



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Staff Review of Waterfront Toronto's Proposed Sale of City Lands for Waterfront Revitalization - Parkside

Date:	October 21, 2009
To:	Executive Committee
From:	Deputy City Manager Richard Butts
Wards:	28
Reason for Confidential Information:	This report involves the security of property belonging to the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2009\ClusterB\wf\cc09008

SUMMARY

The Toronto Waterfront Revitalization Corporation (WT), as Council's designated revitalization lead in East Bayfront (EBF), has endorsed the sale of certain WT and City-owned lands included in the development parcel known as Parkside to Great Gulf (Downtown Properties) Ltd. (GGH), subject to the approval of Toronto City Council.

Parkside is the area bounded by Lower Sherbourne St., Queens Quay East, Bonnycastle St. and Lake Shore Boulevard East (see Figure 1). The district will house Sherbourne Park (north) and the lands subject to this transaction identified as Parts 1 to 4 on Figure 1. The City lands proposed to be conveyed in fee simple are Parts 1 and 2. Together the City lands represent approximately 40% (0.41 acres) of the 0.97 acre development site. The remaining 0.56 acres, shown as Part 4 on Figure 1, are in WT's ownership and will also be conveyed to GGH in fee simple. Part 3 represents a future widening block of Queens Quay East and will remain in the City's ownership. However, until such time as this parcel is dedicated as public highway, GGH will be granted an easement for access purposes.

This report provides the results of City staff's review of WT's proposal and seeks authorization to enter into a sale transaction, together with WT as vendors, with GGH, the major terms of which are contained in Attachment 2. GGH is proposing a mixed-use development consisting of approximately 540,000 sq. ft. of residential, retail, child care and commercial/office uses. In accordance with the governance structure for Waterfront Toronto, previously approved by Council, all funds from the sale will be reinvested by WT in waterfront revitalization.

Terms relating to the construction and development of the site are set out in a Development Agreement between WT, as revitalization lead with responsibility for the overall coordination of waterfront projects and infrastructure, and GGH, as future owner and builder of the development. The major terms of the Development Agreement are summarized in Attachment 3. Although the City is not a party to this agreement, many of the waterfront revitalization aspirations to be delivered by WT are secured through this agreement and addressed in this staff report.

As of the writing of this report, WT advises that it has in its possession, both the executed Agreement of Purchase of Sale (APS) and Development Agreement. This signals that the negotiation has been successfully completed and all terms have been finalized by WT and GGH, subject to Toronto City Council approval. Once executed by the City, GGH will commence its design and approval process.

RECOMMENDATIONS

It is recommended that:

- (1) Council grant authority for the City, as vendor of the City-owned lands shown as Parts 1 and 2 on Figure 1, together with WT, as vendor of the WT-owned lands shown as Part 4 on Figure 1, to enter into an Agreement of Purchase and Sale (APS) with GGH, as purchaser, for:
 - a. the sale of the City-owned lands shown as Part 1 on Figure 1;
 - b. the sale of portions of Bonnycastle Street and Lake Shore Boulevard East shown as Part 2 on Figure 1 subject to Council authorizing the permanent closure of said portions of the public highways;
 - c. an access easement in favour of GGH over the City-owned lands fronting onto Queens Quay East shown as Part 3 on Figure 1 until such time as the easement lands are dedicated as public highway; and
 - d. all other ancillary agreements including any licence, encroachment, easement, closing agreement, or other agreement, contemplated under the APS;

(collectively, the “Sale Transaction”) substantially on the terms and conditions set out in Attachment 2, together with such other terms and conditions as may be deemed appropriate by the Deputy City Manager whose responsibilities include Waterfront Revitalization in consultation with the Chief Corporate Officer and in a form satisfactory to the City Solicitor, subject to Part 2. of this Report.

