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File No. 076-5000

December 27, 2020

**SENT BY EMAIL (registrar@oeb.ca)**

Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Ms. Christine E. Long  
Board Secretary

**RE: EB-2020-0188 – Hydro One Networks Inc., Power Downtown Toronto  
Project - LETTER OF COMMENT**

Dear Ms. Long,

I am writing in response to the Notice of Application and Hearing received on November 25, 2020 in relation to the Power Downtown Toronto Project ("Project") Application (dated October 27, 2020) of Hydro One Networks Inc. ("HONI") to the Ontario Energy Board ("Board") (referred to below as the "Application"). As the owner of property impacted by the Project, the City of Toronto ("City") submits this Letter of Comment.

**Ontario Energy Board Notice**

The Board issued the Notice for this Project on November 17, 2020 ("Board Notice"), according to the Board website where it is posted. The Board Notice on the Board website indicates that if one wishes to be an intervenor in the hearing for this matter, the Board must receive a request by December 7, 2020. The City received notice from HONI on November 25, 2020 under cover of letter dated November 24, 2020 ("HONI Notice").

The City notes that the HONI Notice unfortunately did not actually indicate the date for receipt of requests for intervenor status as directed by the Board, which is a cause for

concern for the City as a landowner directly affected by the project plan as set out in the Application. However, the City of Toronto is submitting these comments for the consideration of the Board.

## **Summary of City Response**

As indicated in the comments below, staff with the City of Toronto and the City's real estate agency CreateTO have been engaged in discussions with HONI with respect to the Project and the additional proposal to use the City property at 75 Elizabeth Street for storage/staging purposes.

HONI is aware that the City has concerns with respect to the construction proposal (e.g. the feasibility of the mid-shaft location identified as location "B" on the attached plan) which will need to be resolved through further discussion in the context of the City's coordination and permit processes.

The City has also recently publicly identified<sup>1</sup> the property at 75 Elizabeth Street (the "City Property") for redevelopment and use for public purposes according to a timeline which will conflict with the timeline for HONI's proposed use of the City Property as currently proposed. Further discussion will be required to see if it is possible to accommodate the proposed use on agreement terms satisfactory to the City.

## **City Comments on Project**

### *HONI Request for Temporary Rights to City Property Located at 75 Elizabeth Street*

Although HONI proposes to use the City property at 75 Elizabeth Street ("City Property") as a temporary construction laydown area for the Project from 2022 to 2025 (and potentially to 2027), HONI and the City have not reached agreement on the use of the City Property for these purposes. City Council in October 2019 (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.2>) identified the City Property as a future development property under the City's ModernTO program, which is a City-wide real estate strategy to optimize its real estate portfolio planning. The City Property was specifically identified at that time as an important asset that will be repurposed to address City priorities, such as affordable housing, employment uses and community infrastructure. The City's contemplated redevelopment is also anticipated to occur commencing in late 2023. As a result, City and CreateTO staff currently have no direction to permit the City Property to be used in the manner HONI has suggested given the clear impacts on the City's own plans for the use of the property as directed by City Council. Staff would have to obtain further direction in order to depart from the current plan to utilize the City Property to address City priorities. Given the current state of discussions, the City notes that the form of agreement proposed by HONI in its Application is highly unlikely to reflect the final terms of such discussions, assuming that any agreement is possible.

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<sup>1</sup> See the attached 2019 City Council decision at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.2>

### *Location of Mid-Shaft*

In its discussions with HONI to date, the City has indicated the location of the mid-shaft (location B as indicated on the project plan included with this letter) at Sherbourne St. and Shuter St. will likely pose potential issues for the City, depending on the timing of construction, and amount and type of space required by HONI. The City notes that both Sherbourne Street and Shuter Street have a 20-metre right-of-way width. As a result, there will be limited space to provide a shaft in the space between the curb and property line. In addition, there is the potential for conflict with capital work slated to be undertaken by the City and others within the proposed timeframe. HONI and the City have therefore been engaging in discussions regarding these coordination concerns and community impacts.

### *City Coordination/Permit Requirements*

The vast majority of the proposed work for the Project is within multiple City road allowances. Although the City acknowledges HONI's reference to section 41 of the Electricity Act, HONI will be required to follow the City's coordination and permit processes in accordance with City policies and by-laws for work on City property.

HONI is well acquainted with City requirements and City staff have been engaged throughout 2020 in discussions with HONI regarding the application for the Project and the coordination of the proposed work with capital work expected to be undertaken by the City and others. Those discussions will continue in accordance with the City's established processes.

### *Public Information/Communication*

As there are likely to be public inquiries or complaints regarding the Project work, the City expects that HONI will provide the public with information on the Project and the process for directing questions and complaints to HONI. In the absence of an adequate public awareness campaign, the City anticipates it will otherwise be required to field public questions and complaints relating to the work being done by HONI.

Thank you for the opportunity to provide these comments for the consideration of the Board in its deliberations. Please contact the undersigned should you have questions or require further information.

