

October 26, 2021

Transmittal No. 2021 – 123
(Public)

To: Alexander Brown, Chair, Toronto District School Board (TDSB)

This communication is to inform you of a recent decision made by the TLC Board at its meeting of October 25, 2021 with respect to the report, *Golden Mile: 1920 Eglinton Avenue East: Potential Elementary School Site*, attached herein.

The TLC Board decided that:

- 1) TDSB grant authority and direct TLC to enter into negotiations with 1920 Eglinton Avenue Holdings Ltd. to enter into a non-binding Memorandum of Understanding to secure strata, non-condominium title ownership of the podium and any other necessary and/or complementary elements of a future elementary school situated in Madison's Group new development on the lands municipally known as 1920 Eglinton Avenue East, in a form and content satisfactory to its legal counsel;
- 2) TLC report back within one year on the status of negotiations; and
- 3) This report be forwarded to TDSB Board for approval.

On behalf of the Board of Directors of the Toronto Lands Corporation, approval of the recommendation in the report, *Golden Mile: 1920 Eglinton Avenue East: Potential Elementary School Site*, is requested.

Sincerely,



Brenda Patterson
Chair, TLC

cc. D. Sage, Executive Officer, TLC

cc. C. Snider, Associate Director, Business Operations and Service Excellence, TDSB

Committee Decision Item:
Golden Mile:1920 Eglinton Avenue East: Potential Elementary School Site

To: Policy & Planning Committee
Date: 18 October 2021

Committee Action Requested: ☒ **Decision** ☐ **Discussion** ☐ **Information**

RECOMMENDATION:

It is recommended that:

- 1) TDSB grant authority and direct TLC to enter into negotiations with 1920 Eglinton Avenue Holdings Ltd. to enter into a non-binding Memorandum of Understanding to secure strata, non-condominium title ownership of the podium and any other necessary and/or complementary elements of a future elementary school situated in Madison's Group new development on the lands municipally known as 1920 Eglinton Avenue East, in a form and content satisfactory to its legal counsel;
- 2) TLC report back within one year on the status of negotiations; and
- 3) This report be forwarded to TDSB Board for approval.

BACKGROUND

The purpose of proceeding with this authority to act on an identified opportunity that meets the future accommodation needs of the TDSB while partnering with the private sector to enable the creation of a complete community that includes a new elementary public school.

Golden Mile

The Golden Mile area of the former City of Scarborough boundaries include Asthonbee Road to the north; Eglinton Avenue East is the main southerly boundary; Birchmount Road to the east; and Victoria Park Avenue to the west. As with other parts of the City, neighbourhoods are under transition for numerous reasons and as the City is the planning authority its responsibility is to review, analyze and make policies that will guide new community development for decades into the future.

With the construction of the Eglinton Crosstown LRT, the Golden Mile Secondary Plan Study was initiated in May, 2016, to set out the planning framework for the redevelopment and transformation from an auto-oriented retail and industrial area into a higher density, mixed-use, transit-supportive community. The study was to develop a long-term vision and comprehensive planning framework that would direct and guide the overall built form, appropriate residential and non-residential development, public realm, community infrastructure, transportation, to name a few of items for consideration.

City of Toronto Council adopted the Golden Mile Secondary Plan (Official Plan Amendment No. 499) as well as Urban Design Guidelines for the Golden Mile area on October 30, 2020. Since that time, the various property owners have appealed the Secondary Plan to the Ontario Land Tribunal (formerly LPAT). TLC has also appealed the Secondary Plan to protect TDSB's interests. For reference, at-

tached as Appendix A is an overall secondary site plan of the Golden Mile area with hatched lines and red dots that identify the ten major property owners in this vicinity.

The property owners are developers who, in the long term, will look to redevelop parcels with mixed-use residential, commercial and office buildings. The transit improvements on Eglinton (Metrolinx) has provided a key component to these redevelopments as Provincial planning policies now require minimum density targets around major transit stations (Golden Mile) which results in intensified land use at higher densities that take the form of multiple buildings and higher towers on smaller sites.

Therefore, large stand-alone school sites do not support the City's and Province's visions for growth and more efficient use of land. Integrating a school into a mixed-use development is an opportunity to support a complete community at the Golden Mile.

TDSB Long Term School Requirements

Through the Golden Mile Secondary Plan Study, Toronto District School Board (TDSB) staff identified the need for a new elementary school site within the Secondary Plan area to locally accommodate projected student growth. The Golden Mile Secondary Plan, adopted by City Council on October 30, 2020, also reflects the need for a new elementary school and highlights the importance of providing adequate community services (including schools) and planning for complete communities.