- (2) Prior to the City entering into the APS, the following matters be completed or provided for to the satisfaction of the Deputy City Manager whose responsibilities include Waterfront Revitalization, in consultation with the City Solicitor and other City officials as appropriate:
- a. Council shall have authorized the permanent closure of the public highway lands shown as Part 2 on Figure 1, or in the alternative, the General Manager of Parks, Forestry and Recreation shall have settled the major terms and conditions for an encroachment by GGH of that part of Sherbourne Park being not greater than one metre along the western boundary of Parts 1 and 4 on Figure 1 for the purposes of below grade parking;
 - b. WT and GGH having entered into the Development Agreement and WT shall have provided the City with an undertaking that WT will circulate all amendments to the Development Agreement and associated agreements to the City for input on all matters which materially affect the City’s interest as vendor;
 - c. WT shall have provided an undertaking to the City that funds received from GGH under the Sale Transaction in accordance with Part 3 shall be used for re-investment in the revitalization of the waterfront in accordance with Policy and Finance Committee Report 9, Clause 1, headed “Governance Structure for Toronto Waterfront Revitalization” adopted by Council at its meeting of November 30, December 1 and 2, 2004;
 - d. WT shall have provided an undertaking to the City to pay, on behalf of the City, all costs and expenses payable or incurred by the City under the Sale Transaction, including purchase price adjustments, interest charges, costs of surveys and reference plans, registration and closing costs and out of pocket expenses pertaining to highway closings;
 - e. WT shall have provided an undertaking to the City to take the lead in the management of the APS on behalf of both WT and the City as vendors under the APS, including monitoring the performance of GGH under the APS and consulting with the Deputy City Manager whose responsibilities include Waterfront Revitalization, in consultation with the City Solicitor and other City officials as appropriate; and

- f. WT shall have provided confirmation to the City that it has completed a satisfactory due diligence review of GGH and its ability to complete its obligations under the Sale Transaction.
- (3) Council grant authority for the City to direct GGH to pay all deposits, the balance of the purchase price and all other amounts payable to the City under the Sale Transaction to WT;
 - (4) Council direct the Waterfront Project Director that the following amounts shall be recognized as part of the City's overall contribution to waterfront renewal, and be reported by WT in its quarterly funding reports submitted to the three orders of government as part of the Waterfront Renewal Accounting Protocol:
 - a. the City's proportionate share of the purchase price under the APS based on the City's land contribution of Parts 1 and 2 on Figure 1 as compared to WT's land contribution of Part 4 on Figure 1;
 - b. any other amounts payable by GGH to the City for any ancillary agreements under the Sale Transaction;
 - c. the value of the parkland contribution as would apply to the development parcels, being Parts 1 to 4 on Figure 1; and
 - d. the value of the affordable housing and infrastructure contribution as would apply to the development parcels, being Parts 1 to 4 on Figure 1.
 - (5) Council deem the values attributed to the parkland dedication as provided for in this transaction to satisfy all parkland dedication requirements for this development;
 - (6) Council authorize the Deputy City Manager whose responsibilities include Waterfront Revitalization, in consultation with the Chief Corporate Officer and City Solicitor, to have executed the APS, including any amendments in relation to the agreement not materially inconsistent with the major terms and conditions described in Attachment 2 to this report as approved by Council;
 - (7) If the APS is not finalized and executed by December 31, 2010, the Deputy City Manager whose responsibilities include Waterfront Revitalization, be directed to report back to the Executive Committee with a recommended course of action;
 - (8) Council grant authority for the Chief Corporate Officer, his successor/designate, in consultation with the Waterfront Project Director, to provide any consents, approvals, waivers, and notices under the APS provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.

- (9) Subject to Part 10. of this Report, and with the written consent of WT, the City consent to GGH acting as the City's agent as owner of the City lands described in Part 1. of this Report to sign any planning or development applications and agreements in furtherance of the development and construction of the City-owned lands provided the APS has been executed and all requirements and obligations of GGH therein are in good standing; or alternatively, that the City itself execute such documentation solely in its capacity as owner of the lands, on terms satisfactory to the Deputy City Manager whose responsibilities include Waterfront Revitalization, and in form satisfactory to the City Solicitor;
- (10) All actions described in this report shall be taken by or on behalf of the City in its capacity as land owner and not in its capacity as a planning authority under the *Planning Act*, the *City of Toronto Act, 2006*, or otherwise and such actions are not intended to and do not fetter the City's planning and municipal rights and responsibilities;
- (11) City consent to WT acting as the City's agent as owner of the City lands described in Part 1. of this Report to sign any planning and development, infrastructure, servicing or any other applications and agreements including agreements with Toronto Hydro, Enbridge Gas or any third party utility provider, required for the development of the lands or alternatively that the City itself execute such documentation solely in its capacity as land owner, provided WT agrees to assume all obligations including costs and liabilities under such documentation and subject to such other terms satisfactory to the Deputy Manager whose responsibilities include Waterfront Revitalization, and in form satisfactory to the City Solicitor;
- (12) The Chief Corporate Officer and the Deputy City Manager whose responsibilities include Waterfront Revitalization, be authorized severally to execute and deliver all such documentation described in Parts 9. and 11. of this Report, on behalf of the City;
- (13) City Council authorize the public release of the confidential information in Attachment 4 upon the completion of the development of the publicly-owned lands in EBF as determined by the Deputy City Manager whose responsibilities include Waterfront Revitalization;
- (14) The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The sale of the subject lands will not result in a direct financial impact on the City. In accordance with Policy and Finance Committee Report 9, Clause 1, headed "Governance Structure for Toronto Waterfront Revitalization" adopted by Council at its meeting of November 30, December 1 and 2, 2004, the revenues derived from the sale of City lands in the Designated Waterfront Area (DWA) are to be reinvested in the revitalization of the waterfront through WT.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In September 2005, Council approved a report entitled "Implementation of a New Governance Structure for Toronto Waterfront Renewal." The report confirmed that effective control of public lands in the waterfront was to be provided to the TWRC (now WT) on an incremental basis, following detailed business and implementation plans. The report also directed that Memorandum of Understanding's (MOU's) be developed between government partners and their respective agencies to, amongst other matters, designate WT as the revitalization lead subject to certain conditions.