Yours truly,



Edward Earle  
Director, Municipal Law  
Legal Services Division

c. Joanne Richardson, Director, Major Projects & Partnerships, HONI

Patrick Matozzo, Executive Director, Corporate Real Estate Management, City of Toronto  
Michael D'Andrea, Executive Director, Engineering & Construction Services, City of Toronto  
Dave Twaddle, Director, Transportation Permits & Enforcement, City of Toronto  
Peter Harron, CreateTO

COUNCIL AUTHORITY

**City Council consideration on October 29, 2019**

EX9.2	ACTION	Adopted		Ward: All
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**ModernTO - City-Wide Real Estate Strategy and Office Portfolio Optimization**

**City Council Decision**

City Council on October 29 and 30, 2019, adopted the following:

1. City Council adopt Appendix 1 to the report (September 18, 2019) from the Chief Executive Officer, CreateTO, headed "The City-wide Real Estate Portfolio Strategy", as the strategic framework to best utilize the City's real estate assets to drive better value and services for the municipality.
2. City Council direct the Chief Financial Officer and Treasurer and the Executive Director, Financial Planning, in consultation with the Deputy City Manager, Corporate Services and the Chief Executive Officer, CreateTO, to establish a consolidated list of City-wide real estate needs and financial commitments on an annual basis, including funded and unfunded City-wide real estate requirements for a 10-year period to inform long-term, strategic portfolio planning.
3. City Council direct the Deputy City Manager, Corporate Services, in consultation with the Chief Executive Officer, CreateTO, to report through the 2021 Budget Process with an appropriate funding request to develop a City-wide data and information platform for all City real estate holdings to centrally manage the City's real estate information and integrate various real estate systems, to an extent required to measure the current utilization, cost and potential of each asset and to support the delivery industry standard asset management services.

Office Portfolio Optimization

4. City Council adopt the following guidelines to facilitate the delivery of an efficient and modernized office portfolio:

a. identify the following assets as "primary office buildings" in need of long-term modernization investments to enable a more effective Toronto Public Service, serving as transit-oriented civic hubs for government administration:

1. City Hall-Metro Hall;
2. Scarborough Civic Centre;
3. North York Civic Centre; and
4. Etobicoke Civic Centre;

b. identify the following assets in the appendices to the report (September 18, 2019) from the Chief Executive Officer, CreateTO as underutilized and as opportunities to unlock value and address City needs and City building objectives, such as affordable housing, employment uses and community infrastructure:

1. 277 Victoria Street (Appendix 3a);
2. 33 Queen Street East (Appendix 3b);
3. 610 Bay Street (Appendix 3c);
4. 931 Yonge Street (Appendix 3d);
5. 1900 Yonge Street (Appendix 3e);
6. 75 Elizabeth Street (Appendix 3f);
7. 95 The Esplanade - Ground Floor (Appendix 3g); and
8. 18 Dyas Road (Appendix 3h); and

c. direct the Deputy City Manager, Corporate Services, in consultation with the Chief Executive Officer, CreateTO and the Chief Financial Officer and Treasurer to report to the

CreateTO Board and City Council in the third quarter of 2020 with a detailed business case and an execution plan, including an assessment of costs, savings/revenues and a 5-year implementation and funding plan for completing Office Optimization in primary office buildings, including a master accommodation plan for staff and recommended directions and City building opportunities for properties identified in Part 4.b. above, and that the development of such business cases be guided by the following principles:

1. consulting local Councillors, City Planning, local communities and impacted occupants regarding relocation requirements and appropriate mix of City outcomes for the properties identified as underutilized assets; and
2. develop recommendations to relocate office space occupants in underutilized assets to the "primary office buildings" or other suitable facilities, with the City acting as property manager, where appropriate, plus relocate occupants in office leases into City-owned space.
5. City Council direct the Deputy City Manager, Corporate Services, in collaboration with the Medical Officer of Health, the Board of Health, and CreateTO, to ensure that all existing and necessary harm reduction, dental and other direct client services located at 277 Victoria Street continue to be made available and readily accessible to clients, especially those in the immediate neighbourhood of 277 Victoria Street, as part of any future repurposing of the site, and that space for these services be secured in the area should the building at 277 Victoria Street be sold and repurposed.
6. City Council direct the Deputy City Manager, Corporate Services to include \$4.4 million in the 2020 Corporate Real Estate Management operating budget to be used over a 12 month period to establish a detailed implementation and funding plan, including funding for a multi-disciplinary project team, change management activities, and to conduct site due diligence and community consultations with respect to unlocked properties.

7. City Council direct the Deputy City Manager, Corporate Services to procure a workplace consultant to determine location requirements for all impacted occupants via a master accommodation plan; determine appropriate mobility ratios for City operations; establish a project schedule, timelines and sequencing of moves over a five-year period; and provide financial projections for recommended investments in physical spaces, technology, and change management activities.

**Background Information (Committee)**

(September 24, 2019) Letter from the Board of Directors of CreateTO on ModernTO - City-Wide Real Estate Strategy and Office Portfolio Optimization

<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138424.pdf>

(September 18, 2019) Report from the Chief Executive Officer, CreateTO on ModernTO - City-Wide Real Estate Strategy and Office Portfolio Optimization

<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138426.pdf>

Appendix 1 - City-Wide Real Estate Portfolio Strategy

<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138427.pdf>

Appendix 2 - City-Wide Office Locations and Map (Owned and Leased)

<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138445.pdf>

Appendix 3 - PS Sketches - Underutilized Real Estate Assets

<http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-138446.pdf>

**Motions (City Council)**

*Motion to Adopt Item (Carried)*

**Vote** (Adopt Item)

Oct-29-2019 4:30 PM

<b>Result: Carried</b>	Majority Required - EX9.2 adopt the item
Yes: 24	Paul Ainslie, Ana Bailão, Brad Bradford, Shelley Carroll, Mike Colle, Gary Crawford, Joe Cressy, John Filion, Michael Ford, Mark Grimes, Stephen Holyday, Jim Karygiannis, Cynthia Lai, Mike Layton, Josh Matlow, Jennifer McKelvie, Denzil Minnan-Wong, Frances Nunziata (Chair), James Pasternak, Gord Perks, Anthony Perruzza, Michael Thompson, John Tory, Kristyn Wong-Tam



No: 0	
Absent: 2	Paula Fletcher, Jaye Robinson

# PROJECT PLAN

