



**STAFF REPORT
INFORMATION ONLY**

Update on Sony Centre Redevelopment – 1 Front Street East

Date:	December 14, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 28 – Toronto Centre - Rosedale
Reference Number:	P:\2010\Internal Services\F&re\Gm10006F&re - (AFS – 11110)

SUMMARY

As requested by City Council at its meeting held on September 30 and October 1, 2009, this report is to provide an update on the status of the proposed redevelopment of the Sony Centre for the Performing Arts (“SC”) site located at 1 Front Street East.

Financial Impact

There are no financial implications as a result of this report.

However, the Sony Centre Redevelopment requires the developer commitments to be honoured.

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

DECISION HISTORY

City Council, at its meeting on September 30 and October 1, 2009, adopted Item GM24.42 of the Government Management Committee, which authorized the conveyance of an additional area underneath the footprint of the proposed condominium tower on the Sony Centre redevelopment site to Ferncastle (Front Street) Inc. (the “Developer”) and revised the unconditional closing date of August 14, 2009 to a date which is no later than the fifth business day following the date of City Council approval. City Council also requested the Chief Corporate Officer to submit an update to the January, 2010 meeting of the Government Management Committee on the status of this project.

COMMENTS

The transaction between the City and the Developer closed on October 8, 2009. The total proceeds of \$24,963,540.00 received from the sale of part of the site was deposited into an account set up as Sony Centre Facility Fee Reserve Fund. On closing, a first mortgage in the amount of \$4.5 million in favour of the City was registered on the lands sold, to secure the remaining sum of \$2.5 million for the East Side Solution payment, \$1.0 million for the public plaza contribution and \$1.0 million for substantial completion of the condominium tower. The first mortgage requires payment of interest at eight (8%) percent per annum, from and after October 25, 2009, and is to be replaced by October 31, 2009 with a Letter of Credit in the amount of \$4.5 million. The Developer has advised that it cannot replace the first mortgage with a Letter of Credit, until the end of February 2010. Staff are following up with the Developer, as to the reasons for the delay.

City Planning staff advises that the Developer has submitted revised plans on November 20, 2009 for the condominium tower. The proposal currently under site plan review consists of 10 bachelor, 394 one-bedroom, 176 two-bedroom and 5 three-bedroom totalling 585 residential units. The proposed total gross floor area is 56,078 square metres which comprises 46,788 square metres for residential units and 9,290 square metres for the retained original theatre.

The revised plans are currently under technical circulation. Comments are due back on January 5, 2010. If all matters have been addressed by the Developer in their current re-submission then Community Planning may be in a position to issue their 'Notice of Approval Conditions' on the revised site plan. The City would enter into a Site Plan Agreement with the Developer once it has complied with the approval conditions.

CONTACT

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

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

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Sketch and Site Map