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050928/pof8rpt/agendain.pdf>

In January/February 2006, Council authorized the City to enter into a City/WT/TEDCO MOU covering lands then owned by TEDCO in the EBF and Port Lands. The MOU defined the requirements for the detailed business and implementation plans prior to providing WT with effective control of City or TEDCO-owned lands in the DWA. In addition, the MOU addressed a Public Land Management Protocol which provided direction on how land disposition is to be treated. Section 5.2 of the MOU indicates that the general intention is that freehold title be transferred for residential purposes, ground leasehold title where lands are to be transferred for commercial purposes and either fee simple or ground leasehold interest if lands are to be transferred for mixed uses, depending on the circumstances.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060131/pof1rpt/agendain.pdf>

In July 2006, Council approved WT's Business and Implementation Plan for EBF. Components of the Business and Implementation Plan were a financial model; employment strategy; cultural and animation strategy; ground floor retail strategy and project schedules. In addition to aggressive employment targets for EBF, the Plan built on the EBF Precinct Plan target of 2 million sq. ft. of residential development on publicly-owned land in this precinct together with the provision of critical hard and soft infrastructure. Two daycares were part of the funding plan as well as recreational facilities and affordable housing. As required by the City/WT/TEDCO MOU, the business plan was also required to indicate whether transfers of TEDCO Lands are to be freehold or ground leasehold in nature. The business plan was prepared on the basis that

residential transfers in EBF will be outright sales in the form of fee simple title and non-residential development will be on the basis of long-term leases.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/agendain.pdf>

In accordance with the City's Real Estate Disposal By-law, No. 814-2007, the City-owned lands shown as Parts 1, 2 and 3 on Figure 1 were declared surplus on October 19, 2009 (DAF Nos. 2009-048 and 2009-049), with the intended manner of disposal to be the sale of Part 1, the sale of Part 2 conditional upon Council approving the permanent closure of the public highway, and the granting of an access easement over Part 3 until it is declared public highway. As of the writing of this report, not all of 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 been complied with as notice of the proposed dispositions has not been given. However, by the date of consideration of this report by Council, the required public notice will have been given.

ISSUE BACKGROUND

The Parkside development block consists of lands owned by the City (former site of the 'Town and Country' restaurant property and adjacent rail spur) and lands acquired by WT in 2007 (the former Chas Abel property). Part of WT's rationale for acquiring the property was to ensure the orderly and timely development of Sherbourne Park (north) and to provide for a marketable quality development parcel when joined with the City's ownership.

A severance to separate the Parkside development lands from the future Sherbourne Park (north) lands was granted Committee of Adjustment approval in September 2008. The future Sherbourne Park (north) lands are made up of the City's ownership being Part 6 on Figure 1 and WT's ownership, being Part 5 on Figure 1. Construction of the park is currently underway. Once completed to the satisfaction of the City, WT will transfer Part 5 to the City.

