

Sale of Strata Ownership at 259 Victoria Street

Date:	February 13 th , 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 27 – Toronto Centre-Rosedale
Reference Number:	P:\2008\InternalServices\F&RE\Gm08021 – F&re (AFS 7021)

SUMMARY

The purpose of this report is to obtain authority to report directly to City Council on the discussions being undertaken by City Staff for the potential sale of the City's interest in advertising signage on the Olympic Spirit Tower ("Media Tower").

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Government Management Committee authorize staff to continue discussions with Rogers Communications Inc. ("Rogers") or the corporate entity Rogers and report directly to Council on the results of the terms of any proposed sale transaction.

Financial Impact

There are no financial implications related to the recommendation in this report.

DECISION HISTORY

The Torch Project is part of the City initiative known as the Yonge Dundas Redevelopment Project. The Torch Project involves two components, a commercial building on the freehold interest in the Torch Project at 259 Victoria Street, and a Media Tower, which the City owns, built in airspace above the building. The City consented to the sale of the commercial building and to the assignment of the Media Tower lease to Rogers.

ISSUE BACKGROUND

The City in developing the Yonge Dundas Square ("Square") incorporated third party advertising into the development concept allowing for signage around the Square. The

City retained its interest at 259 Victoria Street when the Torch Project was built with the intent that the Media Tower would act as a focal point or landmark for the Yonge Dundas Redevelopment Project as its easterly boundary.

The City was to participate in a portion of net revenue generated from the signage rights at this location, but to date, due to the capital and operating costs of the project no revenues have resulted from this lease.

Staff is in the process of discussing the potential sale of the City's interest.

COMMENTS

As a result in the consent to the sale of the commercial building to Rogers, City staff has been approached by a representative acting on behalf of Rogers to negotiate a sale of the leasehold interest in order for Rogers to complete construction of their media centre. It is urgent that Rogers begin construction of their media centre by spring of 2008 in order to accommodate staff from their other locations to 259 Victoria Street. This building will house Omni, City TV and the Fan 590, all Rogers affiliated companies.

As a part of the renovations to the building Rogers intends to redesign the Media Tower and have provided staff with a preliminary concept as depicted in Appendix "A".

Staff require time to complete the City's real estate disposal process. As of the writing of this report, the steps necessary to comply with the City's real estate disposal process, as set out in Chapter 213 of the City of Toronto Municipal Code, have not been complied with. However, by the date of consideration by Council, the necessary steps would have been complied with.

Staff require time to conclude discussions with Rogers and in the event that staff are successful, terms and conditions to be included in an Agreement of Purchase will be presented to Council at that time.

CONTACT

Joe Casali
Director of Real Estate Services
Tel: (416) 392-7202
jcasali@toronto.ca

Chuck Donohue, P.Eng
Executive Director, Facilities & Real
(416) 397-5151
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Attachment "A" – Rogers Proposed Exterior Rendering