



## STAFF REPORT ACTION REQUIRED

### SUPPLEMENTARY REPORT - Acquisition and Partial Disposition of 250 Manning Avenue

<b>Date:</b>	March 1, 2010
<b>To:</b>	Government Management Committee
<b>From:</b>	President, Toronto Parking Authority
<b>Wards:</b>	Ward 19 – Trinity – Spadina
<b>Reference Number:</b>	TPA File No. 1249-00

#### SUMMARY

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In a report to Government Management Committee dated February 24<sup>th</sup>, 2010, the Toronto Parking Authority (the “TPA”) requested City Council to approve in principle the sale of the northern portion of the Property at 250 Manning Avenue, being the Development Lands declared surplus to the City's needs, for fair market value, provided that the TPA submits a supplementary report identifying the Purchaser and key business terms of the proposed sale.

Since the size of the Property exceeds TPA’s requirements, the TPA issued a Request for Proposals (“RFP”) in order to sell the northern portion of the Property (the “Development Lands”). This supplementary report seeks Council approval of the proposed sale to the successful bidder, Protolog Developments Ltd. (“Protolog”), and is in support of the previous TPA report seeking approval of both the acquisition and partial disposition of 250 Manning Avenue.

#### RECOMMENDATIONS

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**The Toronto Parking Authority recommends that:**

1. City Council approve the proposed sale by the TPA to Protolog Developments Ltd. relating to the northern portion of the Property, being the Development Lands declared surplus to the City's needs, for \$5.368 million;
2. The City Solicitor be authorized to complete the purchase and sale transactions, deliver any notices, pay any expenses and amend the closing and other dates to such earlier or later date(s), on such terms and conditions, as she may, from time to time, determine; and

3. The appropriate City Officials be authorized to take the actions necessary to give effect thereto.

## **FINANCIAL IMPACT**

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In order to mitigate against the financial risk of acquiring the entire subject Property, the TPA issued an RFP for the sale of the Development Lands, and as a result has entered into a conditional Purchase and Sale Agreement (“PSA”) with the successful proponent, Protolog Developments Ltd. (“Protolog”). The PSA requires Protolog to waive all their conditions prior to the TPA waiving its conditions with TCDSB. The proceeds from the Development Lands sales transaction will be a recovery against the TPA’s total acquisition cost of the Property.

We have retained the services of an independent appraisal firm to determine the fair market value ("FMV") for the Property. According to the appraisal report, the TPA purchase price for the Property and the sale price achieved for the Development Lands are considered fair, reasonable and reflective of fair market value.

Upon completion of the acquisition of the Property, the sale of the Development Lands, and the construction of the new parking facility on the Retained Lands, the total net development cost to the TPA of creating this added parking is estimated to range from \$1.6 million to \$1.8 million.

## **DECISION HISTORY**

At its meeting of February 16<sup>th</sup>, 2010 (Minute #10-020), the TPA Board of Directors approved the PSA with TCDSB for the acquisition of the Property subject to securing a sale at FMV of the Development Lands through an RFP process.

At its meeting of March 11<sup>th</sup>, 2010, the TPA Board of Directors will be asked to approve a sales transaction between the TPA and Protolog involving the northern portion of the Property, i.e. the Development Lands.

## **ISSUE BACKGROUND**

As noted in the previous report, the TPA has a conditional agreement to purchase the entire property at 250 Manning from the Toronto Catholic District School Board, but the site is larger than the TPA requires. The northerly portion of the site is being declared surplus to the City's requirements, and the TPA has marketed these Development Lands for sale through an RFP. The TPA and Protolog have negotiated the terms and conditions of a Purchase and Sale Agreement which are summarized in this report.

## **COMMENTS**

### **Summary of Purchase and Sale Agreement – Development Lands**

Summarized below are the basic terms and conditions of the PSA for the Development Lands:

1. Purchaser – Protolog Developments Ltd.;

2. Vendor – Toronto Parking Authority;
3. Sale Price – \$5.368 million;
4. Deposits – \$500,000 was received which becomes non-refundable upon the Purchaser waiving its conditions, provided that the purchase from TCDSB closes;
5. Purchaser's Conditions – Protolog has until April 6<sup>th</sup>, 2010 to waive all of its conditions;
6. Vendor's Conditions – The PSA contains several conditions in favour of the TPA including obtaining TPA Board of Directors and City Council approval of the business terms of this transaction;
7. Purchaser's Proposed Development and Acknowledgement – The Purchaser has to submit design concept drawings of what it proposes to construct on the Development Lands before the Condition Date. The Purchaser has acknowledged and agreed that nothing contained in the PSA shall in any manner limit or restrict the normal exercise of discretion by the various municipal departments and officials or fetter the discretion of City Council in any way, including the consideration of the Purchaser's development application; and
8. Reciprocal Cost Sharing and Easement Agreement – Once the development details of both parcels become clearer, it may be necessary for the City to grant and/or receive an easement with the Purchaser and related rights in favour of each party in order to allow for the appropriate operation and access between the Retained Lands and the Development Lands and to provide for the sharing of maintenance responsibilities and costs. (If it becomes necessary for the City to grant an easement, the affected lands must first be declared surplus to the City's needs in accordance with City procedures.)

## **Purchaser's Corporate Profile**

Protolog Developments Ltd. is owned by Urban Capital Property Group; a Toronto based residential development and real estate advisory service company with more than 3,500 condominium units developed or under development in Toronto, Ottawa and Montreal. Some of Urban Capital's more notable projects in Toronto include:

- River City in the West Don Lands neighbourhood  
*A five building community of over 900 loft-style condominiums and townhouses together with street-level restaurants, cafes and boutiques;*
- Boutique Condominiums at 126 Simcoe Street in downtown Toronto  
*A two-phase, 637 unit development combining condominium features and boutique hotel-style amenities;*
- St. Andrew on the Green at 9 Burnhamthorpe Crescent in Etobicoke  
*A nine storey 106 suite terraced building overlooking the Islington Golf Club;*
- Charlotte Lofts at 36 Charlotte Street in the King-Spadina District  
*A 66 unit loft-style building urban infill development;*

- Camden Lofts at 29 Camden Street in the King-Spadina District  
*A seven storey 48 unit loft-style building; one of the first built in the area; and*
- The Sylvia at 50 Camden Street in the King-Spadina District  
*A 54 unit loft-style building urban infill development.*

In Montreal and Ottawa, Urban Capital Property Group developments have included:

- Central at 453 Bank Street in Ottawa  
*A 233 unit LEED Silver mixed use building, with retail stores and “loft houses” at the ground level, and residential units above surrounding a forested central courtyard;*
- Mondrian Art In Sky at 318 Laurier Avenue in Ottawa  
*A 245 unit development with condominiums, two-storey penthouse atop a five storey public parking podium with retail at ground level;*
- East Market in the Byward Market District in Ottawa  
*A three phase, 420 unit condominium development; and*
- McGill Ouest at 630 William Street in Montreal  
*A two phase, 244 unit condominium development.*

## CONCLUSION

The proposed sale is to an experienced developer with a good reputation, and the sale price is reflective of fair market value. The creation of this parking facility will provide additional parking for this area to better service the parking needs of the community at an appropriate cost and IRR to the TPA, and for these reasons, the TPA recommends both the acquisition and partial disposition of 250 Manning as described in our two reports.

## CONTACT

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## SIGNATURE

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Gwyn Thomas, President

## ATTACHEMENT

Survey of the Site Illustrating The Property