Parkside is the first site in the EBF to be brought to market by WT through a competitive developer proposal call process. The process was launched with the issuance of a Request for Qualifications in March 2008. A Request for Proposals ("RFP") was subsequently issued to a short-list of potential purchasers in July 2008. A Steering Committee set up to oversee the developer proposal call process, and which included the Director of the City's Waterfront Secretariat as a member, conducted the evaluation of the RFP submissions in October 2008. GGH was selected as the preferred proponent.

The WT Board of Directors has endorsed the GGH proposal. Execution copies of the proposed APS and Development Agreement were provided by WT to the Waterfront Secretariat for City staff review. A staff team comprised of Waterfront Secretariat, Legal, Real Estate, Finance, City Planning and Parks, Forestry and Recreation staff have contributed to the preparation of this staff report.

COMMENTS

Proposal

The selection of the GGH submission was based on the high standard of design, sustainability and creativity of its proposal coupled with financial considerations. On the design side, GGH has retained architect Moshe Safdie Ltd. to lead this process.

Although still in the inception stage, GGH's proposal presented by WT includes a retail component at grade reflecting the anticipated pedestrian traffic generated by Sherbourne Park and a revitalized Queens Quay East, a 6-8 storey podium and a 120 m residential tower at the north end of the site, all in accordance with the approved zoning for the site. A child care facility will also be situated on the ground floor while the podium has been designed to accommodate either residential or commercial use. Staff are advised the proponent has indicated a desire to develop the podium space as commercial and has been pursuing opportunities to do so. The commercial component would be welcomed by WT and the City, consistent with the objective of creating significant employment space in EBF, but was not a condition of the RFP and was not included as a firm condition of the development proposal.

Proposed Transaction

The transaction contemplated for the Parkside development lands involves the transfer of fee simple interest in the property on an 'as is where is' basis consistent with previous decisions of Council to provide for outright sale in the form of fee simple title for residential projects in EBF.

The structure of the deal includes an APS between the City and WT as vendors and GGH as the purchaser, and a Development Agreement between WT as Master Developer and GGH as Development Partner. Due to ongoing negotiations by WT with other proponents for other properties in EBF, most notably Bayside, WT has requested that certain the details of the transaction, namely purchase price and closing date, remain confidential.

The bulk of the developer's obligations reside in the Development Agreement between GGH and WT (see Attachment 3) and includes commitments such as LEED Gold, design excellence and the provision of a child care centre. In addition, the Development Agreement contains specific obligations of the two parties, milestone dates and approval rights required by WT as a condition of GGH being granted the opportunity to develop this site. Some of the obligations which are of particular interest to the City together with City staff commentary are highlighted below.

Sustainability

To reflect the sustainability objectives of WT and the City, the Development Agreement includes mandatory Green Building requirements. Under the Development Agreement, the Parkside project, through GGH, is required to meet or exceed WT's green building standards which include a minimum LEED Gold certification level. Moreover, the City's Green Development Standards must be satisfied.

Social Infrastructure

The Parkside development, through GGH, is required to make the following contributions to the social infrastructure of the EBF precinct:

- The construction to 'base building' standards, of a facility to accommodate 72 child care spaces in accordance with City and Provincial standards for child care centres. WT will complete the furnishing of the child care centre and assist in the identification of an operator. Preliminary discussion has taken place with George Brown College as a potential operator;
- At least 6% of the residential units within the Parkside development will be Low-End-of-Market as defined in the Central Waterfront Secondary Plan;
- At least 5% of the residential units within the Parkside development will have three (or more) bedrooms suitable for families.

This latter requirement reflects a new policy direction currently under review by the City for the remainder of the downtown core.

Satisfying Section 37 Requirements

In addition to GGH's requirements under the Development Agreement, WT is assuming a number of obligations as part of the lifting of the Holding (H) provision on this site and satisfying Section 37 of the Planning Act requirements. In terms of affordable housing, prior to the lifting of the Hold (H) provision on the subject site, and elsewhere in EBF where residential development is proposed, WT will enter into an EBF Affordable Housing Agreement with the City, modelled on a similar agreement recently executed between the City, WT and the Province in the West Don Lands. In accordance with the EBF zoning bylaw, WT will be required to commit to land for the provision of affordable rental housing equivalent to 20% of all residential units it delivers in EBF including the units in the Parkside development, on other lands it owns in the EBF or for which WT has effective control.

In addition to the sustainability and affordability requirements noted above, WT also is assuming responsibility in the Development Agreement for satisfying the zoning by-law infrastructure requirement which otherwise allows a credit to a landowner for infrastructure the landowner undertakes. Finally, WT will assume responsibility for meeting the public art requirements applying to this site.

