

## **Sony Centre – Conveyance of Additional Strata Area**

<b>Date:</b>	September 10, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 28 – Toronto Centre-Rosedale
<b>Reference Number:</b>	P:\2009\Internal Services\F&re\Gm09073F&re – (AFS 10491)

### **SUMMARY**

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This report recommends an amendment to the Umbrella Agreement reached between the City and the Board of Directors of the Sony Centre for the Performing Arts (“Board”) and Castlepoint Realty Partners Limited (“Castlepoint”), now Ferncastle (Front Street ) Inc. (“Ferncastle”) for the redevelopment of the Sony Centre (“SC”) site located at 1 Front Street East. The amendment is with respect to the conveyance of an additional area underneath the footprint of the proposed condominium tower.

### **RECOMMENDATIONS**

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#### **The Chief Corporate Officer recommends that:**

1. City Council approve an amendment to the Umbrella Agreement to include in the sale of a strata portion of the Sony Centre site to Ferncastle, an additional area, shown as Part 11 on Sketch No. 2009-088, subject to the City reserving an easement for the right of support.
2. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

#### **Financial Impact**

There will be no value enhancement or detracting of property interests to either the City or Ferncastle as a result of this transaction. Therefore, there will be no financial impact arising from the conveyance of the additional strata area.

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

## **DECISION HISTORY**

At its meeting of September 28, 29 and 30, 2005, Council considered Clause No. 1 of Report No. 8 of the Policy and Finance Committee regarding the updated Business Plan for the SC and the detailed redevelopment proposal from Castlepoint and declared surplus a portion of the SC site with the intended manner of disposal to be by way of a sale and/or lease to Castlepoint.

Council directed that the City and the Board of Directors of the SC pursue the Board's preferred Business Plan option, which contemplated the sale of a portion of the SC site for a proposed condominium tower and potentially a long-term lease to Castlepoint of the City Centre space for commercial uses.

At its meeting of July 25, 26 and 27, 2006, Council adopted Clause 59 of Report No. 6 of the Policy and Finance Committee, which outlined the terms reached on an Umbrella Agreement with Castlepoint. Included in the terms of the Umbrella Agreement was the sale of (approximately) Parts 2, 3, 5 and 7 on Sketch No. PS-2006-058.

At its meeting of March 3, 4 and 5, 2008, Council adopted Item EX17.6 of the Executive Committee, which contemplated the sale of additional strata area on the seventh and eight floors of the podium structure, instead of the SC using these floors for a banqueting facility.

At its meeting of October 29 and 30, 2008, Council adopted Item EX24.4 of the Executive Committee authorizing amendments to the Umbrella Agreement, so that instead of the City Centre space or commercial space, a public plaza is constructed at the base of the proposed condominium tower, and that the additional residential density available be sold to Castlepoint at a price of at least \$50.00 per square foot.

At its meeting on August 5 and 6, 2009, Council adopted Item EX33.46 of the Executive Committee regarding the approval of further amendments to the Umbrella Agreement.

## **ISSUE BACKGROUND**

Upon review of the draft strata reference plan as prepared by Ferncastle's surveyor, it has come to the attention of City staff a discrepancy showing the strata area underneath the footprint of the condominium tower, shown as Part 11 on Sketch No. PS-2009-088, as being included in the conveyance to Ferncastle. In accordance with Clause 59 of Report No. 6 of the Policy and Finance Committee as adopted by Council in July 2006, Part 11 is to be retained by the City, with an easement interest to be granted to Ferncastle for right of support for the proposed tower.

Under the Restated and Amended Umbrella Agreement, Parts 1 to 13 on Sheet 1 of Sketch No. PS-2009-088 shows the area that is the subject of this transaction. Sheet 2 of the Sketch is a detailed cross-section of “B-B”, which shows Parts 2, 3, 6, 7, 9, 10, 12 & 13 as City-owned and Parts 1, 4, 5, 8 and 11 are condo ownership. Part 11 is the subject of this report. Sketch No. PS-2009-088 reflects the reference plan as provided by Ferncastle.

Discussions have taken place between Ferncastle and City staff regarding the discrepancy on the draft reference plan and it was determined that there is no reason for the City to retain ownership of Part 11. Therefore, Part 11 should be conveyed to Ferncastle, subject to the City retaining an easement for right of support.

## **COMMENTS**

The proposed amendment to the Restated and Amended Umbrella Agreement to include the conveyance of the additional area to Ferncastle will not result in any value changes of property interests between the parties.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P.Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix A – Sketch No. PS-2009-088