The TDSB advises that it supports schools in mixed-use developments (condominiums or commercial buildings) as appropriate solutions for accommodating students as a result of various Board resolutions in support of this initiative. Specifically, in 2015-2016, TDSB advises that the Long-Term Program and Accommodation Strategy has a section on Toronto's Vertical Growth that states that schools in mixed-use developments are part of the TDSB's strategy for accommodating students. In addition, the TDSB provides that the Guiding Principles for long-term planning approved by the Trustees include Principle #11 that directs staff to explore different models of school organization including schools in mixed-use developments.

School boards have no authority, under the Planning Act, to require developers to provide land for a school site. None of the lands at the Golden Mile location are currently in public ownership. Parklands and roads are conveyed to the City as part of the approved redevelopment schemes. The numerous developers in this area are all at different stages of their development proposals. As TDSB indicated the need for a school, TLC has been monitoring the activity in this area and has reached out to all the key landowners within the Golden Mile that are proposing to build a mixed-use redevelopment, with adjacency to proposed parkland. One of the most significant factors for the TDSB is the ability to enter into an exclusive use with conditions with the City for use of an adjacent park for student outdoor requirements in order to deliver a school program. In most cases, the proposed parks are situated across a public street from a new building and TLC was seeking a project whereby the park was abutting the new building. Overall, the development blocks are not large enough for a developer to be interested in selling a minimum of three acres to a school board and remain with a property that would be a viable development proposition for its organization. TLC has developed a volunteer process whereby meeting with and working with developers could provide for schools in towers. An overview is provided in Appendix B attached to this report.

Madison Group (1920 Eglinton Avenue Holdings Ltd.)

Madison Group, is a real estate development company based in Toronto and New York City. According to its web site, the organization was originally a family business and after 55 years in operation is a multi-faceted company that owns, develops and manages residential (low and high rise) and commercial properties. TLC has had previous experience with the Madison Group regarding the disposition and redevelopment of TDSB's Lawrence/Midland site.

Madison has a large number of projects at various stages of development in Toronto. Madison Group explains that their philosophical goal is to build a community for the residents. Specifically, the Madison website, states, “ Madison is dedicated to creating vibrant, integrated communities rooted in highly desirable locations that elevate the lifestyle of their residents. Developments are brought to life with innovative architecture, thoughtful design, and strategic partnerships, resulting in dynamic destinations.” From a TDSB/TLC perspective, a complete community includes a school to facilitate a place to learn, play and build community. A new school at the Golden Mile location, similar to other TDSB facilities, would be available after school hours for permits, or a shared-use agreement with the City for use of the gym, library or classrooms for on-going programming which can provide additional community benefit.

Madison’s property at the Golden Mile is identified on Appendix A. While it has not finalized and received approvals on all aspects of its development, it is very interested to partner with the TLC and provide for a school on its site.

RATIONALE

Madison’s property in the Golden Mile district is comprised of three separate properties: municipally known as 20 Ashtonbee Road (20 Ashtonbee Holdings Limited), 1920 Eglinton Avenue East (1920 Eglinton Avenue Holdings Limited) and 1940 Eglinton Avenue East, 880-900 Warden Avenue, 50 Ashtonbee Road (Warden Eglinton Developments Limited). The land holdings are highlighted in the map on Appendix A. This is a long term development scheme and the proposed location for a school would be in the 1920 Eglinton Avenue East parcel which would be constructed at least ten years in the future. It remains too early in the process and with many uncontrollable elements at such a large area in transition to provide an exact date and there is an understanding that this timeline could be extended. Therefore, it is anticipated that by the time Madison is in a position to construct this phase of the project, the Golden Mile area will have had residential redevelopments completed with students requiring a local school in this new community.

Currently, Madison, similar to other developers in the Golden Mile, has proposed an Official Plan Amendment application to create a new Site Area Specific Policy (SASP) that would guide future development on the subject site, while retaining the site’s existing *Mixed Use Areas* designation. The associated Planning Justification Report, dated February 2019, notes that development blocks created through the SASP would be “large enough to facilitate a complete community and accommodate a mix of uses, including retail, commercial, office and residential”. The precise gross floor areas for each type of use, as well as building heights, any residential unit counts, and similar details, will be finalized at a later stage in the planning process. In April 2020, Madison appealed the application to the Local Planning Appeal Tribunal (now the Ontario Land Tribunal (OLT)) as a result of the City’s failure to make a decision on the application within the statutory timeframe.

