plan Amendment (OPA) establish that this area is planned to accommodate a new mixed use community, including up to 21,000 residents, with a potential for up to an additional 10,000 residents. The TDSB has identified the need for two new elementary schools and one secondary school in the Port Lands.

The TDSB is an appellant to the Port Lands OPA. The first phase of the hearing with respect to land use planning and transportation issues is scheduled to commence August 31, 2020. It is anticipated that the City will have individual meetings with each appellant in the Fall 2019 to further discuss each appellant's issues and whether there is opportunity for mediation/settlement. In preparation of the meeting with the City, TLC staff have met with TDSB accommodation and capital facilities staff to understand the requirements for the new potential schools.

C. High Park (OPA 419/SASP 551)

Official Plan Amendment 419 (OPA 419) and Site and Area Specific Study 551 (SASP 551) is the culmination of a character area study that was undertaken as a result of increasing growth pressures generally in the apartment neighbourhood area located north of High Park, in TDSB Ward 7, and in particular, two large scale development applications that were received by the City of Toronto in December 2016. . The policies of OPA 419 are intended to provide locally based policy direction to both manage and remedy the impacts of future growth through a more comprehensive planning process, as opposed to addressing the impacts of growth on an application-by-application basis. The TDSB advised the City of the critical shortage of capacity in the local elementary schools and the inability to accommodate population growth associated with future intensification in the area. OPA 419 was appealed by the TDSB and other parties to

the LPAT. In August 2019, TLC prepared an affidavit in support of TDSB's appeal of OPA 419, as a requirement for the LPAT's case management conference to be held on November 22, 2019.

The two site-specific applications in this area have also been appealed to the LPAT by the applicants.

The TDSB is a party to those matters, which will be proceeding to a hearing in January 2020.

TDSB Site Plan Applications

TLC has provided land use planning support and advice to the TDSB Design and Construction team on a number of school site plan applications, including 17 Dennis Avenue.

TDSB Minor Variance Application

TLC is providing assistance to the TDSB with respect to a Toronto Local Appeal Body (TLAB) appeal filed by a resident with respect to a minor variance application required by the TDSB for a proposed child care addition at Kingsview Village PS. The TLAB hearing is currently scheduled for November 8, 2019. TLC is seeking an adjournment of the hearing until a date in early 2020, pending discussions with the City regarding site plan matters and child care funding.

Review of Provincial Changes

In the past several months, the Provincial government has released a number of legislative and policy changes that affect land use planning in throughout the province. TLC staff have been monitoring and reviewing these changes to identify impacts to TLC and the TDSB.

A. Bill 108

On June 6, 2019, the Province's Bill 108, the *More Homes, More Choice Act, 2019* received Royal Assent. Bill 108 amends 13 statutes, including but not limited to, the *Planning Act* and the *Local Planning Appeal Tribunal Act*, which impacts how municipal land use planning is conducted in the province.

See separate TLC Board Report 2019-09-788, which provides a summary of the changes and impacts of Bill 108 on TLC and the TDSB.

B. Minister's Modification to Toronto Secondary Plans (OPA 405/406)

On June 5, 2019, the Minister of Municipal Affairs and Housing approved, with significant modifications, two City-initiated secondary plans: the Yonge-Eglinton Official Plan Amendment 405 (OPA 405) and Downtown Official Plan Amendment 406 (OPA 406).

See separate TLC Board Report 2019-09-789, which provides a summary of the changes and impacts of the Decisions on TLC and the TDSB.

C. Provincial Policy Statement (PRS)

On July 22, 2019, the Province initiated a public review of the Provincial Policy Statement (PPS) by releasing proposed policy changes. TLC has undertaken a preliminary review of the changes and will be conducting a thorough review. If warranted, TLC will submit comments to the Province prior to the closing of their consultation on October 21, 2019.

Review of Potential Opportunities

TLC Land Use Planning is in the process of conducting a City-wide review of school and Board administration sites for potential opportunities to modernize facilities, lower deferred maintenance costs and capitalize on assets. This review takes into account student utilization, the age of the building(s), total five-year maintenance and repair renewal needs, site acreage and location. This information will be used to inform the upcoming 2019-2020 Annual Plan and has been used in discussions between TLC and City staff.

Corporate Communications:

The expansion of the TLC mandate has provided the opportunity to slowly begin the process of communicating and re-branding of TLC. There is credibility and business interest in being the exclusive real estate and land use planning subsidiary of the largest school board in Canada. To address this opportunity, TLC has begun a thoughtful and strategic communication and collaboration agenda that will, over time, position us as a significant participant in the city's real estate and land use planning future, while providing opportunities that support TDSBs creation of innovative and modern schools.

Since the beginning of 2019 the following communication initiatives have been successfully executed:

- the development and public launch of a new and progressive strategic plan, including the creation of a new corporate mission, vision and core principles
- participation in the *Future of Toronto* exhibition, a real estate and architecture showcase highlighting innovative land use planning and infrastructure projects that will change the landscape of Toronto.
- a presentation to Create TO of the potential to collaborate with them in the development of public infrastructure on public lands.
- two in depth articles in the *Globe & Mail* and *Novae Res Urbis*, an influential real estate publication that provides topical and current information on municipal issues, real estate, land use planning, development and architecture on the potential of repurposing public lands
- as a result of the two media articles, we have received invitations from the Canadian Urban Institute, Canada Mortgage and Housing Corporation and the University of Toronto to meet and discuss our new strategic direction
- a review of external and internal corporate communications strategies and opportunities

Regular Meeting
26 September 2019

TLC Board Agenda
Report # 2019-09-782

Routing

TLC Board: September 26, 2019

TDSB Board Cycle: October 2019

From

Daryl Sage, Executive Officer, Toronto Lands Corporation, at dsage.tlc@tdsb.on.ca or at 416-393-0575

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