The purchase price reflects the added obligations assumed by WT under the Development Agreement. This is covered in more detail in the confidential attachment.

Parkland Dedication

Similar to the infrastructure contribution noted above, WT assumes the parkland dedication obligation in the Development Agreement. WT's parkland dedication obligation for the development site will be satisfied through the future transfer of Part 5 to the City for parkland purposes (as part of Sherbourne Park which is currently under construction) and through funds reflected in the purchase price. These funds shall be reinvested by WT for parkland development and/or acquisition in accordance with WT's governance structure and pursuant to Section 42 of the Planning Act. The future transfer of Part 5 is in accordance with the Council-endorsed East Bayfront Precinct Plan and East Bayfront Business and Implementation Plan.

Planning Considerations and Other City Approvals

The GGH development, like all other waterfront developments, will be subject to regular City regulatory process including Site Plan Control approval. As of this date, GGH has not launched into a fulsome design process. However, through the Development Agreement GGH agrees to abide by the parameters of the EBF Zoning By-law. GGH will also be subject to periodic reviews of its design by WT's Design Review Panel.

In order to create the full Parkside development block, WT has initiated the process to stop up and close a one metre wide strip of Bonnycastle Street along the east boundary of the development block together with a portion of Lake Shore Boulevard East. This reduction in the width of Bonnycastle was contemplated in the East Bayfront Master Plan Class EA. The extra width in the Parkside site will allow for the construction of an efficient underground parking garage. A report to stop up and close these portions of Bonnycastle Street and Lake Shore Boulevard East is targeted for the November 10, 2009 Toronto and East York Community Council agenda and will be before Council for consideration on November 30, 2009 together with this report. If Council does not approve the permanent closure of these portions of Bonnycastle Street and Lake Shore Boulevard East to provide the 1 m strip, GGH requires a one metre encroachment into the adjacent Sherbourne Park for its proposed development. This is a less preferred option; however, the recommendations do provide for this possibility should the highway closures not be realized.

CONCLUSION

The proposed transaction represents the culmination of an 18-month process which has actively and competitively engaged the private sector and achieves the objectives set out by WT, notwithstanding changes in the marketplace over the past year. As the first residential development attracted to EBF by WT, the GGH transaction has provided the first opportunity for the City and WT to define respective roles and implement waterfront revitalization objectives with regard to a market development. Together with Corus Entertainment Ltd. and George Brown College, the commitment of GGH to invest in EBF signals a high level of confidence in realizing WT, the City's and the other government partners' aspirations for EBF.

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SIGNATURE

Richard Butts
Deputy City Manager

ATTACHMENTS

Attachment 1 - Parkside Ownership Map (Figure 1)
Attachment 2 - Major Terms of the Agreement of Purchase and Sale
Attachment 3 – Major Terms of the Development Agreement
Attachment 4 - Confidential Information