In February 2021, City Council directed City staff to oppose the development in its current form, but to continue discussions with Madison to resolve the outstanding issues. Since that time, Madison advises it has continued to meet with the City discussing details to its redevelopment project. Madison has advised the City of its interest to pursue a new elementary school in a proposed seven storey office tower with the first two floors comprised of an approximate 56,000 sq ft TDSB elementary school, with outdoor podium space, separate entrance for the students, and situated adjacent to a City park of approximately 2.6 acres in size. The main frontage of the office building/school would front onto the City park and the rear of the building would abut a new public street that could be used for pick-up and drop-off for students avoiding the Eglinton Ave street frontage. The location and amenities for the school board present the best opportunity in the Golden Mile district. The opportunity is to secure a school, through a negotiated non-binding Memorandum of Understanding (MOU) with 1920 Eglinton Avenue Holdings Ltd. (Madison Group) that would, in principle, identify the key business terms and conditions for a school to be constructed in the future building.

A few key highlights include, the TDSB would own, in strata, non-condo, the space with the requisite, easements and various agreements associated with the operation, plus a separate entrance for school use only. Any transaction will be contingent upon TDSB entering into an exclusive, with conditions, shared-use agreement with the City of Toronto, Parks Recreation and Forestry department to use a portion of the public park on all school days. The non-binding MOU would require Ministry of Education approval in principle. Should the Ministry of Education not approve the acquisition and/or construction of the new school in the future, the non-binding MOU will stipulate that the proposed space may be converted back to office use with no liability to TLC/TDSB. Timing of project, determination of market value for acquisition, construction, etc. terms would be part of the MOU.

Madison has clearly provided its intention to work collaboratively with the City in its overall project and TLC in support of the school boards needs to develop TLC's concept of building complete communities. Prior to proceeding any further, it is fair and reasonable for TLC to seek approval to enter into real estate negotiations with the Madison Group which will formalize discussions. A commitment of this nature is required to enter into the next steps of securing a school within this new community adjacent to a City park. TLC's strategy will provide for long term student accommodation and supports the modernization of TDSB's portfolio to create vibrant communities within the City.

RISK ASSESSMENT: N/A

IMPLICATIONS: N/A

COMMUNICATIONS APPROACH: N/A

APPENDICIES:

Appendix A: Overview Golden Mile Secondary Plan Sites

Appendix B: Site Reservations versus New Process for Acquisition of Property for Future Schools

ROUTING:

TLC Board: October 25, 2021

FROM:

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

Anita Cook, Director of Real Estate & Leasing, at acook.tlc@tdsb.on.ca or at 416-573-2716

Map of the Madison area showing proposed streets and parks. The map includes labels for streets such as Victoria Park Avenue, Comstock Road, Leeomy Avenue, and Ashtonbee Road. Parks shown include The Meadows, Ashgrove Reserve Park, and Madeline Park. A red dashed line outlines the proposed street layout, and a yellow line indicates the proposed road layout. A red circle highlights the intersection of Comstock Road and Leeomy Avenue. A red box labeled 'Madison' is placed over the central part of the map.



MAP 45-4 Structure Plan

- | | | | | | |
|---|--|--------------------------------|---|--------------------------|--------------------------|
| Secondary Plan Boundary | Existing Street to be Widened | Green Space | Existing Park | New Park Index | P5 Central Park N & S |
| Existing Street within the Secondary Plan Boundary to be Potentially Realigned/Reconfigured | Existing Street to be Widened / Reconfigured | Eglinton/Victoria Park Gateway | New Park | P1 West Park | P6 Hales Park |
| | Existing Street with Improved Streetscape | Transit Node | Conceptual Park Location (Place to Play B.21) | P2 Eglinton Squares Park | P7 East Park |
| | New Street | | | P3 South Park | P8 Birchmount Park N & S |
| | New Conceptual Street | | | P4 Phoenix-Eglinton Park | P9 Employment Park |
- Not to Scale



Appendix B

Site Reservations versus New Process for Acquisition of Property for Future Schools

Over the years, as the City grew and developments were approved, school boards were able to obtain a site reservation on parcels of land for a potential future acquisition of property at market value. For years, vacant land was available, and a few acres was set aside and identified by a planning policy and designation for a potential school within a specific area for future student accommodation. The site would be vacant for a specific period of time and as the area grew and student accommodation increased, the school board could then acquire the land, subject to funding, for market value.