Attachment 1 Parkside Ownership Map

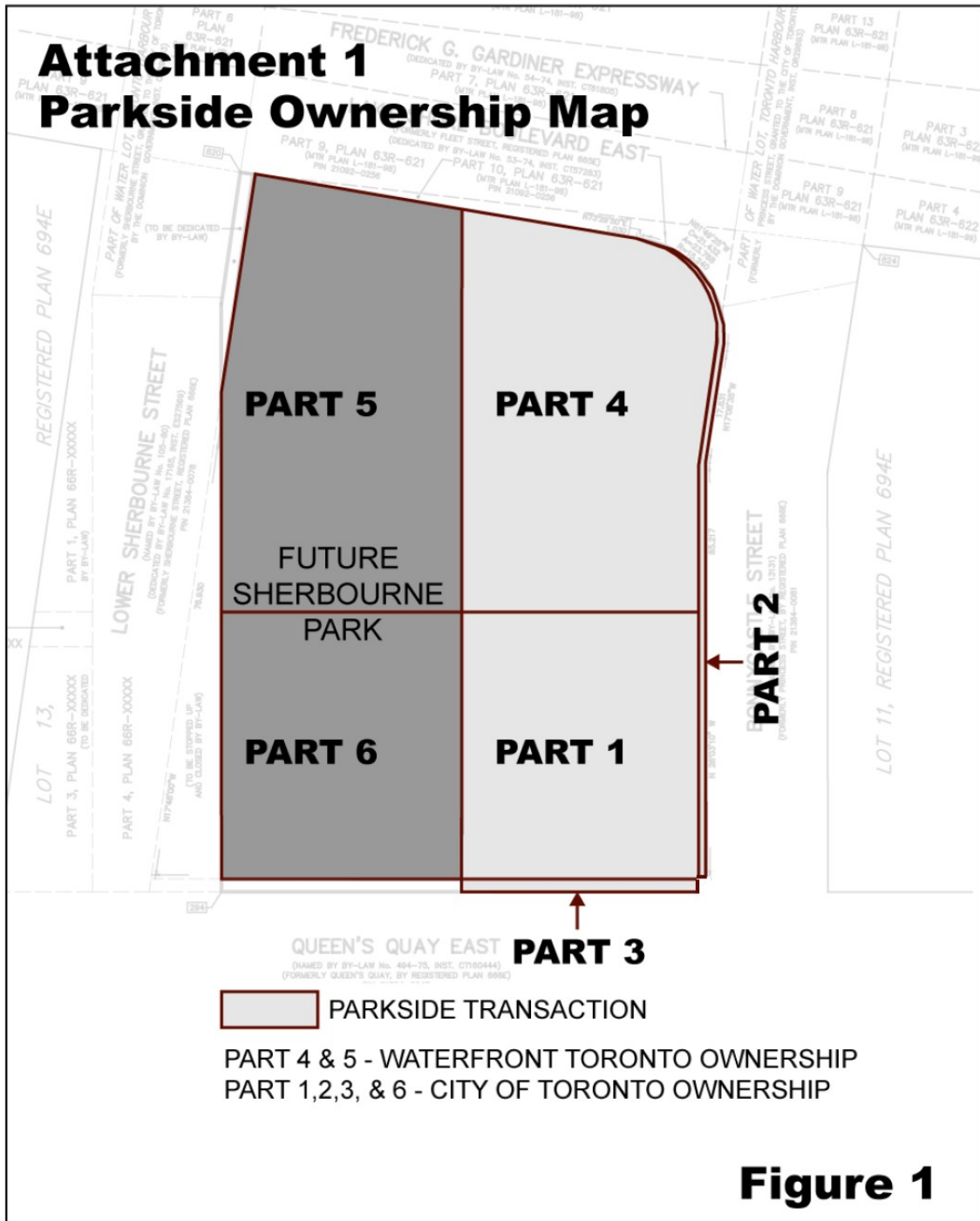


Figure 1

Attachment 2

MAJOR TERMS: AGREEMENT OF PURCHASE AND SALE PARKSIDE SITE

Parties:	City of Toronto (the "City") and Toronto Waterfront Revitalization Corporation ("WT") as Vendors and Great Gulf (Downtown Properties) Ltd. ("GGH") as Purchaser
Property:	<p>Parts of PINs 21384-0081, 21092-0256, 21384-0006, 21384-0079 and 21384-0080 being Parts 1, 2 and 4 on the attached plan (Parts 1 and 2 being owned by the City and Part 4 being owned by WT) together with an easement to access Queens Quay East across Part 3 (the "Property")</p> <p>(Part 2 is part of Bonnycastle Road and part of Lakeshore Blvd., Part 1 and 3 are part of the former "Town and Country" restaurant site and Part 4 part of the former Chas. Abel property)</p>
Purchase Price and Deposits:	As described in the Confidential Attachment to this Report
Closing Date:	As described in the Confidential Attachment to this Report
Current Status of Property:	Vacant Building and Land
Vendors' Conditions:	<ul style="list-style-type: none"> - Purchaser's representations and warranties remaining true and accurate - Purchaser entering into the Development Agreement within 30 days and other Closing documents on Closing - Purchaser complying with all the terms of the Agreement of Purchase and Sale and the Development Agreement - Purchaser providing evidence that construction financing will be available
Purchaser's Conditions:	- Vendors' representations and warranties remaining true and accurate