This was the case at the former Canadian Tire site situated in close proximity to the south-west corner of Leslie Street and Sheppard Avenue East. However, the large parcels of land were already reduced in size and discussions around sharing of playground space with a City park is now a requirement. At the Canadian Tire property, the City of Toronto Planning and TDSB Planning and TCDSB had worked together to secure two school sites with options to purchase at market value well into the future. Just last year, the TDSB obtained Ministry funding approval and the vacant land was acquired by the TDSB; and the Catholic Board followed with the secondary parcel.

In specific areas of the City under transition, this process may still be viable, such as in the Portlands where TLC is working with the City of Toronto in determining a site location and requirements for a potential school years away and, in essence, securing the TDSB interest for a later date, at market value. However, a few critical changes have occurred over the years that make this planning process very difficult to sustain and other options must be considered in order to meet ongoing demands for student accommodation within the City.

Issues include:

- Large tracts, three or more acres of land, are not readily available in the City of Toronto
- Land, at a premium, is very expensive, and must be funded and approved by the Ministry
- The design and plan for City building now includes large high density towers and, in many cases, only mandatory outdoor park space
- Developers simply don't have redevelopments that include large parcels of land (2-4 acres) that can be dedicated under the planning process to be set aside for a school
- Open Market process for acquisition of property does not support mandatory Ministry of Education and school board approvals. For instance, open market process has restrictive timelines, competitive offers, terms and conditions, purchase price above estimated market value appraisal reports.

New Opportunity for Acquisition of Land for School Boards

Developers and the City realize that in order to create complete communities, a school becomes a necessity to meet the growing needs of the neighbourhood. However, with new urban designs, traditional subdivisions are being transformed with high density residential towers and green space becomes a premium for parkland for the entire community in a vertical design model. The City is unable to reserve a parcel for school board use and is unable to demand that a developer sell a portion of its assets to a school board. The only option that remains is one of collaboration between parties and the insight to develop a plan to work together to construct a school within one of the proposed new towers.

However, unlike a vacant parcel of land, a decision and agreement to include a school in the tower must be at the same time the architect is designing the building and the Developer is seeking City approvals. An agreement is required years in advance of an actual building design and still must include options for all parties to fully proceed or terminate without penalty.

TLC has already received Board approval to proceed with an agreement with the developer, Menkes, in the area of Lower Yonge area of the City, and is currently awaiting Ministry approval which is one of the conditions in the executed non-binding Memorandum of Understanding. TLC has also received authority (2020) from TLC/TDSB Boards to enter into a Memorandum of Understanding with First Capital at the former Christie (cookie factory) site to develop a school in the future. As with any real estate agreement, there remain numerous conditions that take time to come to fruition. Most important from a City of Toronto Planning perspective and the developer, the development must be able to proceed with either a school within the tower, or if this outcome is not possible, the developer will have also obtained approval to alter the use to an office/retail component. However, as TDSB has specific requirements within the design of a school, including ceiling heights (gym), TLC must ensure in negotiating a real estate agreement that there is flexibility for the protection of all parties.

Highlights of a new process:

1. TLC, Land Use Planning receives notification of a new development; or
2. Developer contacts TLC with a proposal to discuss a school integration within a proposed redevelopment;
3. TDSB confirms if there is a long term need in requiring a school within the proposed location due to future student accommodation requirements as a result of the proposed development or simply due to existing school pressures;
4. TLC meets with the Developer to determine if there is interest to proceed with incorporating a school within the tower redevelopment;
5. If the Developer is uninterested to pursue an arrangement that would include a standard school for future accommodation, there is no further real estate negotiation for a school site and TDSB must pursue other school accommodation planning within its portfolio; or
6. TLC would undertake further study and seek to create other opportunities that may include other models that may be predicated on different grade configuration (JK-3, satellite locations) versus the current standard traditional 450-550 capacity within the proposed redevelopment or in close proximity;
7. If the Developer is interested in pursuing a potential school, preliminary real estate discussions are undertaken and the developer is provided with further details on process, approvals, design requirements, playgrounds, etc.
8. TLC would then seek approval at Board to enter into authority to negotiate a non-binding agreement, conditional upon any Ministry approvals, as may be required.
9. Real Estate would negotiate, a non-binding, strata, non-condominium title acquisition
10. TLC would request final board approvals and seek Ministry approval for the transaction
11. TLC will support and request throughout the process that the developer request approval from the City of Toronto to not include the density for a new school as part of the overall approved GFA.
12. Once an MOU is executed and the process has commenced to proceed through the various conditions, real estate would also prepare a binding agreement of purchase and sale.