	<ul style="list-style-type: none"> - Vendor entering into Closing documents on Closing - Vendor complying with all the terms of the Agreement of Purchase and Sale - zoning as currently in place and outstanding appeal dismissed - title to Property being good and marketable subject only to Permitted Encumbrances (which are in good standing) - either (1) passage of Highway Closing By-law allowing transfer of the lands resulting from the narrowing of Bonnycastle and Lakeshore (Part 2) or (2) Encroachment agreement allowing encroachment of underground parking structure on the Property under Sherbourne Park by one metre.
"As is"/ Environmental:	The Purchaser will accept the Property "as is" in its present condition, including soil conditions, and acknowledges that the Vendors make no representations with respect to the condition of the Property, subject to Vendors arranging demolition of existing building. Vendors remain liable for hazardous materials emanating from the Property to neighbouring properties prior to Closing
Vendors' Covenants:	<ul style="list-style-type: none"> - commence procedures to pass Highway Closing Bylaw - provide evidence of compliance with Permitted Encumbrances - give notice of any further Permitted Encumbrances - consent, solely in the capacity of land owner, to minor variance, site plan control and other applications by Purchaser prior to Closing provided they are consistent with the Development Agreement and Vendors are indemnified
Purchaser's Covenants:	<ul style="list-style-type: none"> - comply with all Permitted Encumbrances after Closing

	<ul style="list-style-type: none"> - execute the Development Agreement with WT within 30 days - indemnify the Vendors against claims arising out of the Purchaser's negligence or default - accept title to the Highway Property subject to easements to existing utilities, if any - pay cost of registering the Highway Closing Bylaw
Assignment:	<p>Purchaser may assign the Agreement of Purchase and Sale (which includes a change of control) only with the consent of the Vendors which consent may be unreasonably withheld.</p> <p>Any profit on assignment must be paid to the Vendors.</p> <p>Purchasers will enter into restriction on transfer and repurchase agreement to prevent transfer.</p>
Interim Period:	<p>Vendors will provide a licence to Purchaser to access the Property to survey, inspect and erect signage required for City processes and, subject to the Development Agreement, for marketing. The Vendors will co-operate with the Purchaser to facilitate the opening of a sales office at or near the Property.</p>
Ancillary Agreements:	<p>Vendors will provide various ancillary agreements and documents including the license agreement, possible encroachment agreement for underground encroachment into Sherbourne Park, repurchase agreement, easements and usual closing documents.</p>

Attachment 3

MAJOR TERMS: DEVELOPMENT AGREEMENT PARKSIDE SITE

Parties:	Toronto Waterfront Revitalization Corporation ("WT") and Great Gulf (Downtown Properties) Ltd. ("GGH")
WT Development Obligations:	Prepare a file a pre-submission form with the Ministry of the Environment in respect of the Property and Sherbourne Park
	<p>Section 37 Agreement and Planning Act:</p> <ul style="list-style-type: none"> - ensure that affordable rental housing requirements are satisfied from other lands in East Bayfront - satisfy local infrastructure requirements - satisfy parkland dedication requirements - satisfy transit obligations - satisfy public art requirements by way of a comprehensive public art strategy for the East Bayfront and with the use of funds provided by GGH
	Servicing to the Property limits sufficient for building permit
	Design and construct the public realm in accordance with the Precinct Plan
	Complete Sherbourne Park by the later of December 31, 2010 or the Marketing Start Date
	Use reasonable commercial efforts to have the light rail transit tracks on Queens Quay East constructed and operational or ensure that bus service is provided on Queens Quay East by December 31, 2012
Developer Partner Development Obligations:	<p>Undertake and complete the Proposed Development as described in the Description by the Milestone Dates including:</p> <ul style="list-style-type: none"> - apply for site plan approval within one year after the Marketing Start Date

	- apply for a building permit within two years after the Marketing Start Date
	Adhere to mandatory Green Building Requirements achieving a minimum of LEED ® Gold certification
	Assume environmental risk management for the Property
	Enter into a Section 37 agreement and pay all required fees and development charges
	Do not propose changes in zoning other than minor variances
	Ensure that not less than 6% of residential units created meet the requirements for Low-End-of-Market Housing
	Ensure that not less than 5% of residential units created meet the definition of Family Units
	Provide a day care facility space for 72 children finished to base building standards
	Enter into an energy services agreement for district energy services
	Subscribe to district broadband service
	Submit for approval by Waterfront Toronto all material changes, all planning submissions, any minor variance applications and condominium marketing materials. Participate in public consultations
Marketing Start Target Date:	No later than two years after execution of Development Agreement. If market conditions are deemed to be unfavourable and WT is satisfied that GG is working in good faith to advance the Proposed Development, WT may consent to one or more 1-year extensions of the Marketing Start Date, up to an aggregate of three years of extension.